B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Sterling Holiday Resorts Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling Holiday Resorts Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Board's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account

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

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer Notes 43 and 45 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Notes 8 and 28 to the financial statements. The Company does not have derivative contracts.

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 20217042AAAABE3629
Place: Chennai
Date: June 17, 2020

Annexure A to the Independent Auditor's Report to the members of Sterling Holiday Resorts Limited For the year ended March 31, 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sterling Holiday Resorts Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to this programme, certain fixed assets were verified during the year and discrepancies noticed were properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 are held in the name of the Company, except for the assets mentioned in Note 45 to the financial statements.

(ii) The inventory has been physically verified by the management during the year. The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, the frequency of verification is reasonable. The discrepancies noted on verification between physical stock and book records were not material and have been properly dealt with in the books of accounts.

(iii) According to the information and explanation given to us, the Company has granted loans to three companies listed in the register maintained under Section 189 of the Act.

a) In our opinion, the rate of interest and other terms and conditions on which the loans were granted were not, prima facie, prejudicial to the interest of the Company.
b) There was no schedule of repayment of principal and payment of interest stipulated. We do not comment on the regularity of repayment of principal and payment of interest in such cases where there were no stipulated terms.
c) We do not comment on the amount overdue as there are no stipulated terms of repayment of principal and payment of interest.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of the loans and investments made and guarantees and security provided it.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the rules framed thereunder to the extent notified. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities of the Company and accordingly paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of an examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities, though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise.

Annexure A to the Independent Auditor's Report to the members of Sterling Holiday Resorts Limited For the year ended March 31, 2020

The extent of the arrears of statutory dues outstanding as at March 31, 2020 for a period of more than six months from the date they became payable is as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Due Date	Date of Payment
The Income Tax Act, 1961	Fringe benefit tax	72.94	Assessment Years 2006-07 and 2009-10	March 31, 2006 and March 31, 2009 respectively	Yet to be paid

(b) According to the information and explanations given to us, there were no dues of duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute. The particulars of dues of service tax, value added tax, income tax and luxury tax as at March 31, 2020 which have not been deposited on account of dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	527.03*	Assessment Year 2005-06 to 2006-07	Central Excise and Service tax Appellate Tribunal
Tamil Nadu VAT Act, 2006	Value Added Tax	37.60	Assessment Year 2013-14	Madurai Bench of Madras High Court
The Income Tax Act, 1961	Income tax	2,333.26	Assessment Year 2015-16	The Commissioner of Income Tax (Appeals), Mumbai
The Income Tax Act, 1961	Income tax	6,436.04	Assessment Year 2017-18	The Commissioner of Income Tax (Appeals), Mumbai
The Income Tax Act, 1961	Income tax	694.34	Assessment Years 2001-02 and 2006-07	The Commissioner of Income Tax (Appeals), Mumbai
Tamil Nadu Luxury Tax Act	Luxury tax	685.62	Assessment Years 1998-1999 to 2005-06	Madras High Court
Himachal Pradesh Luxury Tax Act	Luxury tax	77.64*	Assessment Years 1999-00 to 2004-05	The Commissioner, Shimla
Kerala Luxury Tax Act	Luxury tax	876.33*	Assessment Years 2012-13 to 2015-16	Kerala High Court
Kerala Luxury Tax Act	Luxury tax	4.49*	Assessment Years 2012-13 & 2013-14	Deputy Commissioner
Kerala Luxury Tax Act	Luxury tax	6.20	Assessment Year 2016-17 & 2017-18	Deputy Commissioner

*Net of amounts deposited under protest.

Name of the Statute	**Nature of dues**	**Amount (Rs. In lakhs)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Tamil Nadu Luxury tax Act	Luxury tax	137.33	Assessment Years 2010-11 to 2014-15	Deputy Commissioner
Andhra Pradesh GST Act	Goods and Services Tax	66.10	Assessment Years 2017-18 to 2019-20	The Asst. Commissioner, State Taxes
Himachal Pradesh GST Act	Goods and Services Tax	113.28	Assessment Years 2017-28 & 2018-19	The Asst Commissioner, State Taxes & Excise

*Net of amounts deposited under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company did not have any loan or borrowing outstanding to the government or debenture holders during the year.

(ix) The Company did not raise any money by initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 20217042AAAABE3629
Place: Chennai
Date: June 17, 2020

Annexure B to the Independent Auditor's report on the financial statements of Sterling Holiday Resorts Limited for the year ended March 31, 2020

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

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls with reference to financial statements of Sterling Holiday Resorts Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 20217042AAAABE3629
Place: Chennai
Date: June 17, 2020

Sterling Holiday Resorts Limited
Balance Sheet as at March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	86,588.18	91,273.84
Capital work-in-progress	4	703.21	569.19
Other intangible assets	5	1,067.11	1,323.81
Intangible assets under development	6	60.05	37.67
Right of use assets	52	12,327.21	-
Financial assets			
i. Investments	7(a)	2,256.63	2,257.58
ii. Trade receivables	8(a)	584.88	1,255.92
iii. Other financial assets	10	1,227.31	1,329.21
Other tax assets	11	1,310.31	1,159.58
Other non-current assets	12	8,952.17	7,679.52
Total non-current assets		**115,077.06**	**106,886.33**
Current assets			
Inventories	13	90.93	75.61
Financial assets			
i. Investments	7(b)	321.60	312.26
ii. Trade receivables	8(b)	9,572.41	8,813.79
iii. Cash and cash equivalents	14	833.00	232.82
iv. Bank balances other than (iii) above	15	39.26	71.40
v. Loans	9	2,929.22	2,461.23
vi. Other financial assets	10	479.98	286.62
Other current assets	16	1,466.10	1,253.15
Total current assets		**15,732.50**	**13,506.88**
Total assets		**130,809.56**	**120,393.20**
Equity and liabilities			
Equity			
Equity share capital	17	2,905.00	2,905.00
Other equity			
Reserves and surplus	18	(22,974.09)	(18,841.11)
Other reserves	19	45,331.40	44,709.61
Total equity		**25,262.31**	**28,773.50**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	20(a)	1,960.69	2,606.13
ii. Other financial liabilities	21(a)	8.27	18.87
iii. Lease liability	52	7,187.17	-
Provisions			
i. Provision for employee benefit obligations	22	315.46	308.79
Deferred tax liabilities	23	-	-
Other non-current liabilities	24	78,150.00	73,376.35
Total non-current liabilities		**87,621.59**	**76,310.14**
Current liabilities			
Financial liabilities			
i. Borrowings	20(b)	2,459.36	1,770.53
ii. Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	44.04	52.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	2,817.84	2,818.13
iii. Other financial liabilities	21(b)	1,218.68	1,764.89
iv. Lease liability	52	2,421.31	-
Provisions			
i. Provision for employee benefit obligations	22	279.71	252.21
ii. Other provisions	26	2,212.13	2,212.13
Other current liabilities	27	6,472.59	6,439.44
Total current liabilities		**17,925.66**	**15,309.56**
Total liabilities		**105,547.25**	**91,619.70**
Total equity and liabilities		**130,809.56**	**120,393.20**

Significant accounting policies 1-3

The accompanying notes are an integral part of these financial statements

As per our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No. 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN U63040TN1989PLC114064)

Ramesh Ramanathan
Managing Director
DIN No. 00174550

R. Anand
Director
DIN No.: 00243485

Gaurav Kapoor
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: June 5, 2020

Sterling Holiday Resorts Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	28	23,206.11	22,473.05
Other income	29	2,158.72	1,429.59
Total income		**25,364.83**	**23,902.64**
Expenses			
Cost of materials consumed	30	1,295.00	1,370.66
Employee benefits expense	31	11,225.68	11,166.02
Finance costs	32	1,374.65	658.75
Depreciation and amortisation expense	33	4,668.59	2,433.66
Other expenses	34	10,704.78	13,659.80
Total expenses		**29,268.70**	**29,288.89**
Loss before tax		**(3,903.87)**	**(5,386.25)**
Income tax expense	35		
Current tax		-	-
Deferred tax		(261.71)	3,022.86
Loss for the year		**(4,165.58)**	**(2,363.39)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefit obligations		32.60	(4.70)
Revaluation gain relating to property, plant and equipment (Refer Note 53)		-	46,860.49
Income tax effect on revaluation of property, plant & equipment		261.71	(3,022.86)
Other comprehensive income for the year, net of income tax		**294.31**	**43,832.93**
Total comprehensive income for the year		**(3,871.27)**	**41,469.54**
Earnings per share (Face value of Rs. 10 each)			
Basic and anti-diluted earnings per share (in Rs.)	54	(14.34)	(8.14)

Significant accounting policies 1.3

The accompanying notes are an integral part of these financial statements

As per our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Managing Director
DIN No.: 00174550

R. Anand
Director
DIN No.: 00243485

Gaurav Bhat
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: June 5, 2020

Sterling Holiday Resorts Limited
Statement of changes in equity for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2018		2,905.00
Changes in equity share capital during the year	17	-
Balance as at March 31, 2019		**2,905.00**
Changes in equity share capital during the year	17	-
Balance as at March 31, 2020		**2,905.00**

II) Other equity

		Reserves and surplus			Other reserves			
	Notes	Securities premium	General reserve	Retained earnings	ESOP reserve	Equity instruments through OCI	Revaluation reserve	Total
Balance as at April 1, 2018		**32,057.94**	**4.70**	**(18,545.44)**	**674.35**	**269.72**	-	**14,461.27**
Loss for the year	18	-	-	(2,363.39)	-	-	-	**(2,363.39)**
Stock compensation expense	50	-	-	-	197.63	-	-	**197.63**
Adoption of Ind AS 115	18	-	-	(30,259.94)	-	-	-	**(30,259.94)**
Other comprehensive income	19	-	-	265.02	-	(269.72)	43,837.63	**43,832.93**
Balance as at March 31, 2019		**32,057.94**	**4.70**	**(50,903.75)**	**871.98**	-	**43,837.63**	**25,868.50**
Loss for the year	18	-	-	(4,165.58)	-	-	-	**(4,165.58)**
Stock compensation expense	50	-	-	-	360.08	-	-	**360.08**
Other comprehensive income	19	-	-	32.60	-	-	261.71	**294.31**
Balance as at March 31, 2020		**32,057.94**	**4.70**	**(55,036.73)**	**1,232.06**	-	**44,099.34**	**22,357.31**

Significant accounting policies 1.3

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

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No : 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Managing Director
DIN No.: 00174550

R. Anand
Director
DIN No.: 00243485

Gaurav Kant
Chief Financial Officer

M. Balasubramaniyan

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: June 5, 2020

Sterling Holiday Resorts Limited
Cash flow statement for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
Cash flow from operating activities			
Loss before tax		(3,903.87)	(5,386.25)
Adjustments for:			
Depreciation and amortisation	33	4,668.59	2,433.66
Finance costs	32	1,374.65	658.75
Interest income	29	(336.89)	(282.66)
Profit on sale of assets	29	-	(10.08)
Employee share based payments	50	360.08	197.63
Gain on sale of investments (net)	29	(1.66)	(27.50)
Change in fair value of financials assets at fair value through profit or loss	29	(8.40)	(22.72)
Gain on modification of debt	29	-	-
Liabilities no longer required written back	29	(149.22)	(4.82)
Provision for doubtful advances	34	5.34	1.84
Provision for bad and doubtful debts	34	21.57	52.93
Working capital adjustments:			
(Increase)/Decrease in trade receivables		(109.15)	6,807.71
(Increase)/Decrease in inventories		(15.32)	15.99
(Increase)/Decrease in other financial assets		(249.23)	98.89
Increase in other assets		(1,775.18)	(476.92)
Increase/(Decrease) in trade payables		140.74	(181.02)
Increase/(Decrease) in other liabilities		4,799.61	(1,494.29)
Increase in employee benefit obligations		66.77	46.29
Increase/(Decrease) in other financial liabilities		(84.01)	16.01
Cash generated from operations		**4,804.42**	**2,443.46**
Income tax paid		(150.73)	(289.39)
Net cash generated from operating activities		**4,653.69**	**2,154.07**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(970.08)	(2,252.23)
Loans to subsidiaries (net)	9	(449.93)	(249.41)
Investment in fixed deposits		32.14	(23.08)
Proceeds from sale of assets		12.48	16.37
Proceeds from sale of investments		711.66	2,275.26
Investment in mutual funds		(710.00)	-
Interest received		347.40	167.73
Net cash used in investing activities		**(1,026.33)**	**(65.35)**
Cash flows from financing activities			
Interest paid		(453.94)	(572.37)
Repayment of borrowings		(925.59)	(1,395.42)
Proceeds from issue of optionally convertible preference shares		-	30.30
Payment on lease liability		(2,353.25)	-
Proceeds from vehicle loan obtained during the year		16.77	-
Net cash used in financing activities		**(3,716.01)**	**(1,937.49)**
Net increase (decrease) in cash and cash equivalents		(88.65)	151.22
Cash and cash equivalents at the beginning of the year		(537.71)	(688.93)
Cash and cash equivalents at end of the year	14	**(626.36)**	**(537.71)**
Reconciliation of cash and cash equivalents as per cash flow statement			
Cash and cash equivalents as per the above comprises of the following:			
Cash and cash equivalents		833.00	232.82
Bank overdrafts		(1,459.36)	(770.53)
Balances as per statement of cash flows	14	**(626.36)**	**(537.71)**
Significant accounting policies	1.3		

The accompanying notes are an integral part of these financial statements

As per our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Managing Director
DIN No : 00174550

R. Anand
Director
DIN No : 00243485

Gaurav Kant
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: June 5, 2020

Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2020

1.1. Reporting entity

Sterling Holiday Resorts Limited (the "Company") is engaged in selling Membership including Leisure Hospitality Services (Time Share and Resort business). The Company is a subsidiary of Thomas Cook (India) Limited and the ultimate holding company is Fairfax Financial Holdings Limited, Canada.

1.2. Basis of preparation

1.2.1. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 05, 2020

Basis of measurement

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

- certain financial assets and liabilities are measured at fair value (Refer Note 36);
- defined benefit plans — plan assets measured at fair value (Refer Note 22);
- share-based payments (Refer Note 31 and 50); and
- free-hold and leasehold land measured at fair value (Refer Note 3 and 51).

1.2.2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker.

The Chairman-Managing Director (CMD) of the Company has been identified as the chief operating decision maker of Sterling Holiday Resorts Limited who assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 40 for segment information presented.

1.2.3. Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.2.4. Foreign currency transaction

a) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs.) which is the Company's functional and presentation currency.

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1.2. Basis of preparation (contd.)

1.2.4. Foreign currency transaction (contd.)

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

1.3. Significant accounting policies

1.3.1. Revenue recognition

The Company's business is to sell membership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis. The Company had adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients). The effect of initially applying this standard was recognised at the date of initial application (i.e. April 1, 2018) and included in retained earnings as on April 1, 2018.

Under Ind AS 115, an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognising revenues when or as the performance obligations are satisfied.

a) Revenue from membership fees

In respect of sale of membership, the Company determines the transaction price and allocates the same to each performance obligation in the membership contract based on their respective fair values. Revenue from membership fee is recognised over the effective membership period as the performance obligation is fulfilled over the tenure of membership applicable to the respective member. The revenue to be recognised in future periods is classified as deferred income under the head 'other non-current'/ 'other current liabilities'. Revenue from offers and other benefits given to the customer is recognised as and when such benefits are provided to customers.

Till financial year 2017-18, under Ind AS 18 Revenue, in respect of sale of membership, 60% of the product value, being admission fee was recognised as income in the year of sale. This is non-refundable after a limited period as per the terms and conditions agreed with the customer. The remaining 40%, being entitlement fee, which entitles the vacation ownership member for the specified facilities over the membership usage period, was recognised as income equally over the period of entitlement. In respect of all other vacation ownership products prior to November 2011, 45% of the product value, being admission fee was recognised as income in the year of sale. This was non-refundable after a limited period as per the terms and conditions agreed with the customer. The remaining 55%, being Advance Subscription towards Customer Facilities (ASCF), which entitles the vacation ownership member for the specified facilities over the membership usage period, was recognised as income equally over the period of entitlement. The balance of entitlement fee and ASCF as at the year-end was classified as deferred income under the head other non-current/other current liabilities.

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1.3. Significant accounting policies (contd.)

1.3.1. Revenue recognition (contd.)

b) Revenue from annual subscription fees

Income in respect of annual subscription fee or annual amenity charges dues from members is recognised only when it is reasonably certain that the ultimate collection will be made. Where the length of time between rendering services and collection of consideration from the customers is more than one year, the Company adjusts the consideration for time value of money.

c) Interest income on membership plans

Interest is recognised as income based on the terms of the contracts entered into with the members if they are reasonably certain to be recovered from the customers.

Provision for cancellation of membership contracts is recognised based on the Company's cancellation policy and historical trends and experience.

d) Incremental costs of obtaining and fulfilling a contract

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard, the Company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(i) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(ii) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(iii) The costs are expected to be recovered.

The above costs to obtain and fulfill a contract are amortised over the effective membership period.

e) Revenue from resorts

Income from resorts comprising of sale of food and beverages, room rentals and other services are recognised when these are sold and as services are rendered.

f) Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company renders services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration has received consideration, or for which an amount of consideration is due from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

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1.3. Significant accounting policies (contd.)

1.3.2. Income taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

1.3.3. Leases

The Company adopted Ind AS 116, Leases with effect from April 1, 2019. This standard replaces the earlier standard Ind AS 17. Ind AS 116 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the earlier standard – i.e., lessors continue to classify leases as finance or operating leases.

The Company has adopted Ind AS 116 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application (April 1, 2019). Accordingly, the information presented for the for the year ended March 31, 2019 has not been restated – i.e. it is presented, as previously reported, under Ind AS 17. The Company has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Further, the Company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

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1.3. Significant accounting policies (contd.)

1.3.3. Leases (contd.)

The Company has used the following practical expedients permitted under Ind AS 116:

(a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

(b) The accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

(c) Not to separate non-lease components from lease components where information is not clearly evident and instead account for each lease component and any associated non-lease components as a single lease component.

(d) Not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17.

The Company had adopted the revaluation model for measurement of land (including leasehold land) as per Ind AS 16 Property, plant and equipment. Consequently, the Company has elected to apply the same revaluation model to all of the right-of-use assets related to leasehold land. Refer note 52 on detailed impact of adopting Ind AS 116.

1.3.4. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.3.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.3.6. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment / cancellation.

1.3.7. Inventories

Inventories comprising of provisions, perishables, beverages and operating supplies are stated at lower of cost and net realisable value. Cost is determined using the first-in-first out (FIFO) method. The cost comprises of purchase price, non-refundable taxes and delivery handling cost incurred in bringing the inventories to their present location and condition. 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. Inventories are written down for slow moving/ non-moving items, wherever necessary.

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets

a) Classification:

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

(a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

(b) Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement:

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

Debt instruments:

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

i. Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. Fair value through other comprehensive income (FVOCI):

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

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets (contd.)

iii. Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all equity investments other than investment in subsidiaries and associates, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Company determines whether there has been a significant increase in credit risk.

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt 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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets (contd.)

d) De-recognition of financial assets:

A financial asset is derecognised only when

i. The Company has transferred the rights to receive cash flows from the financial asset or

ii. retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

1.3.9. Interest income

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

1.3.10. Property, plant and equipment

Recognition and measurement

The Company adopts the cost measurement approach for property, plant and equipment other than freehold and leasehold land.

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

On April 1, 2018, the Company adopted the revaluation model for measurement of freehold and leasehold land. Freehold and leasehold land will be recognised at fair value based on periodic, at least triennial, valuations done by external independent valuers, less subsequent depreciation of leasehold land. Increase in the carrying amount arising on revaluation of land are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity.

Fair value of land is determined using the market comparable method, i.e., the valuations performed by the valuer are based on active market sale prices, adjusted for difference in the nature, location or condition of the specific property. Refer Note 51.

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1.3. Significant accounting policies (contd.)

1.3.10. Property, plant and equipment (contd.)

Depreciation methods, estimated useful lives and residual value:

Based on technical evaluation carried out, depreciation on property, plant and equipment is provided, on a pro-rata basis, on Straight Line Method (SLM) over the estimated useful lives of the assets, which equates to the useful lives prescribed under Schedule II to the Companies Act, 2013, as follows:

Asset class	Useful life (in years)
Building	60
Plant and machinery	15
Furniture and fixtures – general	10
Furniture and fixtures – others	8
Office equipment	5
Computer equipment – Servers & Network	6
Computer equipment – Desktop, laptop and end-user items	3
Electrical installations	10
Vehicles	8

Premium paid for acquiring leasehold land is amortised over the period of lease. Assets constructed on leasehold land/leasehold improvements are amortised over the primary period of lease or its estimated useful life, whichever is lower.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

1.3.11. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Computer software and other intangibles are amortised on a straight-line basis over a period of 5 years.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

1.3.12. Trade and other payables

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

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1.3. Significant accounting policies (contd.)

1.3.13. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

1.3.15. Provisions (other than for employee benefits)

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

1.3.16. Employee benefits

a) Defined contribution plan

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Plan as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

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1.3. Significant accounting policies (contd.)

1.3.16. Employee benefits (contd.)

b) Defined benefit plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. The Group Gratuity plan is funded with Life Insurance Corporation of India, for all of the employees, under New Group Gratuity Cash Accumulation Plan.

c) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

d) Share based payments

Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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1.3. Significant accounting policies (contd.)

1.3.17. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (Refer Note 54).

b) Diluted earnings per share

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

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

1.3.18. Rounding of amounts

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

2. Critical estimates and judgements:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimate or judgement are:

Note 28 - Recognition of revenue including provision for cancellation of contracts

Note 43 and 45 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 51 – Valuation of freehold and leasehold land

Note 41 – Going concern assessment

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Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amount for the year ended March 31, 2019:

Asset description	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 1, 2018	Additions / Adjustments	Disposals / Transfer	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Disposals / Adjustments	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Land - freehold	3,634.36	45,690.12	-	49,324.48	-	-	-	-	3,634.36	49,324.48
Land - leasehold	1,698.94	1,206.53	-	2,905.47	95.47	33.66	-	129.13	1,603.48	2,776.34
Building	33,547.57	629.11	-	34,176.68	1,854.32	828.43	-	2,682.75	31,693.25	31,493.93
Computer equipment	511.29	4.20	6.78	508.71	351.50	62.02	6.78	406.74	159.79	101.97
Plant and machinery	2,427.14	38.40	54.12	2,411.42	472.58	223.84	53.99	642.43	1,954.56	1,768.99
Furniture and fixtures	3,837.27	144.84	90.31	3,891.80	1,145.08	553.44	90.31	1,608.21	2,692.19	2,283.59
Office equipment	196.03	2.93	28.24	170.72	155.01	16.20	28.24	142.97	41.02	27.75
Vehicles	154.60	4.70	18.28	141.02	53.52	23.58	12.11	64.99	101.08	76.03
Electrical installations	4,865.79	183.98	13.12	5,036.65	1,098.06	530.95	13.12	1,615.89	3,767.73	3,420.76
Total	**50,872.99**	**47,904.81**	**210.85**	**98,566.95**	**5,225.54**	**2,272.12**	**204.55**	**7,293.11**	**45,647.45**	**91,273.84**

Reconciliation of carrying amount for the year ended March 31, 2020:

Asset description	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2019	Additions / Adjustments	Disposals / Transfer	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Disposals / Adjustments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land - freehold	49,324.48	-	-	49,324.48	-	-	-	-	49,324.48	49,324.48
Land - leasehold	2,905.47	-	2,905.47	-	129.13	-	129.13	-	2,776.34	-
Building	34,176.68	183.38	103.92	34,256.14	2,682.75	923.57	103.96	3,502.36	31,493.93	30,753.78
Computer equipment	508.71	77.68	17.69	568.70	406.74	50.11	17.37	439.48	101.97	129.22
Plant and machinery	2,411.42	46.79	10.04	2,448.17	642.43	184.39	1.97	824.85	1,768.99	1,623.32
Furniture and fixtures	3,891.80	14.87	12.85	3,893.82	1,608.21	521.57	8.91	2,120.87	2,283.59	1,772.95
Office equipment	170.72	2.60	11.82	161.50	142.97	13.33	11.82	144.48	27.75	17.02
Vehicles	141.02	4.68	13.70	132.00	64.99	20.45	7.50	77.94	76.03	54.06
Electrical installations	5,036.65	42.19	26.03	5,052.81	1,615.89	544.97	21.40	2,139.46	3,420.76	2,913.35
Total	**98,566.95**	**372.19**	**3,101.52**	**95,837.62**	**7,293.11**	**2,258.39**	**302.06**	**9,249.44**	**91,273.84**	**86,588.18**

(a) Consequent to the Scheme referred in Note 48 becoming effective, the Company is in the process of transferring the title of land and buildings in the name of Company.
(b) Leasehold land of Nil (March 31, 2019 Rs. 2,905.47 lakhs) represents parcels of land which were obtained by the Company for a lease term of more than or equal to 92 to 105 years. Subsequent to adoption of Ind AS 116, the leasehold land has been transferred to right of use assets.
(c) Refer Note 44 for capital commitments.
(d) Refer Note 45 for certain property related matters.
(e) During the year, the Company has transferred leasehold land amounting to Rs. 2,776.33 lakhs from property, plant & equipment to right of use asserts pursuant to adoption of IND AS 116- Leases. Refer note 52.
(f) During the previous financial year 2018-19, the Company has written off assets with net carrying amount of Rs. 56.19 lakhs based on physical verification conducted. There were no such instances during 2019-20.
(g) During the previous financial year 2018-19, the Company has changed its accounting policy with respect to measurement of freehold and leasehold land from the cost model to revaluation model with effect from April 1, 2018. Refer Notes 1.3.10 and 51. The Company has not revalued freehold and leasehold lands during the current financial year. The carrying amounts as at March 31, 2020 & March 31, 2019 under revaluation and cost models are given below
(h) Due to outbreak of COVID-19 the management has performed assessment of all its property, plant & equipment as at March 31, 2020 and concluded that non-usage for a short term will not have any material impact on useful life of such property, plant & equipment

Block of asset	Revaluation model		Cost model	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Freehold land	49,324.48	49,324.48	3,623.04	3,623.04
Leasehold land	-	2,776.34	1,566.14	1,584.81
Total	49,324.48	52,100.82	5,189.17	5,207.84

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4 Capital work-in-progress

Reconciliation of carrying amount for the year ended March 31, 2019:

Asset description	Gross carrying amount			
	As at April 1, 2018	Additions	Disposals / Transfers	As at March 31, 2019
Capital work-in-progress	582 80	1,064 07	1,077 68	569 19

Reconciliation of carrying amount for the year ended March 31, 2020:

Asset description	Gross carrying amount			
	As at April 1, 2019	Additions	Disposals / Transfers	As at March 31, 2020
Capital work-in-progress	569 19	453 76	319 74	703 21

Capital work-in-progress mainly comprises of resort properties under construction/ renovation

5 Other intangible assets

Reconciliation of carrying amount for the year ended March 31, 2019:

Asset description	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	As at April 1, 2018	Additions	Disposals/ Adjustments	As at March 31, 2019	As at April 1, 2018	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Computer software	631 57	1,251 21	-	1,882 78	397 44	161 53	-	558 97	234 13	1,323 81

Reconciliation of carrying amount for the year ended March 31, 2020:

Asset description	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	As at April 1, 2019	Additions	Disposals/ Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Computer software	1,882 78	84 60	-	1,967 38	558 97	341 30	-	900 27	1,323 81	1,067 11

6 Intangible assets under development

Asset description	Gross carrying amount			
	As at April 1, 2018	Additions	Disposals/Transfers	As at March 31, 2019
Intangible assets under development	361 32	927 56	1,251 21	37 67

Asset description	Gross carrying amount			
	As at April 1, 2019	Additions	Disposals/Transfers	As at March 31, 2020
Intangible assets under development	37 67	104 10	81 72	60 05

Intangible assets under development comprise the Company's software and website which is under development

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(All amounts in Rs. lakhs, unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
7(a)	**Non-current investments**		
	Investment in equity instruments (fully paid-up)		
	Equity investments at cost		
	Investment in subsidiaries - Unquoted:		
	49,000 (March 31, 2019: 49,000), equity shares of Sterling Holidays (Ooty) Limited	73.48	73.48
	49,000 (March 31, 2019: 49,000), equity shares of Sterling Holiday Resorts (Kodaikanal) Limited	116.68	116.68
	147,578 (March 31, 2019: 147,578) equity shares of Nature Trails Resorts Private Limited	2,066.09	2,066.09
	Equity investments at FVTPL		
	Unquoted:		
	Investment in equity shares of Rs. 10 each, fully paid-up:		
	100,000 (March 31, 2019: 100,000) equity shares of Sterling Holiday Finvest Limited	-	-
	100,000 (March 31, 2019: 100,000) equity shares of Sterling Securities & Futures Limited	-	-
	520,000 (March 31, 2019: 520,000) equity shares of Sterling Resorts Home Finance Limited	-	-
	700,000 (March 31, 2019: 700,000) equity shares of Sterling Holiday Financial Services Limited	-	-
	Investment in no. of teak units:		
	28,765 (March 31, 2019: 28,765) equity shares of Sterling Tree-Magnum (India) Limited	-	-
	Quoted:		
	Investment in Equity Shares of Rs. 10 each, fully paid-up:		
	1,100 (March 31, 2019: 1,100) equity shares of Tourism Finance Corporation of India Limited	0.38	1.33
	Total	**2,256.63**	**2,257.58**
	Aggregate amount of quoted investments and market value thereof	0.38	1.33
	Aggregate value of unquoted investments	2,256.25	2,256.25
	Aggregate amount of impairment in the value of investments	1,145.00	1,145.00

As a result of the impact due to COVID-19, the Company performed an impairment analysis on its non-current investments as at March 31, 2020. Basis the approved business plan, projected cashflows from operations of the subsidiaries and the continued support of the Company, there is no impairment to the investment value.

		As at March 31, 2020	As at March 31, 2019
7(b)	**Current investments**		
	Quoted mutual funds		
	Investment in Mutual Funds at FVTPL - Quoted:		
	10,985 (March 31, 2019: 10,985) units of TATA Floater Fund - Growth	317.29	312.26
	10,985 (March 31, 2019: Nil) units of TATA Floater Fund - Growth- Segregated portfolio 1*	4.31	-
	Total	**321.60**	**312.26**
	Aggregate amount of quoted investments and market value thereof	321.60	312.26

*Pursuant to the SEBI circular dated December 28, 2018 and subsequent press releases issued by Tata Asset Management Ltd on June 6 & June 7, 2019, segregated portfolio of securities issued by Dewan Housing Finance Corporation Ltd (DHFL) has been created in the scheme on June 15, 2019. The purchase price of units in the segregated portfolio has been considered as nil as the units have been created in the segregated portfolio without any consideration.

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		As at March 31, 2020	As at March 31, 2019
8(a)	**Trade receivables non-current**		
	Considered good	584.88	1,255.92
	Considered doubtful	58.44	410.34
		643.32	**1,666.26**
	Less: Deferred income	(58.44)	(410.34)
	Less: Provision for cancellation	-	-
	Total	**584.88**	**1,255.92**
8(b)	**Trade receivables current**		
	Considered good	9,572.41	8,971.17
	Considered doubtful	14,411.61	12,563.55
		23,984.02	**21,534.72**
	Less: Deferred income	(13,349.64)	(11,953.87)
	Less: Provision for cancellation	(881.60)	(609.68)
	Less: Loss allowance	(180.37)	(157.38)
	Total	**9,572.41**	**8,813.79**
	Current portion	**9,572.41**	**8,813.79**
	Non-current portion	**584.88**	**1,255.92**
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer Note 42)	24.30	58.97
	Loss allowance	-	-
	Net trade receivables	**24.30**	**58.97**

For receivables secured against borrowings, see Note 20.

The Company has performed an impairment analysis on its trade receivables as a result of the impact of COVID-19. Management believes that the provision recorded is sufficient and adequate and the carrying amount of receivables reflects its recoverable value. The Company's exposure to credit and loss allowances related to trade receivables are disclosed in Note 37.

8(c) *Transferred receivables*

In the previous year, the Company had carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company had transferred the relevant receivables to the factor in exchange for cash and was prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company, therefore, continued to recognise the transferred asset in their entirety in its balance sheet. The amount repayable under the arrangement is presented as securitised borrowing.

	As at March 31, 2020	As at March 31, 2019
The relevant carrying amounts are as follows:		
Total transferred receivables	-	847.85
Associated securitised borrowing (Refer Note 20)	-	22.26

		As at March 31, 2020		As at March 31, 2019	
		Current	Non current	Current	Non current
9	**Loans**				
	Unsecured, considered good				
	Loans and advances to related parties - Subsidiaries (Refer Note 42)	2,436.06	-	1,986.13	-
	Interest accrued on loans and advances to related parties (Refer Note 42)	411.63	-	422.14	-
	Employee advances	81.53	-	52.96	-
	Total	**2,929.22**	-	**2,461.23**	-
	* Refer Note 42 for loans and advances to related parties				
10	**Other financial assets**				
	Security deposits	82.33	629.72	136.60	731.62
	Receivable on sale of fixed assets [Refer Note 45(b)]	-	597.59	-	597.59
	Interest accrued on fixed deposits	4.03	-	4.03	-
	Unbilled revenue	11.62	-	114.40	-
	Other receivables	382.00	-	31.59	-
	Total	**479.98**	**1,227.31**	**286.62**	**1,329.21**

		As at March 31, 2020	As at March 31, 2019
11	**Other tax assets (net)**		
	Advance tax [Net of provision for tax Rs 213.92 lakhs (March 31, 2019: Rs 213.92 lakhs)]	1,310.31	1,159.58
		1,310.31	**1,159.58**

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(All amounts in Rs. lakhs, unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
12	**Other non-current assets**		
	Prepaid expenses (Refer note (a) below)	33.55	270.30
	Deferred acquisition cost (Refer note (b) below)	8,805.20	7,372.68
	Capital advances		
	- Considered good	113.42	36.54
	- Considered doubtful	885.18	888.51
		998.60	**925.05**
	Less: Provision for doubtful advances	(885.18)	(888.51)
		113.42	**36.54**
	Total	**8,952.17**	**7,679.52**

Note:

(a) Pursuant to adoption of Ind AS 116, prepaid portion in relation to leases have been transferred to right of use assets. Refer Note 52.

(b) Deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained. Also refer Note 53.

13	**Inventories**		
	Food and beverages	51.91	43.42
	Operating supplies	39.02	32.19
	Total	**90.93**	**75.61**

For inventories secured against borrowings, refer note 49.

Due to outbreak of COVID-19, Management has performed impairment assessment of all inventory as at March 31, 2020 and carrying value of inventories with shorter shelf life have been written off.

14	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	622.01	203.25
	Deposits with maturity of less than three months	200.00	-
	Cash on hand	10.99	29.57
	Cash and cash equivalents in the balance sheet	**833.00**	**232.82**
	Bank overdrafts used for cash management purposes [Refer Note 20 (b)]	(1,459.36)	(770.53)
	Cash and cash equivalents in the statement of cash flows	**(626.36)**	**(537.71)**

15	**Other bank balances**		
	Short term bank deposits	39.26	71.40
	(Deposits with maturity of more than 3 months but less than 12 months)		
	Total	**39.26**	**71.40**

16	**Other current assets**		
	Prepaid expenses	206.25	325.21
	Deferred acquisition cost (Refer note 53)	534.10	380.70
	Advances to vendors		
	Considered good	481.55	283.48
	Considered doubtful	14.61	57.87
		496.16	**341.35**
	Less: Provision for doubtful advance	(14.61)	(57.87)
		481.55	**283.48**
	Balances with statutory authorities	244.23	263.76
	Total	**1,466.13**	**1,253.15**

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17 Equity share capital

Authorised equity share capital

Authorised	March 31, 2020	March 31, 2019
400 lakhs (March 31, 2019: 400 lakhs) equity shares of Rs 10 each	4,000.00	4,000.00
Issued, subscribed and paid-up		
290.50 lakhs (March 31, 2019: 290.50 lakhs) equity shares of Rs 10 each	2,905.00	2,905.00
As at March 31, 2020	**2,905.00**	**2,905.00**

Reconciliation of shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares				
At the commencement of the year	290.50	2,905.00	290.50	2,905.00
Shares issued during the year	-	-	-	-
At the end of the year	**290.50**	**2,905.00**	**290.50**	**2,905.00**

All issued shares are fully paid up.

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

Shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates

	March 31, 2020		March 31, 2019	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares of Rs. 10 each held by the holding company	290.50	2,905.00	290.50	2,905.00

Particulars of shareholders holding more than 5% shares of a class of shares

	March 31, 2020		March 31, 2019	
	Number *in lakhs*	% of total shares in class	Number *in lakhs*	% of total shares in class
Equity shares of Rs. 10 each held by				
Thomas Cook (India) Limited and its nominees (holding company)	290.50	100%	290.50	100%

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		As at March 31, 2020	As at March 31, 2019
18	**Reserves and surplus**		
	Securities premium reserves	32,057 94	32,057 94
	General reserve	4.70	4 70
	Retained earnings	(55,036 73)	(50,903 75)
	Total	**(22,974.09)**	**(18,841.11)**
	Movement in reserves and surplus balances is as follows :		
	a) Securities premium		
	Opening balance	32,057 94	32,057 94
	Additions during the year	-	-
	Closing balance	**32,057.94**	**32,057.94**
	b) General reserve		
	Opening balance	4.70	4 70
	Additions during the year	-	-
	Closing balance	**4.70**	**4.70**
	c) Retained earnings		
	Opening balance	(50,903 75)	(18,545 44)
	Loss for the year	(4,165 58)	(2,363 39)
	Adoption of Ind AS 115 (Refer note below)	-	(30,259 94)
	Gain on sale of investments - Transferred from other reserves - FVOCI	-	269 72
	Items of other comprehensive income recognised directly in retained earnings		
	- Remeasurements of post-employment benefit obligation, net of tax	32 60	(4.70)
	Closing balance	**(55,036.73)**	**(50,903.75)**

The Company has adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) w.e.f April 1, 2018 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) being included in retained earnings. The effect of impact to opening retained earnings as of April 1, 2018 is Rs. 30,259 94 lakhs.

19 Other reserves

	ESOP reserve	Other comprehensive income: Remeasurement of post-employment benefit obligation	Other comprehensive income: Equity instruments through OCI	Revaluation Reserve	Total
As at April 1, 2018	674 35	-	269 72	-	944 07
Additions during the year	197 63	(4 70)	-	43,837 63	44,030 56
Transferred to retained earnings	-	4 70	(269 72)	-	(265 02)
As at March 31, 2019	**871.98**	-	-	**43,837.63**	**44,709.61**
Additions during the year	360 08	32 60	-	-	392 68
Income tax effect on revaluation of property, plant & equipment	-	-	-	261 71	261 71
Transferred to retained earnings	-	(32 60)	-	-	(32 60)
As at March 31, 2020	**1,232.06**	-	-	**44,099.34**	**45,331.40**

ESOP reserve
The ESOP reserve is used for recognising the grant date fair value of the share options issued to the employees under the Employee Share Option Scheme in addition to the fair value of the options issued to the employees of the Company by the holding company (Thomas Cook (India) Limited) as per Ind AS 102

FVOCI - Equity instruments
The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI Equity instruments reserve within equity.

The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Revaluation reserve
The Company has changed its accounting policy on measurement of land from cost model to revaluation model w.e.f. April 1, 2018. Land is recognized at fair value based on valuations by external independent valuers performed on April 01, 2018. Increase in the carrying amount arising on revaluation of land are recognized, net of tax, in other comprehensive income and accumulated in other reserves in shareholders' equity. Refer Note 51.

Movement in revaluation reserve	**Amount**
As at March 31, 2018	-
Revaluation surplus during the year	46,860 49
Income tax effect	(3,022 86)
As at March 31, 2019	**43,837.63**
Revaluation surplus during the year	-
Income tax effect	261 71
As at March 31, 2020	**44,099.34**

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		As at March 31, 2020	As at March 31, 2019
20(a)	**Non-current borrowings**		
	Term loan		
	- From banks		
	Secured bank loans (Refer note (i) below)	1,930.39	2,575.83
	Optionally convertible cumulative redeemable preference shares (OCCRPS) (Refer note (ii) below)	30.30	30.30
	Total	**1,960.69**	**2,606.13**
20(b)	**Current borrowings**		
	Loans from banks		
	Current portion of secured bank loans	711.49	925.59
	Secured short-term working capital loan (Refer note (iii) below)	1,000.00	1,000.00
	Bank overdraft (Refer note (iv) below)	1,459.36	770.53
		3,170.85	**2,696.12**
	Less: Amount included under 'Other financial liabilities'	(711.49)	(925.59)
	Total current borrowings	**2,459.36**	**1,770.53**

Notes:

(i) Secured bank loans

a Loan amounting to Rs. 4,950.00 lakhs (net of processing fees) from HDFC Bank Limited is secured by way of hypothecation of movable fixed assets acquired through the term loan at resorts namely Mussoorie, Manali, Darjeeling, Ooty Fern Hill and Kodai Valley View and by way of pledge of immovable properties at Mussoorie and Yercaud and is repayable in 24 equal quarterly instalments including a moratorium of 12 months from the date of loan (January 4, 2016). The loan amount outstanding as at year end is Rs. 2,432.61 lakhs (March 31, 2019: Rs. 3,216,67 lakhs). Out of this, Rs. 654.79 lakhs (March 31, 2019: Rs. 833.33 lakhs) is repayable within 1 year and the balance amount of Rs. 1,777.82 lakhs (March 31, 2019: 2,383,34 lakhs) is repayable after 1 year from the balance sheet date.

b Loan amounting to Rs. 2,500 lakhs from HDFC Bank Limited is repayable in 44 monthly instalments commencing from August 24, 2015 along with an interest rate of bank base rate + 1.55% p.a.. The loan is secured by way of assignment of receivables amounting to Rs. 4,439.28 lakhs with 100% recourse to the Company. The entire loan was repaid during the year (March 31, 2019: Rs.22.26 lakhs).

c Loan amounting to Rs 350 lakhs from HDFC Bank Limited is repayable in 20 quarterly instalments commencing from February 25, 2018 along with an interest rate of 8.95% linked to 1 year MCLR with annual reset. The loan is secured by way of exclusive charge on the movable fixed assets financed out of the loan and further secured by extension of existing mortgage at Mussoorie and negative lien on property at Yercaud. The loan amount outstanding as at year end is Rs. 192.50 lakhs (March 31, 2019: Rs. 262.50 lakhs). Out of this loan, Rs.52.50 lakhs (March 31, 2019: Rs. 70.00 lakhs) is repayable within 1 year and the balance amount of Rs. 140.00 lakhs (March 31, 2019: Rs. 192.50 lakhs) is repayable after 1 year from the balance sheet date.

d Loan amounting to Rs. 16.77 lakhs from HDFC Bank Limited is secured by way of hypothecation of underlying vehicle is repayable in 36 equated monthly instalments including a moratorium of 3 months commencing from July 1, 2020 along with an interest rate of 10.00%. The entire loan is outstanding as at year end. Out of this Rs. 4.19 lakhs is repayable within 1 year and balance amount Rs. 12.58 lakhs is repayable after 1 year from the balance sheet date.

(ii) Optionally convertible cumulative redeemable preference shares (OCCRPS) (Refer note (ii) below)

The Company issued 303,000 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs.10 each to its parent company Thomas Cook (India) Limited in April 2018. The OCCRPS carries a fixed Cumulative dividend at a rate of 8.5% payable from the date of allotment. Every 303,000 OCCRPS shall be converted at the option of the Company into 10 equity shares of Rs.10 each. Such conversion shall be at the option of the Company at any time after 1 year from the date of allotment of shares but not later than 7 years from the date of allotment. The redemption shall be made out of the profits of the Company or proceeds of fresh issue of shares made for the purpose of redemption. The conversion will result in allotment of 10,000 equity shares of Rs.10 each. As per the terms of the OCCRPS, there is a contractual obligation to deliver cash to the holder (dividend is non-discretionary). The holder does not have the right to convert the instrument into equity shares any time during the tenure of the preference shares, right to conversion lies with the issuer. Further, the OCCRPS is neither a derivative instrument, nor does it fall within the scope of puttable instruments. Therefore, the OCCRPS has been classified as a financial liability. The corresponding dividend paid or accrued has been disclosed as finance cost.

(iii) Short-term working capital loan

Short-term borrowing of Rs. 1,000 lakhs (March 31, 2019: Rs. 1,000 lakhs) from HDFC Bank with an interest rate of 10.00% p.a. is secured by charge on current and movable fixed assets and further secured by extension of collateral property at Mussoorie and negative lien on property located at Yercaud.

(iv) Bank overdraft

Bank overdraft of Rs. 1,459.36 lakhs (March 31, 2019 Rs. 770.53 lakhs) from Kotak Mahindra Bank with an interest rate of 9.75% is secured by first and exclusive charge on immovable property being land situated at Wayanad, Kerala and further secured by first and exclusive hypothecation charge on all existing and future inventory and receivables relating to resorts.

(v) The carrying amounts of certain financial and non-financial assets pledged as security for non-current borrowings are disclosed in Note 49.

(vi) The Reserve Bank of India (RBI) has permitted banks and financial institutions to offer a moratorium of three months on payment of instalments of all term loans falling due between March 1, 2020 and August 31, 2020. This includes all Term Loans and Cash Credit/Overdraft facilities. The Company had considered to avail the loan moratorium and all installments due from March 1, 2020 to May 31, 2020 stand deferred. The repayment schedule and all subsequent due dates, as also the tenor for such loans shall be shifted across by three months from the moratorium period. However, interest will continue to accrue on the outstanding portion of the loan amount. The RBI has further clarified that deferment of loan payments shall not be considered as default by lenders.

(vii) During the year, owing to its losses incurred, the Company has defaulted on certain financial covenants with respect to loans availed from HDFC Bank in the previous years and in the current year. However, based on the review of periodic filings made by the Company to the Bank, the Bank has continued with the facilities and has not placed any demand on the loans and does not intend to call upon the loan before its agreed due date. Accordingly, the Company continues to classify these loans as current and non-current based on the original maturity.

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(All amounts in Rs. lakhs, unless otherwise stated)

20(c) Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	March 31, 2020	March 31, 2019
Non-current borrowings	2,672 18	3,531 72
Current borrowings	1,000 00	1,000 00
Cash and cash equivalents (Bank overdrafts used for cash management purposes)	1,459 36	770 53
Net debt	**5,131.54**	**5,302.25**

Particulars	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
Balance as at April 1, 2018	**918.25**	**1,000.00**	**4,836.38**	**6,754.63**
Proceeds from loans and borrowings	-	-	-	0 00
Repayment of borrowings	-	-	(1,395 42)	(1,395 42)
Change in bank overdraft and working capital loan	-	-	30 30	30 30
Foreclosure charges	(147.72)	-	-	(147 72)
Non-cash changes				
- Impact of effective interest amortisation	-	-	60 46	60 46
Balance as at March 31, 2019	**770.53**	**1,000.00**	**3,531.72**	**5,302.25**
Proceeds from loans and borrowings	-	-	16 77	16 77
Repayment of borrowings	-	-	(925 59)	(925 59)
Change in bank overdraft and working capital loan	688 83	-	-	688 83
Non-cash changes				
- Impact of effective interest amortisation	-	-	49 28	49 28
Balance as at March 31, 2020	**1,459.36**	**1,000.00**	**2,672.18**	**5,131.54**

	As at March 31, 2020	As at March 31, 2019
21 Other financial liabilities		
21(a) Non-current		
Creditors for capital expenditure	8 27	18 87
Total	**8.27**	**18.87**
21(b) Current		
Current maturities of long-term borrowings	711 49	925 59
Interest accrued but not due on borrowings	27 99	34 70
Dividend payable on optionally convertible cumulative redeemable preference shares	5 07	2 49
Creditors for capital expenditure	366 09	640 80
Security deposits	45 83	24 60
Other liabilities	55 75	132 42
Interest payable to micro enterprises and small enterprises (Refer Note 47)	6 46	4 29
Total	**1,218.68**	**1,764.89**

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22 Provision for employee benefit obligations

	As at March 31, 2020			As at March 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	139 17	101 63	240 80	132 06	105 58	237 64
Gratuity	140 54	213.83	354 37	120 15	203 21	323 36
Total	279.71	315.46	595.17	**252.21**	**308.79**	**561.00**

(i) Post employment obligations

a) Gratuity
The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972 Employees who are in continuous service for a period of 5 years are eligible for gratuity The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service The gratuity plan is a funded plan and the Company makes contributions to recognised fund The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2019	419 03	95 66	**323.36**
Current service cost	73 79	-	**73.79**
Past service cost			-
Interest expense/(income)	28 22	6 82	**21.40**
Total amount recognised in profit or loss	**102.01**	**6.82**	**95.19**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	(2 14)	-	**(2.14)**
(Gain)/loss from change in financial assumptions	(5 26)	-	**(5.26)**
Experience (gains)/losses	(25 20)	-	**(25.20)**
Total amount recognised in other comprehensive income	(32.60)	-	(32.60)
Employer contributions	(20 00)	15 32	**(35.32)**
Benefit payments	(16 26)	(20 00)	**3.74**
March 31, 2020	**452.18**	**97.81**	**354.37**

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	391 03	136 50	**254.53**
Current service cost	72 87	-	**72.87**
Past service cost	-	-	-
Interest expense/(income)	28 24	10 12	**18.12**
Total amount recognised in profit or loss	**101.11**	**10.12**	**90.98**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(4 04)	**4.04**
(Gain)/loss from change in demographic assumptions	(1 19)	-	**(1.19)**
(Gain)/loss from change in financial assumptions	(40 08)	-	**(40.08)**
Experience (gains)/losses	41 93	-	**41.93**
Total amount recognised in other comprehensive income	0.66	(4.04)	4.70
Employer contributions	(61 32)	14 41	**(75.73)**
Benefit payments	(12 45)	(61 32)	**48.87**
March 31, 2019	**419.03**	**95.66**	**323.36**

The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2020	March 31, 2019
Present value of funded obligations	452 18	419 03
Fair value of plan assets	97 81	95 66
Deficit of funded plan	**354.37**	**323.36**
Current benefit obligation	140 54	92 83
Non-current benefit obligation	213 83	230 53
Deficit of gratuity plan	**354.37**	**323.36**

(ii) Defined contribution plans
The Company has also certain defined contribution plans Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations The contributions are made to registered provident fund administered by Government The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation The expense recognised during the year towards defined contribution plan is Rs 477 08 lakhs (March 31, 2019: Rs 466 22 lakhs)

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(All amounts in Rs. lakhs, unless otherwise stated)

(iii) Principal actuarial assumptions used in valuation of Gratuity

	March 31, 2020	March 31, 2019
Discount rate	6 15%	7 13%
Expected rate of return on plan assets	6 15%	7 13%
Salary growth rate	First year 0%, thereafter 4%	4 00%
Attrition rate	30 00%	28 00%

Estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market

(iv) Sensitivity Analysis

a) Gratuity

	March 31, 2020	March 31, 2019
Discount rate:		
+ 100 basis points	(11 01)	(16 98)
- 100 basis points	13 12	19 52
Salary escalation rate:		
+ 100 basis points	13 09	15.87
- 100 basis points	(11 40)	(14 63)

b) Compensated absence

	March 31, 2020	March 31, 2019
Discount rate:		
+ 100 basis points	(4 76)	(5 23)
- 100 basis points	5 39	6 53
Salary escalation rate:		
+ 100 basis points	6 25	6 69
- 100 basis points	(5 66)	(5 98)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant In practice, this is unlikely to occur and changes in some of the assumptions may be correlated When calculating the sensitivity of the defined benefit obligation to the significant actuarial assumptions, the same method (present value of defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability in the balance sheet

The methods and types of assumption used in preparing the sensitivity analysis did not change compared to the prior period

(vi) Risk exposure

The Company's gratuity fund is maintained by an approved trust (Life Insurance Corporation of India) A large portion of the investment made by LIC is in government bonds and securities and other approved securities
Hence, the Company is not exposed to the risk of asset volatility as at the balance sheet date

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Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

23 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment	3,923.20	4,665.76
On account of land revaluation	2,761.15	3,022.86
On account of fair valuation of investments		-
Total deferred tax liabilities	**6,684.35**	**7,688.62**
Set-off of deferred tax liabilities pursuant to set-off provisions	6,684.35	7,688.62
Deferred tax liability as per the balance sheet	-	-
Net unrecognised deferred tax liabilities	-	-
Unabsorbed depreciation allowance and business loss carried forward	8,096.03	8,600.23
Provision for employee benefits	277.44	297.92
Provision for doubtful debts	365.24	189.76
Total deferred tax assets	**8,738.71**	**9,087.91**
Set-off of deferred tax liabilities pursuant to set-off provisions	6,684.35	7,688.62
Deferred tax asset as per the balance sheet	-	-
Net unrecognised deferred tax assets	**2,054.36**	**1,399.29**

Movement in deferred tax liabilities

	Property, plant and equipment	On account of land revaluation	On account of fair valuation of investments	Others	Total
At April 1, 2018	4,598.20	-	269.11	-	4,867.31
(Charged)/credited:					
- to profit or loss	67.56	3,022.86	(269.11)	-	2,821.31
- to other comprehensive income	-	-	-	-	-
At March 31, 2019	**4,665.76**	**3,022.86**	**-**	**-**	**7,688.62**
(Charged)/credited:					
- to profit or loss	(742.56)	-	-	-	(742.56)
- to other comprehensive income	-	(261.71)	-	-	(261.71)
At March 31, 2020	**3,923.20**	**2,761.15**	**-**	**-**	**6,684.35**

Movement in deferred tax assets

	Unabsorbed depreciation allowance and business loss carried forward	Provision for employee benefits	Provision for doubtful debts	Others	Total
At April 1, 2018	8,560.35	267.00	1,816.42	-	10,643.77
Movement in deferred tax asset	39.88	30.92	(1,626.66)	-	(1,555.86)
At March 31, 2019	**8,600.23**	**297.92**	**189.76**	**-**	**9,087.91**
Movement in deferred tax asset	(504.20)	(20.48)	175.48		(349.20)
At March 31, 2020	**8,096.03**	**277.44**	**365.24**	**-**	**8,738.71**

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		As at March 31, 2020	As at March 31, 2019
24	**Other non-current liabilities**		
	Contract liability - Deferred income (Refer note 53)	77,989.95	73,111.59
	Contract liability - Advance received from customers (Refer note 53)	160.05	264.76
	Total	78,150.00	73,376.35
25	**Trade payables**		
	Dues to related parties [Refer Note 42(f)]	176.82	129.69
	Dues to micro enterprises and small enterprises (Refer Note 47)	44.04	52.23
	Dues to creditors other than micro enterprises and small enterprises	2,641.02	2,688.44
	Total	2,861.88	2,870.36
	The Company's exposure to liquidity risks related to trade payables is disclosed in Note 37.		
26	**Other provisions**		
	Provision for fringe benefit tax	72.94	72.94
	Provision for stamp duty (Refer note below)	2,139.19	2,139.19
	Total	2,212.13	2,212.13

Note:
Pursuant to the Composite scheme of arrangement and amalgamation referred in Note 48, the immovable properties of the demerged undertaking (Timeshare & Resorts business) is being transferred to the Company. The Company has immovable properties in various states. As per the laws prevalent in the respective states, stamp duty is applicable on such transfer of property. Hence, on the basis of legal opinion, the Company has maintained a provision as on March 31, 2020 amounting to Rs. 2,139.19 lakhs (March 31, 2019: Rs. 2,139.19 lakhs) for the stamp duty liability that may arise.

		As at March 31, 2020	As at March 31, 2019
27	**Other current liabilities**		
	Salaries, wages, bonus and employee payables	1,014.34	1,209.08
	Statutory liabilities	28.39	220.81
	Contract liability - Deferred income (Refer note 53)	4,052.20	3,628.38
	Contract liability - Advance received from customers (Refer note 53)	1,377.66	1,381.17
	Total	6,472.59	6,439.44

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		For the year ended March 31, 2020	For the year ended March 31, 2019
28	**Revenue from operations**		
	Disaggregation of revenue:		
	On the basis of nature of goods or services:		
	Sale of services		
	Income from sale of membership		
	- Membership fee/Admission fees (including income on cancellation of contracts)	4,935 59	4,271 02
	- Annual subscription fees/ Annual amenity charges	4,757 57	4,631 37
	- Interest income on trade receivables (instalment plan)	226 97	134 55
	Sale of products (Resort operations)		
	Food and beverages	4,057 99	4,906 10
	Sale of services (Resort operations)		
	- Room rentals	7,679 86	7,163 79
	- Others	1,136 46	1,036 65
	- Management contract income	167 51	46 19
	Other operating revenues		
	Service charges	244 16	283 38
	Total	**23,206.11**	**22,473.05**
	On the basis of timing of transfer of goods or services		
	At a point in time	10,423 15	10,992 05
	Over a period of time	12,782 96	11,481 00
		23,206.11	**22,473.05**

The Company uses the historical trends/yield precentage to determine the provision for cancellation of contracts (i e, the expected number of contracts which will be eventually cancelled) and accounts this as a reduction in revenue since it is attributable to uncertainty in collection Based on this estimate, the company has made a provision of Rs 241 71 lakhs (March 31, 2019 Rs 221 35 lakhs) for the sales relating to the year

29	**Other income**		
	Interest income on:		
	- Loans and advances to related parties	264 07	214.06
	- Bank deposits	4 18	3 89
	- Others	68 64	64 71
	Profit on sale of assets (net)	-	10 08
	Gain on sale of current investments (net)	1 66	27 50
	Net gain on financial assets mandatorily measured at fair value through profit or loss	8 40	22 72
	Rental income	269 42	257 14
	Management fees	929 68	773 39
	Income from skill development training	146 35	41 83
	Scrap sales	5 86	3 61
	Provision/Liabilities no longer required written back	149 22	4 82
	Insurance income	195 09	3 04
	Gain on variable lease payments	76 40	-
	Income from termination of lease contracts	26 55	-
	Miscellaneous income	13 20	2 80
	Total	**2,158.72**	**1,429.59**
30	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	43 42	39 05
	Add: Purchases	1,303 49	1,375 03
	Less: Inventory of materials at the end of the year	51 91	43 42
	Cost of materials consumed	**1,295.00**	**1,370.66**
31	**Employee benefits expense**		
	Salaries, wages and bonus	9,411 72	9,496 63
	Contribution to provident and other funds	581 78	580 12
	Employee share-based payment expense	310 21	197 63
	Gratuity	95 20	91 00
	Compensated absences	29 22	47 17
	Staff welfare expenses	797 55	753 47
	Total	**11,225.68**	**11,166.02**

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(All amounts in Rs. lakhs, unless otherwise stated)

		For the year ended March 31, 2020	For the year ended March 31, 2019
32	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	505.87	656.26
	Interest on lease liability	866.20	-
	Dividend on OCCRPS	2.58	2.49
	Total	**1,374.65**	**658.75**
33	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	2,258.38	2,272.13
	Amortisation of intangible assets	341.31	161.53
	Depreciation of right of use assets	2,068.90	-
	Total	**4,668.59**	**2,433.66**
34	**Other expenses**		
	Consumption of stores and spares	323.67	305.63
	Power and fuel	1,519.63	1,648.41
	Rent	601.71	3,091.49
	Repairs and maintenance:		
	-Building	170.52	157.62
	-Plant and machinery	366.17	355.55
	-Others	323.38	266.13
	Insurance	47.45	58.26
	Rates and taxes	275.66	188.23
	Guest supplies	250.45	273.25
	Laundry expenses	233.20	242.86
	Communication	190.93	203.07
	Recruitment and training	121.73	228.22
	Travel and tours	488.40	435.29
	Legal and professional	682.13	716.91
	Directors' sitting fees	14.04	19.79
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	12.00	12.07
	- Limited review	16.50	16.50
	- Other services	24.67	1.00
	Reimbursement of expenses	6.00	4.09
	Travel and conveyance	590.03	741.43
	Security charges	334.00	339.06
	Water charges	179.00	152.15
	Sales commission	951.47	984.10
	Sales promotion	1,961.73	2,304.12
	Exchange loss	0.70	3.79
	Bank charges	306.62	275.13
	Provision for doubtful advances	5.34	1.84
	Provision for doubtful debts	21.57	52.93
	Loss on sale of assets (net)	10.64	-
	Printing and stationery	66.03	73.80
	Corporate social responsibility expenses	0.73	16.23
	Miscellaneous expenses	608.68	490.85
	Total	**10,704.78**	**13,659.80**

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Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
35 Income tax expense		
a) Amount recognised in profit or loss		
Current tax		
Current tax for the year	-	-
Total	-	-
Deferred tax expense		
(Increase)/Decrease in deferred tax assets	261.71	(3,022.86)
Increase/(Decrease) in deferred tax liabilities	-	-
Total	**261.71**	**(3,022.86)**
Total tax expense/(benefit)	**261.71**	**(3,022.86)**
b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
Loss before income tax expense	(3,903.87)	(5,386.25)
Tax expense / (income) computed at Indian Tax rate of 26% (Previous year: 31.2%)	(1,015.01)	(1,680.51)
Net Tax effects of amount which are deductible/disallowed in calculating taxable income - other than temporary differences	-	(42.35)
	(1,015.01)	(1,722.86)
Unrecognised deferred tax assets for the year	1,015.01	1,722.86
Tax income	-	-
Tax losses		
Unused tax losses for which no deferred tax assets have been recognised	7,850.88	4,484.91
Potential tax benefit at 26% (Previous year: 31.2%)	2,041.23	1,399.29

Tax losses on account of unrecognised deferred tax assets		
Date of expiry to carry forward	**As at March 31, 2020**	**As at March 31, 2019**
31-Mar-28	1,785.21	-
31-Mar-27	4,355.75	2,703.51
31-Mar-24	916.97	916.97
31-Mar-22	709.56	709.56
31-Mar-21	83.39	154.87
Indefinite period	-	-
Total	**7,850.88**	**4,484.91**

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Sterling Holiday Resorts Limited Chennai

36 Fair value measurements

Financial instruments by category

	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	0 38	-	-	1 33	-	-
- Mutual funds	321 60	-	-	312 26	-	-
Trade receivables	-	-	10,157 29	-	-	10,069 71
Unbilled revenue	-	-	11 62	-	-	114 40
Loans	-	-	2,436 06	-	-	1,986 13
Interest accrued on loans and advances to related parties	-	-	411 63	-	-	422 14
Employee advances	-	-	81.53	-	-	52 96
Cash and cash equivalents	-	-	833 00	-	-	232 82
Bank balances other than above	-	-	39 26	-	-	71 40
Security deposits	-	-	712 05	-	-	868.22
Interest accrued on fixed deposits	-	-	4 03	-	-	4 03
Other receivables	-	-	979 59	-	-	629 18
Total financial assets	**321.98**	**-**	**15,666.06**	**313.59**	**-**	**14,450.99**
Financial liabilities						
Borrowings	-	-	5,164 60	-	-	5,339 44
Trade payables	-	-	2,861 88	-	-	2,870 36
Capital creditors	-	-	374 36	-	-	659 67
Security deposits	-	-	45 83	-	-	24 60
Other liabilities	-	-	62 21	-	-	136 71
Total financial liabilities	**-**	**-**	**8,508.88**	**-**	**-**	**9,030.78**

The summary of financial instruments above does not include investments held by the Company in its subsidiaries/associates amounting to Rs. 2,256 25 lakhs as on March 31, 2020 (March 31, 2019: Rs. 2,256.25 lakhs) which has been measured by applying the principles of Ind AS 27 - Separate Financial Statements.

This summary includes all financial instruments valued based on the principles of Ind AS 109 - Financial Instruments.

(i) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL:					
Equity instruments	7(a)	0 38	-	-	0 38
Mutual funds	7(b)	321 60	-	-	321 60
Total financial assets		**321.98**	**-**	**-**	**321.98**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to subsidiaries	9	-	-	2,436 06	2,436 06
Interest accrued on loans and advances to related parties	9	-	-	411 63	411 63
Employee advances	9	-	-	81 53	81 53
Security deposits	10	-	-	712 05	712 05
Total financial assets		**-**	**-**	**3,641.27**	**3,641.27**
Financial liabilities					
Borrowings	20(a)	-	-	5,164 60	5,164 60
Total financial liabilities		**-**	**-**	**5,164.60**	**5,164.60**

Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL:					
Equity Instruments	7(a)	1 33	-	-	1 33
Mutual funds	7(b)	312 26	-	-	312 26
Total financial assets		**313.59**	**-**	**-**	**313.59**

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STERLING HOLIDAY RESORTS LIMITED ★ CHENNAI

(All amounts in Rs. lakhs, unless otherwise stated)

36 Fair value measurements (contd.)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2019	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Loans to subsidiaries	9	-	-	1,986.13	1,986.13
Interest accrued on loans and advances to related parties	9	-	-	422.14	422.14
Employee advances	9	-	-	52.96	52.96
Security deposits	10	-	-	868.22	868.22
Total financial assets		-	-	**3,329.45**	**3,329.45**
Financial Liabilities					
Borrowings	20(a)	-	-	5,339.44	5,339.44
Total financial liabilities		-	-	**5,339.44**	**5,339.44**

There are no transfers between levels 1 and 2 during the year.

(ii) Valuation technique used to determine fair value:
Specific valuation technique used to value financial instruments include the use of market prices based on recently concluded transaction by the Company for the instruments. The resulting fair value estimate is included in level 2.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2020		**As at March 31, 2019**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Loans				
Loans to subsidiaries	2,436.06	2,436.06	1,986.13	1,986.13
Interest accrued on loans and advances to related parties	411.63	411.63	422.14	422.14
Employee advances	81.53	81.53	52.96	52.96
Security deposits	712.05	712.05	868.22	868.22
Total financial assets	**3,641.27**	**3,641.27**	**3,329.45**	**3,329.45**
Financial liabilities				
Borrowings	5,164.60	5,164.60	5,339.44	5,339.44
Total financial liabilities	**5,164.60**	**5,164.60**	**5,339.44**	**5,339.44**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities approximate their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using market interest rates. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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37 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis and credit rating	Diversification of portfolio, credit limits
Liquidity risk	Borrowings, trade payables and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Analysis of market rates on a real time basis, pre-closure of loans

The Company's risk management is carried out by a central treasury department under policies approved by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, non-derivative financial instruments and investment of excess liquidity.

(A) Credit risk
Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures towards outstanding receivables

(i) Credit risk management
Credit risk is managed on a Company basis. For banks and financial institutions, only high rated banks/institutions are accepted

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team that assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

C1 : High-quality assets, negligible credit risk
C2 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information including the following indicators:

- Internal credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increase in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower and customer, including changes in the payment status of borrowers in the Company, expected acceptances of the instruments and changes in the operating results of the borrower.

A default on a financial asset is when the counterparty fails to make contractual payments on the due date. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. The Management makes necessary course corrections and evaluation of credit loss based on the assessment of a default on a continuin;

(ii) Provision for expected credit losses
The Company provides for expected credit loss based on the following:

Internal credit rating	Category	Description of category	Basis for recognition of expected credit loss provision		
			Investments	Loans and deposits	Trade receivables
C1	High quality assets, negligible credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	12 month expected credit losses	12 month expected credit losses	Lifetime expected credit loss
C2	Doubtful assets, credit impaired	Assets are provided for when there is no reasonable expectation of recovery. The Company categorises a loan or receivable for provisioning when the debtor fails to make the contractual payments for over 12 months. When the loans or receivables have been provided for, the Company continues to engage in enforcement activity to attempt to recover the receivable/cancel contracts as appropriate. When recoveries are made these are recognised in profit or loss	Asset is provided for fully		

For the year ended March 31, 2020:

(a) Expected credit loss for loans, security deposits and investments
The estimated gross carrying amount at default is Nil (March 31, 2019: Nil) for investments and loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach (including provision for cancellation of contracts)
Customer credit risk is managed by the company based on the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. The Company classifies the receivables as high quality assets or doubtful assets based on the past performance of the portfolio. As on March 31, 2020 the Company determined that the expected cancellation rate on initial recognition of membership sales is 14.6% based on which the Company has recognised an amount of Rs. 241.71 lakhs (March 2019: Rs. 221.35 lakhs) as provision for cancellation of contracts on initial recognition during the year. Additionally, the Company performs subsequent assessment for cancellation of contracts and such adjustments are considered in revenue. Also refer Note 28

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37 Financial risk management (contd.)

(iii) Reconciliation of loss allowance provision – Trade receivables

Loss allowance on April 1, 2018	104 45
Changes in loss allowance	52 93
Loss allowance on March 31, 2019	**157.38**
Changes in loss allowance	22 99
Loss allowance on March 31, 2020	**180.37**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows and also reviews timing of liquidation of marketable securities.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2020	March 31, 2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	47 44	285 63
- Expiring beyond one year (bank loans)	-	-
Marketable securities *(including investments held for sale)*	321 60	312 26

The marketable securities can be disposed by the Company at any point of time based on the objects and working capital requirements of the Company.
The bank overdraft facilities may be drawn at any time. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any tim

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. There are no derivative financial instruments.
The amounts disclosed in the table are the contractual undiscounted cash flows, including interest. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

March 31, 2020	Carrying amount	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 years	Total
Non-derivatives							
Borrowings	5,164 60	1,581 58	308 90	1,552 46	1,043 52	1,206 93	5,693 39
Trade payables	2,861 88	2,861 88	-	-	-	-	2,861 88
Other financial liabilities	482 40	474 13	-	-	8 27	-	482 40
Total non-derivative liabilities	**8,508.88**	**4,917.59**	**308.90**	**1,552.46**	**1,051.79**	**1,206.93**	**9,037.67**

March 31, 2019	Carrying amount	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 years	Total
Non-derivatives							
Borrowings	5,339 44	2,116 54	300 59	584 17	1,107 13	1,993 43	6,101 86
Trade payables	2,870 36	2,870 36	-	-	-	-	2,870 36
Other financial liabilities	820 98	802 11	-	-	18 87	-	820 98
Total non-derivative liabilities	**9,030.78**	**5,789.01**	**300.59**	**584.17**	**1,126.00**	**1,993.43**	**9,793.20**

C) Market risk - Interest rate risk

The Company's main interest rate risk arises from long term borrowings with variable interest rates, which exposes the Company to cash flow interest rate risk.
The Company analyses the market rates on a real time basis and pre- closes/exchanges the variable interest rate instruments for fixed interest instruments in times of high interest rates and vice-versa to mitigate the risk. The exposure of the Company's borrowings to interest rates are as below:

	March 31, 2020	March 31, 2019
Variable rate borrowings	2,459 36	1,792 79
Fixed rate borrowings	2,672 18	3,595 83
	5,131.54	**5,388.62**

	March 31, 2020			March 31, 2019		
	Weighted average interest rate	Balance loan amount	% of total loans	Weighted average interest rate	Balance loan amount	% of total loans
Borrowings from banks and others	10 00%	2,459 36	47 93%	9 95%	1,792 79	33 27%

Sensitivity analysis

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of change in the interest rates. If the weighted average rate of the variable interest rate borrowings increase/decrease by 1% the interest expense will increase/decrease by Rs 24 59 lakhs (March 31, 2019: Rs Rs 17 93 lakhs)

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38 Capital management

Risk management

The Company's objectives when managing capital are to:
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet)

The Company's strategy is to maintain a net debt to equity ratio within 0.5. The ratio is as follows:

	As at March 31, 2020	As at March 31, 2019
Total liabilities	5,159.53	5,336.95
Less: Cash and cash equivalents	(872.26)	(304.22)
Adjusted net debt	**4,287.27**	**5,032.73**
Total equity	25,262.31	28,773.50
Adjusted net debt to equity ratio	**0.17**	**0.17**

39 Exemption from preparing consolidated financial statements

These financial statements are the standalone financial statements of the Company. The Company has used the exemption under Paragraph 4(a) of Ind AS 110 and has elected not to prepare the consolidated financial statements. The consolidated financial statements are prepared by the holding company, Thomas Cook India Limited, Mumbai. Refer below for the details of subsidiaries/associates of the Company:

Name of the investee	% of shares held	
	March 31, 2020	**March 31, 2019**
Sterling Holidays (Ooty) Limited	98%	98%
Sterling Holiday Resorts (Kodaikanal) Limited	98%	98%
Nature Trails Resorts Private Limited	100%	100%

40 Segment information

Description of segments and principal activities
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker.
The Managing Director (MD) of the Company has been identified as the chief operating decision maker of Sterling Holiday Resorts Limited who assesses the financial performance and position of the Company, and makes strategic decisions. The Company has only one reportable segment as described below:
- Sterling membership and resort operations: This segment deals with timeshare business on account of membership and the resort business.

41 In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption (including temporary closure and phased reopening of its resorts).
The financial statements for the year ended March 31, 2020 reflect that the Company has incurred losses of Rs. 4,165.58 lakhs during the year and has accumulated losses of approximately Rs. 55,036.73 lakhs (which have significantly eroded the net worth of the Company) as at the balance sheet date. The above accumulated loss includes a one-time impact of Rs. 30,260 lakhs on change in accounting for contracts with customers, pursuant to transition to Ind AS 115 Revenue from Contracts with Customers. The Company has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Company including those arising from of the COVID-19 pandemic.
Based on the approved cash flow projections for the next 12 months, availability of assets (land, buildings, trade receivables etc.) for securitization/monetization for additional funds, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

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STERLING HOLIDAY RESORTS LIMITED
CHENNAI

(All amounts in Rs. lakhs, unless otherwise stated)

42 Related party transactions

(a) Parent entities

The Company is controlled by following entity:

Name of entity	Type	Ownership interest held by the Group March 31, 2020	Ownership interest held by the Group March 31, 2019
Fairfax Financial Holdings Limited, Canada	Ultimate Holding Company	-	-
Thomas Cook (India) Limited	Holding Company	100%	100%

(b) Subsidiaries

Name of entity	Principal Activities	Ownership interest held by the Group March 31, 2020	Ownership interest held by the Group March 31, 2019
Sterling Holidays (Ooty) Limited ('Ooty')	Timeshare & resorts business	98%	98%
Sterling Holiday Resorts (Kodaikanal) Limited ('Kodai')	Timeshare & resorts business	98%	98%
Nature Trails Resorts (Private) Limited ('NT')	Adventure holiday activities business	100%	100%

(c) Fellow subsidiaries with whom transactions have been entered

Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited w.e.f April 1, 2019)
TC Tours Private Limited
SOTC Travel Services Private Limited (merged with TC Tours Private Limited)
Quess Corp Limited
CentreQ Business Services Ltd (merged with Quess Corp Limited)
Coachieve Solutions Pvt Ltd (merged with Quess Corp Limited)
Allsec Technologies Limited

(d) Key management personnel compensation

	March 31, 2020	March 31, 2019
Mr. Ramesh Ramanathan (Chairman-Managing Director)		
Short-term employee benefits	206.61	210.00
Post-employment benefits	15.58	15.84
Employee share-based payment	-	53.39
Performance bonus	-	105.00
Total	**222.19**	**384.23**
Mr. Manish Jain (Chief Financial Officer)*		
Short-term employee benefits	38.84	22.70
Post-employment benefits	3.33	0.72
Total	**42.17**	**23.42**

*Mr. Manish Jain ceased to be the Chief Financial Officer with effect from October 23, 2019
Mr. Gaurav Kant has been appointed as the Chief Financial Officer with effect from April 20, 2020

	March 31, 2020	March 31, 2019
Mr. Udhay Shankar (Chief Financial Officer)*		
Short-term employee benefits	-	13.13
Post-employment benefits	-	12.56
Employee share based payment	-	11.02
Total	**-**	**36.71**

*Mr. Udhay Shankar ceased to be the Chief Financial Officer with effect from June 30, 2018.

	March 31, 2020	March 31, 2019
Mr. M. Balasubramaniyan (Company Secretary)		
Short-term employee benefits	15.88	16.07

(e) Transactions with related parties

Transactions with related parties are as follows:

	March 31, 2020	March 31, 2019
Sale of services		
Thomas Cook (India) Limited	46.49	27.38
TC Tours Private Limited	24.06	37.48
SOTC Travel Services Private Limited	0.42	25.90
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited w.e.f April 1, 2019)	-	56.68
Total	**70.97**	**147.43**
Interest income		
Sterling Holidays (Ooty) Limited	14.82	26.62
Sterling Holiday Resorts (Kodaikanal) Limited	97.80	75.45
Nature Trails Resorts Private Limited	151.44	111.99
Total	**264.07**	**214.06**
Net recovery on account of holiday activities		
Thomas Cook (India) Limited	7.02	81.79
Miscellaneous income		
Sterling Holidays (Ooty) Limited	156.30	165.21
Sterling Holiday Resorts (Kodaikanal) Limited	89.12	67.93
Total	**245.42**	**233.14**
Income from use of brand		
Sterling Holidays (Ooty) Limited	51.46	33.23
Sterling Holiday Resorts (Kodaikanal) Limited	34.94	19.65
Total	**86.40**	**52.88**

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Sterling Holiday Resorts Limited Chennai

	March 31, 2020	March 31, 2019
Sale of investment during the year		
Thomas Cook (India) Limited	-	1,669.22
Rent expense		
Thomas Cook (India) Limited	1.71	1.46
Rental income		
Thomas Cook (India) Limited	24.00	24.00
Management fees received		
Sterling Holidays (Ooty) Limited	487.79	449.98
Sterling Holiday Resorts (Kodaikanal) Limited	355.49	270.53
Total	**843.28**	**720.51**
Maintenance expenditure paid		
Sterling Holidays (Ooty) Limited	35.65	49.04
Sterling Holiday Resorts (Kodaikanal) Limited	51.91	75.72
Total	**87.56**	**124.76**
Travel booking & other support services		
Thomas Cook (India) Limited	122.33	162.12
Services availed		
Quess Corp Limited	569.29	24.85
CentreQ Business Services Ltd	-	3.24
Coachieve Solutions Pvt Ltd	26.64	44.69
Allsec Technologies Limited	11.45	-
Total	**607.38**	**72.79**
Employee stock option expense (ESOP)		
Thomas Cook (India) Limited	360.08	197.63
Loans and advances granted		
Sterling Holidays (Ooty) Limited	2,010.36	2,474.02
Sterling Holiday Resorts (Kodaikanal) Limited	1,396.39	1,591.13
Nature Trails Resorts Private Limited	365.49	283.74
Total	**3,772.25**	**4,348.89**
Loans and Advances repaid		
Sterling Holidays (Ooty) Limited	2,066.93	2,648.57
Sterling Holiday Resorts (Kodaikanal) Limited	1,247.58	1,437.45
Nature Trails Resorts Private Limited	8.00	-
Total	**3,322.52**	**4,086.02**

(f) Outstanding balances as at the year end

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	March 31, 2020	March 31, 2019
Trade payables		
Thomas Cook (India) Limited	165.27	115.12
Quess Corp Limited	0.08	3.25
Coachieve solutions Pvt Ltd	0.98	11.11
Allsec Technologies Ltd	10.48	-
Nature Trails Private Limited	-	0.21
Total	**176.82**	**129.69**
Advances to suppliers		
Quess Corp Limited	113.95	-
Advances from customers		
SOTC Travel Services Private Limited	1.00	1.42
Trade Receivable		
Thomas Cook (India) Limited	16.70	-
TC Tours Private Limited	7.60	24.77
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited w.e.f April 1, 2019)	-	34.20
Total	**24.30**	**58.97**

	March 31, 2020	March 31, 2019
(g) Loans to related parties		
Loans to subsidiaries		
Sterling Holidays (Ooty) Limited	122.63	179.20
Sterling Holiday Resorts (Kodaikanal) Limited	947.94	799.13
Nature Trails Resorts Private Limited	1,365.49	1,008.00
Total	**2,436.06**	**1,986.33**
Interest accrued on loans given		
Sterling Holidays (Ooty) Limited	3.32	87.47
Sterling Holiday Resorts (Kodaikanal) Limited	27.10	89.75
Nature Trails Resorts Private Limited	381.21	244.92
Total	**411.63**	**422.14**

(h) Terms and conditions

The loans to Ooty, Kodai are given at an interest rate of 10% p.a. and to NT at 13% p.a. and are repayable on demand. The total loans receivable from the subsidiaries (including interest receivable) aggregates to Rs. 2,847.69 lakhs (Previous year Rs. 2,408.47 lakhs). During the year, the Company has paid amounts on behalf of the subsidiaries aggregating to Rs. 3,772.25 lakhs (Previous year Rs. 4,348.89 lakhs) and have recovered amounts aggregating to Rs. 3,322.52 lakhs (Previous year Rs. 4,086.02 lakhs). The accumulated losses as at March 31, 2020 of Ooty, Kodai and NT are Rs. 397.18 lakhs, Rs.1,208.95 lakhs and Rs.704.30 lakhs respectively (Previous year Rs. 471.20 lakhs, Rs. 1,020.27 lakhs and Rs. 150.93 lakhs respectively). The future financial projections of the subsidiary companies reflect positive cash flows from operations due to higher occupancy/tariffs from refurbished properties. Accordingly, the Management is of the view that these loans are good and recoverable.

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Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
43 Contingent liabilities and contingent assets		
Contingent liabilities		
Claims against the Company not acknowledged as debt:		
(a) In respect of income tax matters: Advance Subscription towards Customer Facilities (ASCF)/Entitlement fee being 55%/40% of sale value is treated as deferred income and recognised as income over the period of entitlement. In respect of Assessment Years 1997-98 to 2001-02, the Income Tax Appellate Tribunal, Chennai (ITAT) has passed orders against the said accounting treatment followed by the Company and to treat them as income in the respective year of receipt. The Company has appealed against these Orders before Hon'ble High Court of Madras and the case is pending.	-	-
The ITAT, Chennai has decided in favour of Company's accounting treatment of ASCF for Assessment years 2002-03, 2006-07, 2007-08, 2008-09 and 2009-10 against which department has gone on appeal. There is no tax liability on account of such order owing to carry forward losses and unabsorbed depreciation available under Income Tax Act. In respect of Assessment Years 2010-11 to 2013-14, ITAT, Mumbai has decided in favour of Company's accounting treatment of ASCF/Entitlement fee and in respect of Assessment Years, for which the department is likely to go on appeals. There is no tax liability on account of such orders owing to carry forward losses and unabsorbed depreciation available under Income Tax Act.	-	-
In respect of AY 1999-2000, The Assessing officer (AO) has added notional interest with the returned income of Manchanda Resorts Private Limited (Since merged with the company w.e.f., April 1, 2012). The Commissioner of Income Tax Appeals has confirmed the addition of the AO. The company has filed appeals with Income Tax Tribunal for this matter and the case is pending as of date. There is no tax liability on account of such order owing to carry forward losses and unabsorbed depreciation available under Income Tax Act.	-	-
In respect of Assessment Year 2010-11, the income tax department has re-opened the assessment and the assessing officer has disallowed the brought forward depreciation loss of the demerged entity Sterling Holiday Resorts India Limited from the AY 1996-97 to AY 2001-02. The Company has obtained the favourable orders from ITAT Mumbai. There is no tax liability on account of such order owing to carry forward losses and unabsorbed depreciation available under Income Tax Act.	-	-
In respect of Assessment Year 2015-16, the Assessing Officer (AO) had issued an order with respect to treatment of ASCF/Entitlement fee and disallowance of brought forward loss of the demerged entity Sterling Holiday Resorts India Limited and for other disallowances. The Company had filed an appeal before Commissioner of Income Tax (Appeals), Mumbai and the case is pending as of date. Since the entire brought forward loss was disallowed, this has resulted in a tax demand.	2,362.58	2,362.58
During the year, the Assessing Officer (AO) has issued an income tax demand order for the AY 2017-18. Additions of Rs. 13,805.84 lakhs have been made. Consequently, a demand of Rs. 6,451.04 lakhs was determined as payable. Based on the management's assessment and the advice of external consultant, the Company believes the demand is not tenable. The Company has filed an appeal in this regard.	6,451.04	-
During the year, the Assessing Officer (AO) has issued an income tax demand order for the AY 2001-02 & AY 2006-07. Penalty orders has been issued by the officer for the above years. Based on the management's assessment and the advice of external consultant, the Company believes the demand is not tenable. The Company is in the process of filing their response for the same.	694.35	-
(b) In respect of service tax matters: 'Demand towards service tax matters in respect of which stay order obtained (excludes show cause notices aggregating Rs. 8,642.62 lakhs which have been responded by the Company/ stay order obtained and against which no demands have been raised as of date)	557.04	557.04
(c) Others:		
Luxury tax related demands under appeal	1,811.46	1,910.93
VAT related matters	37.60	49.17
GST related matters	179.37	113.28
Customer, vendor, employee and property related disputes under appeal	2,611.16	1,421.89

The Company has filed an appeal against the above matters which is pending disposal. Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decision pending with relevant authorities.

(d) Supreme Court vide their judgement dated February 28, 2018 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company, based on external advice, believes that there are interpretative challenges on the application of the judgement retrospectively. Pursuant to the ruling, the Company recorded a provision of Rs. 45.33 lakhs in 2018-19, with respect to demands received for Manali (for the period of April 2007 to December 2015) and Munnar (for periods prior to 2013). Based on the advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has not recorded a provision with respect to any period other than as mentioned above. The Company would update the provision in future based on clarification received from the relevant authorities.

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	As at March 31, 2020	As at March 31, 2019
44 Commitments		
(a) Capital commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows		
Property, plant and equipment	181.73	72.07

45 Property related matters

a During the financial year 2011-12, pursuant to One Time Settlement (OTS) scheme, the Company had fully settled the dues of a Financial Institution (FI) and also obtained a 'No Due' certificate. However, the FI has not released the title deeds of the properties given as security for the reason that a Third Party has filed a writ petition against the FI challenging the cancellation of sale of the said property to them. The Company is also a party to the said writ petition. The said writ petition was disposed off by Hon'ble High Court of Madras, against the Company. The Company has preferred Special Leave Petition (SLP) before the Hon'ble Supreme Court of India and the Court has ordered 'Status quo' in all respects concerning the said properties. The net book value of land and building as at March 31, 2020 in respect of the said property aggregates to Rs. 8,217.06 lakhs (March 31, 2019: Rs. 8,217.06 lakhs). In view of the management and based on the independent legal opinion obtained, the Company has a fair chance to succeed in the appeal pending before Hon'ble Supreme Court of India.

b The Company had in the past transferred a property at Goa and part of the sale consideration amounting to Rs. 527.10 lakhs (March 31, 2019: Rs. 527.10 lakhs) (included under "Other financial assets") was retained by the buyer pending compliance of certain conditions. The Company is confident of recovering this amount as it has taken effective steps for discharge of its obligations. The Company is also legally advised that it has the right of vendor's lien against the immovable property sold to the extent of amount due. The Company has filed a suit against the buyer for recovery of the amount. In view of the aforesaid, the above amount is considered good and recoverable by Management. Application for rejection of the plaint by the defendant has been dismissed. The Defendant filed a revision before the High Court at Goa and High Court dismissed the same. The Company expects the trial to start soon.

c The Company had in the past transferred a property of 7.3 acres out of 10.3 acres land parcel at Chail for consideration and with a condition that the buyer would construct 10 cottages in the 3 acres land retained by the Company and handover the same. However, the buyer had taken the possession of the entire parcel of land and had not fulfilled the condition. The book value of the land is Rs. 550.00 lakhs (March 31, 2019: Rs. 550.00 lakhs). The title deeds for 3 acres of land are not available with the Company. There is an arbitration award in favour of the Company which the Company is enforcing in the court of law. The Company is of the view that it has a fair chance to succeed in its plea. The High Court has ordered 'Status Quo' on the property. The Company has filed an application for appointment of the receiver.

d During July 2019, the Company terminated its lease contract for the Daman resort due to non-renewal of the statutory licenses by the owner after repeated reminders. The contract had a lock-in period of 9 years till January 2024. The resort owner issued a legal notice on November 25, 2019 demanding a sum of Rs 1,091 lakhs towards the outstanding lock-in obligation, outstanding operations and maintenance fee, GST not paid by SHRL and other costs incurred by the owner. The land lord has invoked the Arbitration clause and appointed an Arbitrator to adjudicate the dispute. The Company has submitted a reply on December 17, 2019 denying all the allegations and has nominated an Arbitrator to represent SHRL. The Company is awaiting further update from the resort owner regarding the same. The amount is treated as contingent liability at this stage.

e **Other property related matters**

Property	Net carrying amount as on March 31, 2020	Net carrying amount as on March 31, 2019	Remarks
Kodai Valley View (Revalued - Refer Note 52)	6,510.00	6,510.00	The Company has submitted the original title documents with the District Magistrate as part of the plaint filed in response to litigation for title in 1993. The trial has been stayed by the High Court. Stay has been vacated. The case will be heard before the District Court Kodaikanal.
Hubli	5.16	5.16	Sale deed was not registered in the name of the Company. The Company had paid the entire consideration and taken over possession of the property. Seller company was liquidated in the past, accordingly the Company needs to take necessary legal steps to register the title in its name. The Company has approached the official liquidators office and is yet to receive next steps from them.
Peermedu (Revalued - Refer Note 52)	1,483.15	1,483.15	The Company is in possession of a land at Peermedu which was initially under lease. Subsequently, an agreement for sale was also entered into with lessors and sale consideration was paid as one time deposit. The Company had filed a legal case against the lessors invoking specific performance of the sale agreement. The Court had issued notice to both the lessors / sellers, that was not responded by them. The Court has ordered publications in the newspapers. However, the defendants did not appear before the court and the defendant was set ex parte. The Company is taking necessary steps to file an execution petition.

46 The Company holds 98% equity shares in Sterling Holidays (Ooty) Limited and Sterling Holiday Resorts (Kodaikanal) Limited and each subsidiary company is responsible for maintaining the property pursuant to the property timeshare agreement with the property time share members. However, certain property time share weeks of these two properties are unsold and retained by the Company. Pursuant to the necessary approvals obtained by the Company and subsidiary companies as required under the Companies Act, 2013, the subsidiary companies can rent out weeks sold to property timeshare members and unsold weeks retained by the Company which are vacant and earn revenue from it. The property time share members and the Company shall have no claim on the revenue generated from it. Further, pursuant to the exchange clause under property timeshare agreement, property time share members of the said property are also eligible to utilize facilities at Company's other resorts.

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47 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

		As at March 31, 2020	As at March 31, 2019
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	44.04	52.23
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.46	4.29
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	279.39	163.86
iv	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	2.06	3.57
vii	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	4.41	0.72

48 The composite Scheme of Arrangement and Amalgamation ("the Scheme") between Thomas Cook Insurance Services (India) Limited (now known as Sterling Holiday Resorts Limited) ("the Company"), Thomas Cook (India) Limited ("TCIL") and erstwhile Sterling Holiday Resorts (India) Limited ("SHRIL") and their respective shareholders and creditors has been sanctioned by the High Court of Judicature at Mumbai and the High Court of Judicature at Madras on July 2, 2015 and April 13, 2015, respectively, and made effective on August 18, 2015. In terms of the said Scheme, the Timeshare and Resort business of erstwhile SHRIL ("Demerged Undertaking") has been demerged and transferred to and vested with the Company as a going concern and the residual SHRIL has been amalgamated with TCIL. The appointed date of the Scheme is April 1, 2014.

In accordance with the said Scheme :

a) the assets and liabilities of the Demerged Undertaking as on April 1, 2014 have been taken over by the Company and have been recorded at their respective book values, ignoring revaluations.

b) the Equity Shares (including equity shares acquired after appointed date) held by the Company in erstwhile SHRIL were cancelled.

c) the difference of Rs. 22,984.06 lakhs between the book values of net assets of the Demerged Undertaking recorded in the books of the Company as above and the value of investments in erstwhile SHRIL in the books of the Company, has been adjusted against Securities Premium Account.

d) an amount of Rs. 274 lakhs relating to current tax provision was reversed and an amount of Rs. 4.2 lakhs relating to deferred tax asset was reversed into retained earnings consequent to the scheme

e) in consideration for transfer of Demerged Undertaking into the Company, 116 equity shares of TCIL of Re. 1 each has been issued to the shareholders of erstwhile SHRIL for every 100 shares of Rs. 10 each held in erstwhile SHRIL.

	As at March 31, 2020	As at March 31, 2019
49 Assets pledged as security		
Current		
Receivables	16.71	847.85
Inventories	4.68	65.00
Non-current		
Freehold land (Revalued - Refer Note 51)	5,408.00	5,408.00
Buildings	7,554.00	7,699.68
Moveable assets	3,273.00	3,874.69

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(All amounts in Rs. lakhs, unless otherwise stated)

50 Share based payments

(a) Employee option plan

The options outstanding as at March 31, 2020, represent the unvested, vested and exercisable options granted by Thomas Cook India Limited, the holding company, to the employees of the company. This disclosure is based on the information relating to the scheme shared by the holding company.

Sterling Holiday Resorts Limited Employee Stock Options Scheme 2012 - ("SHRL ESOS 2012")

As per clause 15.3.2 of the Composite Scheme of Arrangement and Amalgamation between Sterling Holiday Resorts (India) Ltd. (SHRIL) and Thomas Cook Insurance Services (India) Ltd (TCISIL), and Thomas Cook (India) Ltd. (TCIL) the SHRIL ESOS 2012 became a part of the holding company's schemes and Stock Options which had been granted but not exercised as of the Record Date, by such SHRIL employees shall lapse and in lieu of the Lapsed Options of SHRIL, TCIL shall grant 120 options for every 100 options of SHRIL. The revised Exercise Price for Grant I was INR 80.00 and for Grant II was INR 108.46. Subject to the terms of the Scheme and SEBI ESOP Guidelines, the option holder will have a period of 5 years from the date of which the Options have vested, within which the vested options can be exercise

Thomas Cook Employees Stock Scheme 2015

Under Employee Share Option Scheme 2015 (ESOP 2015) granted by Thomas Cook India Limited, the holding Company, 33%, 33% and 34% of the options granted vest in a period of 12 months, 24 months and 36 months respectively from the grant date. Once vested the options remain exercisable for a period of 10 years from the date of grant.

Thomas Cook Employees Stock Scheme 2018 - Management (ESOP 2018 – Management)

The Company has established an Employee Stock Option Scheme called -"Thomas Cook Employees Stock Scheme 2018 - Management (ESOP 2018 – Management)".
Grant date of the scheme if 01-Sep-2018 and the Exercise price of the Vested Option shall be 50% of the Market price as defined under the SEBI Regulations.
The purpose of this Scheme is to reward and retain the employees of the Subsidiary Companies of Thomas Cook under its control for high levels of individual performance and for exceptional efforts to improve the financial performance of the respective subsidiary companies, which will ultimately contribute to the success of Thomas Cook. This purpose is sought to be achieved through the grant of Options, for and on behalf of, and at the behest of the subsidiary companies to their employees.

Thomas Cook Employees Stock Scheme 2018 - Execom

The Exercise Price shall be equal to face value of shares i.e Re. 1 per option.
The objective of the ESOP 2018 - Execom is to reward the Execom Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.
The Scheme shall be applicable to the Execom and Employees of TCIL, its Subsidiary companies in India and abroad, as determined by the Committee on its own discretion from time to time.
Options granted under ESOP 2018 - Execom would Vest only at the end of 5 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters. The specific performance parameters will be decided by the Committee from time to time and will be communicated to the employees. The attainment of such performance parameters would be determined by the Committee from time to time which shall be a mandatory condition for vesting of options.

i) Summary of options granted under plan :

TCIL ESOP 2018 Execom	March 31, 2020		March 31, 2019	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	-	7,30,919	-	-
Granted during the year	-	-	-	7,30,919
Exercised during the year	-	-	-	-
Forfeited during the year	-	55,286	-	-
		6,75,633		**7,30,919**

TCIL ESOP 2018 Management	March 31, 2020		March 31, 2019	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	-	2,41,008	-	-
Granted during the year	-	-	-	2,55,639
Exercised during the year	-	-	-	-
Forfeited during the year	-	38,435	-	14,631
		2,02,573		**2,41,008**

ESOS 2012 (Grant II)	March 31, 2020		March 31, 2019	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	-	66,900	-	91,650
Granted during the year	-	-	-	-
Exercised during the year	108.46	3,300	108.46	23,400
Forfeited during the year	-	39,750	-	1,350
		23,850		**66,900**

ESOP 2015	March 31, 2020		March 31, 2019	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	-	1,28,978	-	3,02,190
Granted during the year	-	-	-	-
Exercised during the year	165.92	13,037	165.92	1,51,546
Forfeited during the year	-	3,400	-	21,666
		1,12,541		**1,28,978**

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(All amounts in Rs. lakhs, unless otherwise stated)

ii) Share options outstanding at the end of year have following expiry date and exercise prices

	Grant date	Expiry date	Exercise price	Share options March 31, 2020	Share options March 31, 2019
ESOP 2018 - Execom	October 5, 2018	September 29, 2043	1.00	6,75,633	7,30,919
ESOP 2018 - Management	September 1, 2018	August 29, 2031	125.10	2,02,573	2,41,008
ESOS 2012 (Grant II)	July 30, 2014	July 27, 2024	108.46	23,850	66,900
ESOP 2015	August 25, 2015	August 24, 2025	165.92	1,12,541	1,28,978

iii) Modification of share based payment:

On implementation of Composite Scheme of arrangement and Demerger of Human Resource Business

The Holding company (TCIL) in a composite scheme of arrangement demerged its Human Resources Services Business and transferred it to Quess Corp Limited (Quess). The scheme was approved by the National Company Law Tribunal (NCLT) with the appointed date as April 1, 2019. The effective date of the scheme was November 25, 2019 when both TCIL and Quess filed the certified copies of the order with their respective jurisdictional Registrar of Companies.

As a part of the composite scheme, Group Employees whose ESOPs were outstanding on the effective date will be entitled to the additional shares of Quess on account of the demerger of Human Resource Business. Instead of altering the exercise price, TCIL provided additional award in form of Quess shares.

The group employees are now entitled to shares of Quess along with those of TCIL in the same share entitlement ratio prescribed in the scheme for the other shareholders of TCIL (1889:10,000)

In case of vested ESOPs, the employees will be granted shares of TCIL and Quess only on payment of the exercise price. In case of unvested ESOPs, the employees will be granted shares of TCIL and Quess on completion of the remaining vesting period and payment of the exercise price.

The options, to the extent, which are settled by shares of Quess do not meet the definition of a share-based payment arrangement because the value of shares of Quess is not based on the price or value of TCIL's equity instruments or any of its group entity's equity instruments. The options to the extent which are settled by shares of Quess will be considered as an employee benefit within the scope of Ind AS 19. The options settled by shares of TCIL continue to be considered as share based payments and are accounted as per IND AS 102.

(b) Expense arising from share based payment transaction

Particulars	March 31, 2020	March 31, 2019
Employee option plan expenses	310.21	197.63
Employee Stock expenses	49.87	-
Total	**360.08**	**197.63**

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51 Change in accounting policy

Revaluation of land

During the previous financial year 2018-19, the Company has changed its accounting policy with respect to measurement of freehold and leasehold land from the cost model to revaluation model with effect from April 1, 2018. Freehold and leasehold land will be recognized at fair value based on periodic valuation done by external independent valuers, less subsequent amortization of leasehold land.
A revaluation surplus will be recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.
Fair value of the land assets was determined by an external independent valuer using the market comparable method, i.e., the valuations performed by the valuer are based on active market sale prices, adjusted for difference in the nature, location or condition of the specific property. The carrying amounts as at March 31, 2019 and March 31, 2020 under cost and revaluation models are given below:

Block of asset	Revaluation model		Cost model	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Freehold land	49,324.48	49,324.48	3,623.04	3,623.04
Leasehold land	-	2,776.34	-	1,584.81
Right of use asset land (Refer note 52)	2,742.58	-	1,566.14	-
Total	**52,067.06**	**52,100.82**	**5,189.17**	**5,207.85**

52 Recently adopted accounting standard

Adoption of Ind AS 116 Leases

Transition
Pursuant to the notification dated March 30, 2019 of the Ministry of Corporate Affairs, Ind AS 116, Leases became applicable to the company with effect from April 1, 2019. This standard replaces the earlier standard, Ind AS 17 Leases.

Ind AS 116 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the earlier standard – i.e., lessors continue to classify leases as finance or operating leases.

The Company has adopted Ind AS 116 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application (April 1, 2019). Accordingly, the information presented for the for the year ended March 31, 2019 has not been restated – i.e. it is presented, as previously reported, under Ind AS 17. The company has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Further, the company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The Company has used the following practical expedients permitted under Ind AS 116:
a) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
b) the accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
c) not to separate non-lease components from lease components where information is not clearly evident and instead account for each lease component and any associated non-lease components as a single lease component.
d) not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17.

During the financial year 2019-20, the company had adopted the revaluation model for measurement of land (including leasehold land) as per Ind AS 16 Property, plant and equipment. Consequently, the Company has elected to apply the same revaluation model to all of the right-of-use assets related to leasehold land.

Impact on financial statements
On transition to Ind AS 116 the company recognised lease liability of Rs 9,467.77 lakhs measured at the present value of remaining lease payments and right-of-use assets of Rs 12,650.07 lakhs measured at lease liability adjusted for prepayments in the balance sheet as at April 1, 2019.

When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at April 1,2019.The weighted average rate applied is 9.5%

	Amount
Operating lease commitment at March 31, 2019 as disclosed in the company's financial statements	12,946.22
---Recognition exemption for	
Short term leases	76.90
Low value asset leases	27.19
Lease commitments to be recognized as at April 1, 2019	12,842.13
Present value of lease liabilities recognised at April 1, 2019	**9,467.77**

As a lessee, the company leases many assets including land and building, vehicles

Right of use assets	Land	Building	Vehicles	Total
Balance at April 1, 2019	-	-	-	-
Transition adjustment on adopting IND AS 116	-	9,399.95	67.82	9,467.77
Transfer from Property Plant & Equipment	2,776.33	-	-	2,776.33
Transfer from prepaid expense	-	405.97	-	405.97
Addition to right of use assets	-	2,430.13	2.73	2,432.86
Depreciation charge for the year	(33.76)	(2,009.30)	(25.84)	(2,068.90)
Derecognition of right of uses assets	-	(686.82)	-	(686.82)
Balance at March 31, 2020	**2,742.57**	**9,539.93**	**44.71**	**12,327.21**

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(All amounts in Rs. lakhs, unless otherwise stated)

Lease Liabilities	**Amount**
Balance at April 1, 2020	-
Transition adjustment	9,467.77
Additions	2,326.51
Deletions	(698.75)
Finance cost accrued during the period	866.20
Discharge of lease liabilities	(2,353.25)
Balance at March 31, 2020	**9,608.48**
Current	2,421.31
Non-current	7,187.17

Maturity analysis contractual undiscounted cash flows	**Amount**
Less than one year	2,421.31
One to five years	6,819.71
More than five years	3,782.05
Total	**13,023.07**

Amounts recognised in profit or loss	**Amount**
Interest on lease liability	866.20
Variable lease payments not included in the measurement of lease liability	136.04
Expenses relating to short term leases	153.50
Expenses relating to leases of low value assets,excluding short term leases of low value assets	312.17
Income recognized on lease terminations/lease rent concessions	102.95

Amounts recognised in statement of cash flow	**Amount**
Total cash outflow for leases	2,353.25

Revaluation model

In the previous year, the company had adopted the revaluation model for measurement of land (including leasehold land) as per Ind AS 16 Property, plant and equipment. Consequently, the Company has elected to apply the same revaluation model to all of the right-of-use assets related to leasehold land. Refer note 51 on balances relating to right of use asset land.

The following table summarizes the amount by which each financial statement line item is affected in the current year as a result of applying Ind AS 116.

Balance sheet as at March 31, 2020

Particulars	**Note**	**Amounts without adoption of Ind AS 116**	**Impact of Ind AS 116**	**As reported**
Assets				
Non-current assets				
Property, plant and equipment	3	89,330.76	(2,742.58)	86,588.18
Capital work-in-progress	4	703.21	-	703.21
Other intangible assets	5	1,067.11	-	1,067.11
Intangible assets under development	6	60.05	-	60.05
Right of use assets	52	-	12,327.21	12,327.21
Financial assets				
i. Investments	7(a)	2,256.63	-	2,256.63
ii. Trade receivables	8(a)	584.88	-	584.88
iii. Loans	9		-	-
iv. Other financial assets	10	1,227.31	-	1,227.31
Other tax assets	11	1,310.31	-	1,310.31
Other non-current assets	12	9,368.80	(416.63)	8,952.17
Total non-current assets		**1,05,909.06**	**9,168.00**	**1,15,077.06**
Current assets				
Inventories	13	90.93	-	90.93
Financial assets				
i. Investments	7(b)	321.60	-	321.60
ii. Trade receivables	8(b)	9,572.41	-	9,572.41
iii. Cash and cash equivalents	14	833.00	-	833.00
iv. Bank balances other than (iii) above	15	39.26	-	39.26
v. Loans	9	2,929.22	-	2,929.22
vi. Other financial assets	10	479.98	-	479.98
Other current assets	16	1,466.10	-	1,466.10
Total current assets		**15,732.50**	-	**15,732.50**
Total assets		**1,21,641.56**	**9,168.00**	**1,30,809.56**

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STERLING HOLIDAY RESORTS LIMITED ★ CHENNAI

(All amounts in Rs. lakhs, unless otherwise stated)

Equity and liabilities		Amounts without adoption of Ind AS 116	Impact of Ind AS 116	As reported
Equity				
Equity share capital	17	2,905.00	-	2,905.00
Other equity				
Reserves and surplus	18	(22,526.43)	(447.65)	(22,974.09)
Other reserves	19	45,331.40	-	45,331.40
Total equity		**25,709.96**	**(447.65)**	**25,262.31**
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	20(a)	1,960.69	-	1,960.69
ii. Other financial liabilities	21(a)	8.27	-	8.27
iii. Lease liability	52	-	7,187.17	7,187.17
Provisions				
i. Provision for employee benefit obligations	22	315.46	-	315.46
Other non-current liabilities	24	78,150.00	-	78,150.00
Total non-current liabilities		**80,434.42**	**7,187.17**	**87,621.59**
Current liabilities				
Financial liabilities				
i. Borrowings	20(b)	2,459.36	-	2,459.36
ii. Trade payables	25	2,854.72	7.16	2,861.88
iii. Other financial liabilities	21(b)	1,218.68	-	1,218.68
iv. Lease liability	52	-	2,421.31	2,421.31
Provisions				
i. Provision for employee benefit obligations	22	279.71	-	279.71
ii. Other provisions	26	2,212.13	-	2,212.13
Other current liabilities	27	6,472.59	-	6,472.59
Total current liabilities		**15,497.19**	**2,428.47**	**17,925.66**
Total liabilities		**95,931.61**	**9,615.64**	**1,05,547.25**
Total equity and liabilities		**1,21,641.56**	**9,168.00**	**1,30,809.56**

Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note			
Revenue from operations	28	23,206.11	-	23,206.11
Other income	29	2,055.77	102.95	2,158.72
Total Income		**25,261.88**	**102.95**	**25,364.83**
Cost of materials consumed	30	1,295.00	-	1,295.00
Employee benefit expenses	31	11,225.68	-	11,225.68
Finance costs	32	508.45	866.20	1,374.65
Depreciation and amortisation expense	33	2,633.45	2,035.14	4,668.59
Other expenses	34	13,055.52	(2,350.74)	10,704.78
Total expenses		**28,718.10**	**550.60**	**29,268.70**
Loss before tax		**(3,456.22)**	**(447.65)**	**(3,903.87)**
Income-tax expense / (benefit)	35	261.71	-	261.71
Loss for the period		**(3,717.93)**	**(447.65)**	**(4,165.58)**
Other Comprehensive Income		294.31	-	294.31
Total Comprehensive Income		**(3,423.62)**	**(447.65)**	**(3,871.27)**

53 Movement in deferred acquisition costs and contract liabilities as per Ind AS 115 - Revenue from contracts with customers

(a) Deferred acquisition costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance as at April 1, 2019	7,753.36	-
Additions during the year	2,184.34	8,195.03
Amortized during the year	(598.40)	(441.67)
Closing balance as at March 31, 2020	9,339.30	7,753.36

(b) Contract liabilities

	Membership fee	Annual subscription fee	Other resort revenue	For the year ended March 31, 2020
Opening balance as at April 1, 2019	76,739.97	609.79	1,036.14	78,385.90
Additions during the year (net)	10,151.94	417.94	767.46	11,337.34
Income recognized during the year	(4,849.76)	(365.22)	(928.40)	(6,143.38)
Closing balance as at March 31, 2020	**82,042.15**	**662.51**	**875.20**	**83,579.86**

Contract liabilities

	Membership fee	Annual subscription fee	Other resort revenue	For the year ended March 31, 2019
Opening balance as at April 1, 2018	34,904.59	544.76	1,403.83	36,853.18
Additions during the year (net)	46,059.88	439.83	950.51	47,450.21
Income recognized during the year	(4,224.50)	(374.80)	(1,318.20)	(5,917.49)
Closing balance as at March 31, 2019	**76,739.97**	**609.79**	**1,036.14**	**78,385.90**

For contract liabilities pertaining to membership fee, services will be provided over the effective membership period and revenue is recognised over that period. Other contract liabilities pertain to consideration received in advance and are recognized as revenue in the respective period when the service is rendered

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Sterling Holiday Resorts Limited ★ Chennai

54 Earnings per share	**March 31, 2020**	**March 31, 2019**
Loss for the year attributable to the equity holders of the Company	(4,165.58)	(2,363.39)
Weighted average number of equity shares outstanding (in lakhs)	290.50	290.50
Basic and diluted earnings per share	**(14.34)**	**(8.14)**

As per our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
ICAI UDIN: 20217042AAAABE3629

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Managing Director
DIN No.: 00174550

R. Anand
Director
DIN No.: 00243485

Gaurav Kant
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: June 5, 2020

Sterling Holiday Resorts Limited
Consolidated Balance sheet as at March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	90,729.70	95,586.56
Capital work in progress	4	709.33	569.29
Goodwill	42	1,358.41	1,358.41
Other intangible assets	5	1,121.79	1,436.15
Intangible assets under development	6	60.05	37.67
Right of use assets	51	12,594.97	-
Financial assets			
i. Investments	7(a)	0.39	1.33
ii. Trade receivables	8(a)	584.88	1,255.92
iii. Other financial assets	10	1,281.63	1,386.94
Deferred tax assets	23	9.11	10.18
Other tax assets	11	1,349.58	1,191.20
Other non-current assets	12	9,235.76	8,169.63
Total non-current assets		**119,035.60**	**111,003.28**
Current assets			
Inventories	13	107.01	88.16
Financial assets			
i. Investments	7(b)	321.60	312.26
ii. Trade receivables	8(b)	9,691.30	8,889.55
iii. Cash and cash equivalents	14	862.13	248.70
iv. Bank balances other than (iii) above	15	39.26	71.40
v. Loans	9	83.14	56.06
vi. Other financial assets	10	246.30	301.38
Other current assets	16	1,479.01	1,317.00
Total current assets		**12,829.75**	**11,284.51**
Total assets		**131,865.35**	**122,287.79**
Equity and liabilities			
Equity			
Equity share capital	17	2,905.00	2,905.00
Other equity:			
Reserves and surplus	18	(24,600.52)	(19,750.44)
Other reserves	19	46,004.41	45,375.22
Total equity attributable to owners		**24,308.89**	**28,529.78**
Non-controlling interest		0.20	0.20
Total equity		**24,309.09**	**28,529.98**
Liabilties			
Non-current liabilities			
Financial liabilities			
i. Borrowings	20(a)	2,589.01	3,332.96
ii. Other financial liabilities	21(a)	8.27	18.87
iii. Lease liability	51	7,224.38	-
Employee benefit obligations	22	417.94	433.10
Deferred tax liabilities	23	432.87	472.51
Other non-current liabilities	24	78,150.00	73,376.35
Total non-current liabilities		**88,822.47**	**77,633.79**
Current liabilities			
Financial liabilities			
i. Borrowings	20(b)	2,459.36	1,770.53
ii. Trade payables			
Total outstanding dues of micro enterprises and small enterprises	25	48.68	54.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	25	3,135.03	3,121.91
iii. Other financial liabilities	21(b)	1,476.35	2,039.27
iv. Lease liability	51	2,445.62	-
Provisions	26	2,213.59	2,213.59
Current tax liabilities	27	21.61	5.36
Employee benefit obligations	22	309.86	269.40
Other current liabilities	28	6,623.69	6,649.34
Total current liabilities		**18,733.79**	**16,124.02**
Total liabilities		**107,556.26**	**93,757.81**
Total equity and liabilities		**131,865.35**	**122,287.79**
Significant accounting policies	1.3		

The accompanying notes are an integral part of these consolidated financial statements

In terms of our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership Number: 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Chairman and Managing Director
DIN No.: 00174550

Place: Chennai
Date: June 17, 2020

Sterling Holiday Resorts Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	29	26,908.38	26,191.32
Other income	30	776.17	808.07
Total income		**27,684.55**	**26,999.39**
Expenses			
Cost of materials consumed	31	1,640.45	1,710.33
Employee benefit expenses	32	12,295.49	12,231.50
Finance costs	33	1,466.34	719.65
Depreciation and amortisation expense	34	5,015.57	2,757.46
Other expenses	35	11,925.35	14,969.68
Total expenses		**32,343.20**	**32,388.62**
Loss before tax		**(4,658.65)**	**(5,389.23)**
Income tax expense (benefit)	36		
Current tax		21.61	16.12
Deferred tax		230.55	(3,119.93)
Loss for the year		**(4,910.81)**	**(2,285.42)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation gain relating to property, plant and equipment (Refer Note 52)		-	47,903.09
Remeasurement of post employment benefit obligations		60.73	(1.20)
Income tax effect on revaluation of property, plant & equipment		269.11	(3,400.47)
Other comprehensive income for the year, net of tax		**329.84**	**44,501.42**
Total comprehensive income for the year		**(4,580.96)**	**42,216.00**
Earnings per share (Face value of Rs. 10 each)			
Basic and anti-diluted earnings per share (in Rs.)	53	(16.91)	(7.87)
Significant accounting policies	1.3		

The accompanying notes are an integral part of these consolidated financial statements

In terms of our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership Number: 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Chairman and Managing Director
DIN No.: 00174550

Place: Chennai
Date: June 17, 2020

Sterling Holiday Resorts Limited
Consolidated Statement of changes in equity for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

I) Equity share capital

	Notes	Amount
Balance as at April 1, 2018		2,905.00
Changes in equity share capital during the year	17	-
Balance as at March 31, 2019		2,905.00
Changes in equity share capital during the year	17	-
Balance as at March 31, 2020		2,905.00

II) Other equity

	Notes	Attributable to owners: Reserves and surplus: Securities Premium	Reserves and surplus: General reserve	Reserves and surplus: Retained earnings	Other reserves: ESOP reserve	Other reserves: Equity Instruments through OCI	Other reserves: Revaluation reserve	Other reserves: Capital redemption reserve	Total	Non - Controlling interest	Total
Balance as at April 1, 2018		32,057.94	4.70	(19,535.62)	674.35	269.72	-	-	13,471.08	0.20	13,471.28
Loss for the year	18	-	-	(2,285 42)	-	-	-	-	(2,285.42)	-	(2,285.42)
Other comprehensive income	19	-	-	267 90	-	(269.72)	44,503 24	-	44,501.42	-	44,501.42
Employee stock option expense	49	-	-	-	197 63	-	-	-	197.63	-	197.63
Adoption of Ind AS 115	18	-	-	(30,259 94)	-	-	-	-	(30,259.94)	-	(30,259.94)
Balance as at March 31, 2019		32,057.94	4.70	(51,813.08)	871.98	-	44,503.24	-	25,624.77	0.20	25,624.97
Loss for the year	18	-	-	(4,910 81)	-	-	-	-	(4,910.81)	-	(4,910.81)
Other comprehensive income (net of tax)	19	-	-	60 73	-	-	269 11	-	329.84	-	329.84
Employee stock option expense	49	-	-	-	360 08	-	-	-	360.08	-	360.08
Redemption of preference shares	18	-	-	(10.00)	-	-	-	10 00	-	-	-
Balance as at March 31, 2020		32,057.94	4.70	(56,673.16)	1,232.06	-	44,772.35	10.00	21,403.88	0.20	21,404.08

Significant accounting policies 13

The accompanying notes are an integral part of these consolidated financial statements

In terms of our report of even date
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership Number: 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Chairman and Managing Director
DIN No : 00174550

Place: Chennai
Date: June 17, 2020

Sterling Holiday Resorts Limited
Notes to the consolidated financial statements as at and for the year ended March 31, 2020

1.1. Reporting entity

Sterling Holiday Resorts Limited (the "Company") is engaged in selling Membership including Leisure Hospitality Services (Time Share and Resort business). The Company is a subsidiary of Thomas Cook (India) Limited and the ultimate holding company is Fairfax Financial Holdings Limited, Canada.

The consolidated financial statements relate to Sterling Holiday Resorts Limited (the "Company" or "Holding Company") and its subsidiaries Sterling Holidays (Ooty) Limited and Sterling Holiday Resorts (Kodaikanal) Limited and Nature Trails Resorts Private Limited (together referred as "The Group").

1.2. Basis of preparation

1.2.1. Statement of compliance

The Company has used the exemption under Paragraph 4(a) of Ind AS 110 and has elected not to prepare the consolidated financial statements. These consolidated financial statements have been prepared solely to enable Thomas Cook (India) Limited to prepare its consolidated financial statements and not to report on Sterling Holiday Resorts Limited as a separate entity.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, to the extent applicable.

Basis of measurement

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

- certain financial assets and liabilities are measured at fair value (Refer Note 37);
- defined benefit plans — plan assets measured at fair value (Refer Note 22);
- share-based payments (Refer Note 32 and 49); and
- freehold and leasehold land measured at fair value (Refer Note 3 and 50).

1.2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chairman-Managing Director (CMD) of the Company has been identified as the chief operating decision maker of the Group who assesses the financial performance and position of the Group and makes strategic decisions. Refer Note 40 for segment information presented.

1.2.3. Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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STERLING HOLIDAY RESORTS LIMITED * CHENNAI

1.2. Basis of preparation (contd.)

1.2.4. Foreign currency transaction

a) **Functional and presentation currency**
Items included in the financial statements of the Group are measured using the currency of primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs.) which is the Group's functional and presentation currency.

b) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

1.3. Significant accounting policies

1.3.1. Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest (NCI)
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Transactions eliminated on consolidated
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.3.2. Revenue recognition

The Group's business is to sell membership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

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Sterling Holiday Resorts Limited Chennai

1.3 Significant accounting policies (contd.)

1.3.2 Revenue recognition (contd.)

The Group had adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients). The effect of initially applying this standard was recognised at the date of initial application (i.e. April 1, 2018) and included in retained earnings as on April 1, 2018.

Under Ind AS 115 an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognizing revenues when or as the performance obligations are satisfied.

a) Revenue from membership fees

In respect of sale of membership, the Group determines the transaction price and allocates the same to each performance obligation in the membership contract based on their respective fair value. Revenue from membership fee is recognized over the effective membership period as the performance obligation is fulfilled over the tenure of membership applicable to the respective member. The revenue to be recognized in future periods classified as deferred income under the head 'other non-current'/ 'other current liabilities'. Revenue from offers and other benefits given to the customer is recognized as and when such benefits are provided to customers.

b) Revenue from annual subscription fees

Income in respect of annual subscription fee or annual amenity charges dues from members is recognized only when it is reasonably certain that the ultimate collection will be made. Where the length of time between rendering services and collection of consideration from the customers is more than one year, the Group adjusts the consideration for time value of money.

c) Interest income on membership plans

Interest is recognised as income based on the terms of the contracts entered into with the members if they are reasonably certain to be recovered from the customers.

Provision for cancellation of membership contracts is recognized based on the Group's cancellation policy and historical trends and experience.

d) Incremental costs of obtaining and fulfilling a contract

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

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1.3. Significant accounting policies (contd.)

1.3.2 Revenue recognition (contd.)

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(c) the costs are expected to be recovered.

The above costs to obtain and fulfill a contract are amortized over the effective membership period.

e) Revenue from resorts

Income from resorts comprising of sale of food and beverages, room rentals and other services are recognized when these are sold and as services are rendered.

f) Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company renders services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration has received consideration, or for which an amount of consideration is due from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.3. Income taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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STERLING HOLIDAY RESORTS LIMITED * CHENNAI

1.3. Significant accounting policies (contd.)

1.3.3. Income taxes (contd.)

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

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

1.3.4. Leases

The Group adopted Ind AS 116, Leases with effect from April 1, 2019. This standard replaces the earlier standard Ind AS 17. Ind AS 116 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the earlier standard – i.e., lessors continue to classify leases as finance or operating leases.

The Group has adopted Ind AS 116 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application (April 1, 2019). Accordingly, the information presented for the for the year ended March 31, 2019 has not been restated – i.e. it is presented, as previously reported, under Ind AS 17. The Group has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Further, the company has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

1.3.4. Leases

The Group has used the following practical expedients permitted under Ind AS 116:

(a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

(b) The accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

(c) Not to separate non-lease components from lease components where information is not clearly evident and instead account for each lease component and any associated non-lease components as a single lease component.

(d) Not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17.

The Group had adopted the revaluation model for measurement of land (including leasehold land) as per Ind AS 16 Property, plant and equipment. Consequently, the Group has elected to apply the same revaluation model to all of the right-of-use assets related to leasehold land. Refer note 51 on detailed impact of adopting Ind AS 116.

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STERLING HOLIDAY RESORTS LIMITED * CHENNAI

1.3. Significant accounting policies (contd.)

1.3.5. Impairment of assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units or CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the statement of profit and loss and is not reversed in the subsequent period.

1.3.6. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.3.7. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment / cancellation.

1.3.8. Inventories

Inventories comprising of provisions, perishables, beverages and operating supplies are stated at lower of cost and net realizable value. Cost is determined using the first-in-first out (FIFO) method. The cost comprises of purchase price, non-refundable taxes and delivery handling cost incurred in bringing the inventories to their present location and condition. 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. Inventories are written down for slow moving/ non-moving items, wherever necessary.

1.3.9. Investments and other financial assets

a) Classification:

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity

1.3. Significant accounting policies (contd.)

1.3.9. Investments and other financial assets (contd.)

instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement:

A few of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 1 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Debt instruments:

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

i. Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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1.3. Significant accounting policies (contd.)

1.3.9. Investments and other financial assets (contd.)

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

iii. Fair value through profit or loss:
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:
The Group subsequently measures all equity investments other than investment in subsidiaries and associates, at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

c) Impairment of financial assets
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the Group determines whether there has been a significant increase in credit risk.
For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt 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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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1.3. Significant accounting policies (contd.)

1.3.9. Investments and other financial assets (contd.)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

d) De-recognition of financial assets:

A financial asset is derecognised only when:

a) The Group has transferred the rights to receive cash flows from the financial asset or
b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

1.3.10. Interest income

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

1.3.11. Property, plant and equipment

Recognition and measurement

The Group adopts the cost measurement approach for property, plant and equipment other than freehold and leasehold land.

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

On April 1, 2018, the Group adopted the revaluation model for measurement of freehold and leasehold land. Freehold and leasehold land will be recognized at fair value based on periodic, at least triennial, valuations done by external independent valuers, less subsequent depreciation of leasehold land. Increase in the carrying amount arising on revaluation of land are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity.

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1.3. Significant accounting policies (contd.)

1.3.11. Property, plant and equipment (contd.)

Fair value of the land assets is determined using the Market comparable method, i.e., the valuations performed by the valuer are based on active market sale prices, adjusted for difference in the nature, location or condition of the specific property. Refer Note 50.

Depreciation methods, estimated useful lives and residual value:
Based on technical evaluation carried out, depreciation on property, plant and equipment is provided, on a pro-rata basis, on Straight Line Method (SLM) over the estimated useful lives of the assets, which equates to the useful lives prescribed under Schedule II to the Companies Act, 2013, as follows:

Asset class	Useful life (in years)
Building	60
Plant and machinery	15
Furniture and fixtures – general	10
Furniture and fixtures – others	8
Office equipment	5
Computer equipment – Servers & Network	6
Computer equipment – Desktop, laptop and end-user items	3
Electrical installations	10
Vehicles	8

Premium paid for acquiring leasehold land is amortised over the period of lease. Assets constructed on leasehold land/leasehold improvements are amortised over the primary period of lease or its estimated useful life, whichever is lower.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

1.3.12. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Computer software and other intangibles are amortised on a straight-line basis over a period of 5 years.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

1.3.13. Trade and other payables

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

1.3. Significant accounting policies (contd.)

1.3.14. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.3.15. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
Other borrowing costs are expensed in the period in which they are incurred.

1.3.16. Provisions (other than for employee benefits)

Provisions for legal claims, volume discounts and returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

1.3.17. Employee benefits

a) Defined contribution plan
Contribution towards provident fund for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Plan as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

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1.3. Significant accounting policies (contd.)

1.3.17. Employee benefits (contd.)

b) Defined benefit plan

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. The Group Gratuity plan is funded with Life Insurance Corporation of India, for all of the employees, under New Group Gratuity Cash Accumulation Plan.

c) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) by an independent actuary at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

d) Share based payments
Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

1.3. Significant accounting policies (contd.)

1.3.18. Earnings per share

a) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year (refer Note 53).

b) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.3.19. Rounding of amounts

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

2. Critical estimates and judgements:

In preparing these special purpose consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimate or judgement are:

Note 29 - Recognition of revenue including provision for cancellation of contracts

Note 43 and 45 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 50 – Valuation of freehold and leasehold land

Note 41 – Going concern

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3 Property, plant and equipment

Reconciliation of carrying amount for the year ended March 31, 2019:

Asset description	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 1, 2018	Additions / Adjustments	Disposals / Transfer	As at March 31, 2019	As at April 1, 2018	Depreciation for the year	Disposals	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019
Land - freehold	5,511.76	46,732.72	-	52,244.48	-	-	-	-	5,511.76	52,244.48
Land - leasehold	1,698.94	1,206.53	-	2,905.47	95.47	33.66	-	129.13	1,603.47	2,776.34
Building	34,414.39	1,076.16	49.90	35,440.65	1,972.46	957.86	45.80	2,884.52	32,441.93	32,556.13
Computer equipment	519.43	4.94	8.45	515.92	354.92	65.95	8.45	412.42	164.51	103.50
Plant and machinery	2,721.40	62.96	124.67	2,659.69	530.62	291.91	123.38	699.15	2,190.78	1,960.54
Furniture and fixtures	3,935.69	168.25	106.23	3,997.71	1,181.50	577.72	105.30	1,653.92	2,754.19	2,343.79
Office equipment	201.15	4.90	30.23	175.82	157.46	18.75	30.23	145.98	43.68	29.84
Vehicles	167.48	12.57	21.03	159.02	61.03	27.73	14.92	73.84	106.45	85.18
Electrical installations	4,980.84	194.21	48.74	5,126.31	1,122.27	565.23	47.95	1,639.55	3,858.57	3,486.76
Total	**54,151.08**	**49,463.24**	**389.25**	**1,03,225.07**	**5,475.73**	**2,538.81**	**376.03**	**7,638.51**	**48,675.35**	**95,586.56**

Reconciliation of carrying amount for the period ended March 31, 2020:

Asset description	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 1, 2019	Additions / Adjustments	Disposals / Transfer	As at March 31, 2020	As at April 1, 2019	Depreciation for the year	Disposals	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020
Land - freehold	52,244.48	-	-	52,244.48	-	-	-	-	52,244.48	52,244.48
Land - leasehold	2,905.47	-	2,905.47	-	129.13	-	129.13	-	2,776.34	-
Building	35,440.65	211.21	103.92	35,547.94	2,884.52	1,043.58	103.96	3,824.13	32,556.13	31,723.81
Computer equipment	515.92	77.94	17.69	576.17	412.42	52.98	17.37	448.03	103.50	128.14
Plant and machinery	2,659.69	61.18	10.04	2,710.83	699.15	234.83	1.97	932.00	1,960.54	1,778.83
Furniture and fixtures	3,997.71	21.81	12.85	4,006.67	1,653.92	549.90	8.91	2,194.91	2,343.79	1,811.76
Office equipment	175.82	2.62	11.82	166.61	145.98	14.18	11.82	148.35	29.84	18.26
Vehicles	159.02	4.68	13.70	150.00	73.84	23.29	7.50	89.63	85.18	60.37
Electrical installations	5,126.31	48.93	26.03	5,149.21	1,639.55	567.01	21.40	2,185.16	3,486.76	2,964.05
Total	**1,03,225.07**	**428.36**	**3,101.52**	**1,00,551.91**	**7,638.51**	**2,485.76**	**302.06**	**9,822.21**	**95,586.56**	**90,729.70**

(a) Consequent to the Scheme referred in Note 47 becoming effective, the Company is in the process of transferring the title of land and buildings in the name of Company.

(b) Leasehold land of Nil (March 31, 2019 Rs. 2,905.47 lakhs) represents parcels of land which were obtained by the Company for a lease term of more than or equal to 92 to 105 years. Subsequent to adoption of Ind AS 116, the leasehold land has been transferred to right of use assets.

(c) Refer Note 44 for capital commitments.

(d) Refer Note 45 for certain property related matters.

(e) During the year the Company has transferred leasehold land amounting to R .. 2,776.33 lakhs from property, plant & equipment to right o use asserts persuant to adoption of IND AS 116- Leases. Refer note 51.

(f) During the previous financial year 2018-19, the Company has written off assets with net carrying amount of Rs. 105.72 lakhs based on physical verification conducted. There were no such instances during 2019-20.

(g) During the previous financial year 2018-19, the Company has changed its accounting policy with respect to measurement of freehold and leasehold land from the cost model to revaluation model with effect from April 1, 2018. Refer Notes 1.3.10 and 50. The Company has not revalued freehold and leasehold lands during the current financial year. The carrying amounts as at March 31, 2020 & March 31, 2020 under revaluation and cost models are given below

(h) Due to outbreak of covid 19 the management has performed assessment of all its property. plant & equipment as at March 31, 2020 and concluded that non-usage for a short term will not have any material impact on useful life of such property, plant & equipment.

Block of asset	Revaluation model		Cost model	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Freehold land	52,244.48	52,244.48	5,500.44	5,500.44
Leasehold land	-	2,776.34	1,566.14	1,584.81
Total	**52,244.48**	**55,020.82**	**7,066.58**	**7,085.25**

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(All amounts in Rs. lakhs, unless otherwise stated)

4 Capital work in progress

Reconciliation of carrying amount for the year ended March 31, 2019:

	Gross carrying amount			
Asset description	**As at April 1, 2018**	**Additions**	**Disposals/Transfers**	**As at March 31, 2019**
Capital work in progress	884.00	1,080.83	1,395.54	569.29
	884.00	1,080.83	1,395.54	569.29

Reconciliation of carrying amount for the year ended March 31, 2020:

	Gross carrying amount			
Asset description	**As at April 1, 2019**	**Additions**	**Disposals/Transfers**	**As at March 31, 2020**
Capital work in progress	569.29	487.61	347.57	709.33
	569.29	487.61	347.57	709.33

Capital work in progress mainly comprises of resort properties under construction/renovation

5 Other intangible assets

Reconciliation of carrying amount for the year ended March 31, 2019:

	Gross carrying amount				Accumulated amortisation				Net carrying amount	
Asset description	**As at April 1, 2018**	**Additions**	**Disposals**	**As at March 31, 2019**	**As at April 1, 2018**	**Amortisation for the year**	**Disposals**	**As at March 31, 2019**	**As at March 31, 2018**	**As at March 31, 2019**
Computer software	635.27	1,251.21	-	1,886.48	399.33	161.94	-	561.27	235.94	1,325.21
Brand	283.57	-	-	283.57	115.91	56.71	-	172.62	167.66	110.95
Total	**918.84**	**1,251.21**	**-**	**2,170.05**	**515.24**	**218.65**	**-**	**733.89**	**403.60**	**1,436.16**

Reconciliation of carrying amount for the period ended March 31, 2020:

	Gross carrying amount				Accumulated amortisation				Net carrying amount	
Asset description	**As at April 1, 2019**	**Additions**	**Disposals**	**As at March 31, 2020**	**As at April 1, 2019**	**Amortisation for the year**	**Disposals**	**As at March 31, 2020**	**As at March 31, 2019**	**As at March 31, 2020**
Computer software	1,886.48	84.59	-	1,971.07	561.27	342.25	-	903.52	1,325.21	1,067.55
Brand	283.57	-	-	283.57	172.62	56.71	-	229.33	110.95	54.24
Total	**2,170.05**	**84.59**	**-**	**2,254.64**	**733.89**	**398.96**	**-**	**1,132.85**	**1,436.16**	**1,121.79**

6 Intangible assets under development

	Gross carrying amount			
Asset description	**As at April 1, 2018**	**Additions**	**Disposals/Transfers**	**As at March 31, 2019**
Intangible assets under development	361.32	927.56	1,251.21	37.67
	361.32	927.56	-	37.67

	Gross carrying amount			
Asset description	**As at April 1, 2019**	**Additions**	**Disposals/Transfers**	**As at March 31, 2020**
Intangible assets under development	37.67	104.10	81.72	60.05
	37.67	104.10	81.72	60.05

Intangible assets under development comprise the Company's software and website which is under development

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Notes forming part of consolidated financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
7(a)	**Non-current investments**		
	Investment in equity instruments (fully paid-up)		
	Equity investments at FVTPL		
	Unquoted:		
	Investment in equity shares of Rs.10 each, fully paid-up:		
	100,000 (March 31, 2019: 100,000) equity shares of Sterling Holiday Finvest Limited	-	-
	100,000 (March 31, 2019: 100,000) equity shares of Sterling Securities & Futures Limited	-	-
	520,000 (March 31, 2019: 520,000) equity shares of Sterling Resorts Home Finance Limited	-	-
	700,000 (March 31, 2019: 700,000) equity shares of Sterling Holiday Financial Services Limited	-	-
	Investment in no. of Teak Units:		
	28,765 (March 31, 2019: 28,765) equity shares of Sterling Tree-Magnum (India) Limited	-	-
	Quoted:		
	Investment in Equity Shares of Rs.10 each, fully paid-up:		
	1,100 (March 31, 2019: 1,100) Equity shares of Tourism Finance Corporation of India Limited	0.39	1.33
	Total	**0.39**	**1.33**
	Aggregate amount of quoted investments and market value thereof	0.39	1.33
	Aggregate amount of impairment in the value of investments	1,145.00	1,145.00
7(b)	**Current investments:**		
	Quoted: Investment in mutual funds at FVTPL		
	10,985 (March 31, 2019: 10,985) units of TATA Floater Fund -Growth	317.29	312.26
	10,985 (March 31, 2019: Nil) units of TATA Floater Fund - Growth- Segregated portfolio 1*	4.31	-
	Total	**321.60**	**312.26**
	Aggregate amount of quoted investments and market value thereof	321.60	312.26

*Pursuant to the SEBI circular dated December 28, 2018 and subsequent press releases issued by Tata Asset Management Ltd on June 6 & June 7, 2019, segregated portfolio of securities issued by Dewan Housing Finance Corporation Ltd (DHFL) has been created in the scheme on June 15, 2019. The purchase price of units in the segregated portfolio has been considered as nil as the units have been created in the segregated portfolio without any consideration.

		As at March 31, 2020	As at March 31, 2019
8(a)	**Trade receivables non-current**		
	Considered good	584.88	1,255.92
	Considered doubtful	58.44	410.34
		643.32	1,666.26
	Less: Deferred income	(58.44)	(410.34)
	Less: Provision for cancellation	-	-
	Total	**584.88**	**1,255.92**
8(b)	**Trade receivables current**		
	Considered good	9,691.30	9,046.93
	Considered doubtful	14,417.29	12,568.10
		24,108.59	21,615.03
	Less: Deferred income	(13,349.64)	(11,953.87)
	Less: Provision for cancellation	(881.60)	(614.23)
	Less: Loss allowance	(186.05)	(157.38)
	Total	**9,691.30**	**8,889.55**
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer Note 39)	27.92	65.17
	Loss allowance	-	-
	Net trade receivables	**27.92**	**65.17**

For receivables secured against borrowings, see Note 20.

The Group has performed an impairment analysis on its trade receivables as a result of the impact of COVID-19. Management believes that the provision recorded is sufficient and adequate and the carrying amount of receivables reflects its recoverable value. The Group's exposure to credit and loss allowances related to trade receivables are disclosed in Note 38.

8(c) ***Transferred receivables***

In the previous year, the Company had carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company had transferred the relevant receivables to the factor in exchange for cash and was prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company, therefore, continued to recognise the transferred asset in their entirety in its balance sheet. The amount repayable under the arrangement is presented as securitised borrowing.

		As at March 31, 2020	As at March 31, 2019
	The relevant carrying amount are as follows:		
	Particulars		
	Total transferred receivables	-	847.85
	Associated securitised borrowing (Refer Note 20)	-	22.26
9	**Loans**		
	Unsecured, considered good		
	Employee advances	83.14	56.06
	Total	**83.14**	**56.06**

		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
10	**Other financial assets**				
	Security deposits	82.33	683.46	136.60	789.04
	Receivable on sale of fixed assets [Refer Note 45(b)]	-	597.59	-	597.59
	Interest accrued on fixed deposits	4.03	-	4.03	-
	Unbilled revenue	11.62	-	129.16	-
	Other receivable	148.32	0.58	31.59	0.31
	Total	**246.30**	**1,281.63**	**301.38**	**1,386.94**

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Sterling Holiday Resorts Limited
Notes forming part of consolidated financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019
11	**Other tax assets (net)**		
	Advance tax [Net of provision for tax Rs 216.07 lakhs, (March 31, 2019: Rs 216.07 lacs)]	1,349.58	1,191.20
	Total	1,349.58	1,191.20
12	**Other non-current assets**		
	Prepaid expenses (Refer note (a) below)	60.21	503.48
	Deferred acquisition cost (Refer note (b) below)	8,805.19	7,372.67
	Capital advances		
	- Considered good	370.36	293.48
	- Considered doubtful	885.18	888.51
		1,255.54	1,181.99
	- Less: Provision for doubtful advances	(885.18)	(888.51)
		370.36	293.48
	Total	9,235.76	8,169.63

Note:

(a) Pursuant to adoption of Ind AS 116, prepaid portion in relation to leases have been transferred to right of use assets. Refer Note 51.

(b) Deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained. Also refer Note 52.

		As at March 31, 2020	As at March 31, 2019
13	**Inventories**		
	Food and beverages	58.76	49.01
	Operating supplies	48.25	39.15
	Total	107.01	88.16

For inventories secured against borrowings, refer note 48

Due to outbreak of COVID-19, Management has performed impairment assessment of all inventories and ascertained that there are no items as at March 31, 2020 with shorter shelf-life which need to be written off.

		As at March 31, 2020	As at March 31, 2019
14	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	646.24	212.77
	Deposits with maturity of less than three months	200.00	-
	Cash on hand	15.89	35.93
	Cash and cash equivalents in the balance sheet	862.13	248.70

There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting period.
For cash and cash equivalents secured against borrowings, see note 20

		As at March 31, 2020	As at March 31, 2019
15	**Other bank balances**		
	Short term bank deposits	39.26	71.40
	(Deposits with maturity of more than 3 months but less than 12 months)		
	Total	39.26	71.40
16	**Other current assets**		
	Prepaid expenses	206.25	381.92
	Deferred acquisition cost (Refer note 52)	534.08	380.68
	Advances to vendors		
	Considered good	494.45	289.89
	Considered doubtful	14.61	57.87
		509.06	347.76
	Less: Provision for doubtful advance	(14.61)	(57.87)
		494.45	289.89
	Balances with statutory authorities	244.23	264.51
	Total	1,479.01	1,317.00

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17 Equity share capital

Authorised equity share capital

	As at March 31, 2020	As at March 31, 2019
Authorised		
400 lakhs (March 31, 2019: 400 lakhs) equity shares of Rs 10 each	4,000.00	4,000.00
Issued, subscribed and paid-up		
290.50 lakhs (March 31, 2019: 290.50 lakhs) equity shares of Rs 10 each	2,905.00	2,905.00
As at March 31, 2020	**2,905.00**	**2,905.00**

Reconciliation of shares outstanding at the beginning and at the end of the year

	As at March 31, 2020		As at March 31, 2019	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares				
At the commencement of the year	290.50	2,905.00	290.50	2,905.00
Shares issued during the year	-	-	-	-
At the end of the year	**290.50**	**2,905.00**	**290.50**	**2,905.00**

All issued shares are fully paid up.

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

Shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates

	As at March 31, 2020		As at March 31, 2019	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares of Rs. 10 each held by the holding company	290.50	2,905.00	290.50	2,905.00

Particulars of shareholders holding more than 5% shares of a class of shares

	As at March 31, 2020		As at March 31, 2019	
	Number *in lakhs*	% of total shares in class	Number *in lakhs*	% of total shares in class
Equity shares of Rs. 10 each held by				
Thomas Cook (India) Limited and its nominees (holding company)	290.50	100%	290.50	100%

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	As at March 31, 2020	As at March 31, 2019
18 Reserves and surplus		
Securities premium reserves	32,057.94	32,057.94
General reserve	4.70	4.70
Retained earnings	(56,673.16)	(51,813.08)
Capital redemption reserve	10.00	-
Total reserves and surplus	**(24,600.52)**	**(19,750.44)**

Movement in reserves and surplus balances is as follows :

a) Securities premium		
Opening balance	32,057.94	32,057.94
Additions during the year	-	-
Share issue expenses	-	-
Deductions/Adjustments during the year	-	-
Closing balance	**32,057.94**	**32,057.94**
b) General reserve		
Opening balance	4.70	4.70
Additions during the year	-	-
Closing balance	**4.70**	**4.70**
c) Retained earnings		
Opening balance	(51,813.08)	(19,535.62)
Loss for the year	(4,910.81)	(2,285.42)
Adoption of Ind AS 115 (Refer note below)	-	(30,259.94)
Gain on sale of investments - Transferred from other reserves - FVOCI	-	269.72
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	60.73	(1.20)
Redemption of preference shares	(10.00)	-
- Income tax related to this item	-	(0.62)
Closing balance	**(56,673.16)**	**(51,813.08)**

The Company has adopted Ind AS 115, Revenue from Contracts with Customers (which replaces earlier revenue recognition standards) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) being included in retained earnings. The effect of impact to opening retained earnings as of April 1, 2018 is Rs. 30,259.94 lakhs.

d) Capital redemption reserve		
Opening balance	-	-
Additions during the year	10.00	-
Closing balance	**10.00**	-

During the year, the Group redeemed 0.1% Non-cumulative Reedemable Preference shares with face value of Rs. 10 lakhs, issued to the erstwhile shareholders of Nature Trails Resorts Private Limited.

19 Other reserves

		Other comprehensive income			
	ESOP reserve	**Remeasurement of post-employment benefit obligation**	**Equity instruments through OCI**	**Revaluation reserve**	**Total**
As at April 1, 2018	674.35	-	269.72	-	944.07
Additions during the year	197.63	(1.82)	-	44,503.24	44,699.05
Transfer to retained earnings	-	1.82	(269.72)	-	(267.90)
As at March 31, 2019	**871.98**	-	-	**44,503.24**	**45,375.22**
Additions during the year	360.08	60.73	-	-	420.81
Transfer to retained earnings	-	(60.73)	-	-	(60.73)
Income tax effect on revaluation of property, plant & equipment	-	-	-	269.11	269.11
As at March 31, 2020	**1,232.06**	-	-	**44,772.35**	**46,004.41**

ESOP reserve

The ESOP reserve is used for recognising the grant date fair value of the share options issued to the employees under the Employee Share Option Scheme in addition to the fair value of the options issued to the employees of the Company by Thomas Cook (India) Limited as per Ind AS 102.

FVOCI - Equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI Equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Revaluation reserve

The Company has changed its accounting policy on measurement of land from cost model to revaluation model w.e.f. April 1, 2018. Land is recognized at fair value based on valuations by external independent valuer performed on April 01, 2018. Increase in the carrying amount arjsing on revaluation of land are recognized, net of tax, in other comprehensive income and accmulated in other reserves in shareholders' equity. Refer Note 50.

Movement in revaluation reserve	**Amount**
As at March 31, 2018	-
Revaluation surplus during the year	47,903.09
Income tax effect	(3,399.85)
As at March 31, 2019	**44,503.24**
Revaluation surplus during the year	-
Income tax effect	269.11
As at March 31, 2020	**44,772.35**

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20(a) Non-current borrowings	As at March 31, 2020	As at March 31, 2019
Term loan		
- From banks		
Secured bank loans	2,558.71	3,302.66
Optionally convertible cumulative redeemable preference shares (OCCRPS)	30.30	30.30
Total borrowings	**2,589.01**	**3,332.96**

20(b) Current borrowings

Loans from banks		
Current portion of secured bank loans	892.07	1,095.60
Secured short-term working capital loan	1,000.00	1,000.00
Bank overdraft	1,459.36	770.53
	3,351.43	2,866.13
Less: Amount included under 'Other financial liabilities'	(892.07)	(1,095.60)
Total current borrowings	**2,459.36**	**1,770.53**

Note:

(i) Secured bank loans

a Loan amounting to Rs. 4,950.00 lakhs (net of processing fees) from HDFC Bank Limited is secured by way of hypothecation of movable fixed assets acquired through the term loan at resorts namely Mussoorie, Manali, Darjeeling, Ooty Fern Hill and Kodai Valley View and by way of pledge of immovable properties at Mussoorie and Yercaud and is repayable in 24 equal quarterly instalments including a moratorium of 12 months from the date of loan (January 4, 2016). The loan amount outstanding as at year end is Rs. 2,432.61 lakhs (March 31, 2019: Rs. 3,216.67 lakhs). Out of this, Rs. 654.80 lakhs (March 31, 2019: Rs. 833.33 lakhs) is repayable within 1 year and the balance amount of Rs. 1,777.82 lakhs (March 31, 2019: 2,383.34 lakhs) is repayable after 1 year from the balance sheet date.

b Loan amounting to Rs. 2,500 lakhs from HDFC Bank Limited is repayable in 44 monthly instalments commencing from August 24, 2015 along with an interest rate of bank base rate + 1.55% p.a. The loan is secured by way of assignment of receivables amounting to Rs. 4,439.28 lakhs with 100% recourse to the Company. The entire loan was repaid during the year (March 31, 2019: Rs.22.26 lakhs).

c Loan amounting to Rs 350 lakhs from HDFC Bank Limited is repayable in 20 quarterly instalments commencing from February 25, 2018 along with an interest rate of 8.75% linked to 1 year MCLR with annual reset. The loan is secured by way of exclusive charge on the movable fixed assets financed out of the loan and further secured by extension of existing mortgage at Mussoorie and negative lien on property at Yercaud. The loan amount outstanding as at year end is Rs. 192.50 lakhs (March 31, 2019: Rs. 262.50 lakhs). Out of this loan, Rs.52.50 lakhs (March 31, 2019: Rs. 70.00 lakhs) is repayable within 1 year and the balance amount of Rs. 140.00 lakhs (March 31, 2019: Rs. 192.50 lakhs) is repayable after 1 year from the balance sheet date.

d Loan amounting to Rs. 16.77 lakhs from HDFC Bank Limited is secured by way of hypothecation of underlying vehicle is repayable in 36 equated monthly instalments including a moratorium of 3 months commencing from July 1, 2020 along with an interest rate of 10.00%. The entire loan is outstanding as at year end. Out of this Rs. 4.19 lakhs is repayable within 1 year and balance amount Rs. 12.58 lakhs is repayable after 1 year from the balance sheet date.

e Loan amounting to Rs. 1,069.20 lakhs (March 31, 2019: Rs. 911.57 net of processing fees) from Yes Bank is secured by way of (a) An exclusive charge on land and building of Durshet and Kundalika owned by the Company (b) An exclusive charge on current assets and movable fixed assets of the Company (c) A letter of Comfort from the Group and (d) A negative lien on the assets of the Company on which the bank is not creating security and is repayable as :- 32 quarterly installments of Rs. 6.83 lakhs, 31 quarterly installments of Rs.0.25 lakhs, 30 quarterly installments of Rs.1.88 lakhs, 22 quarterly installments of Rs.103.60 lakhs is from the date of loan . Interest is payable at monthly rests at the rate of 9.65% per annum. The loan amount outstanding as at year end is Rs. 805.38 lakhs (March 31, 2019: Rs. 891.18). Out of this, Rs. 179.44 lakhs (March 31, 2019: Rs.168.01 lakhs) is repayable within 1 year and the balance amount of Rs.625.94 lakhs (March 31, 2019: Rs. 723.17) is repayable after 1 year from the balance sheet date.

f Loan amounting to Rs. 6.60 Lakhs from HDFC Bank is secured by way of hypothecation of the underlying vehicles and is repayable in 48 equated monthly instalments starting from the date of the loan (August 28, 2017) along with interest at the rate of 8.46% per annum.The loan amount outstanding as at year end is Rs. 3.51 lakhs (March 31, 2019: Rs. 4.90 lakhs). Out of this, Rs. 1.15 lakhs (March 31, 2019: Rs.1.26 lakhs) is repayable within 1 year and the balance amount of Rs. 2.38 lakhs (March 31, 2019: Rs. 3.65 lakhs) is repayable after 1 year from the balance sheet date.

g Loan amounting to Rs. 4.75 Lakhs from Mahindra Finance was secured by way of hypothecation of the undererlying vehicle and is repayable in 48 equated monthly instalments from the date of the loan (October 31, 2015) along with interest at the rate of 14% per annum. The entire loan was repaid during the year.

(ii) Optionally convertible cumulative redeemable preference shares (OCCRPS)

The Company issued 303,000 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs.10 each to its parent company Thomas Cook (India) Limited in April 2018. The OCCRPS carries a fixed Cumulative dividend at a rate of 8.5% payable from the date of allotment. Every 303,000 OCCRPS shall be converted at the option of the Company into 10 equity shares of Rs.10 each. Such conversion shall be at the option of the Company at any time after 1 year from the date of allotment of shares but not later than 7 years from the date of allotment. The redemption shall be made out of the profits of the Company or proceeds of fresh issue of shares made for the purpose of redemption. The conversion will result in allotment of 10,000 equity shares of Rs.10 each. As per the terms of the OCCRPS, there is a contractual obligation to deliver cash to the holder (dividend is non-discretionary). The holder does not have the right to convert the instrument into equity shares any time during the tenure of the preference shares, right to conversion lies with the issuer. Further, the OCCRPS is neither a derivative instrument, nor does it fall within the scope of puttable instruments. Therefore, the OCCRPS has been classified as a financial liability. The corresponding dividend paid or accrued has been disclosed as finance cost.

(iii) Short-term working capital loan

Short-term borrowing of Rs. 1,000 lakhs (March 31, 2019: Rs. 1,000 lakhs) from HDFC Bank with an interest rate of 10.00% p.a. is secured by charge on current and movable fixed assets and further secured by extension of collateral property at Mussoorie and negative lien on property located at Yercaud.

(iv) Bank overdraft

Bank overdraft of Rs. 1,459.36 lakhs (March 31, 2019 Rs. 770.53 lakhs) from Kotak Mahindra Bank with an interest rate of 9.75% is secured by first and exclusive charge on immovable property being land situated at Wayanad, Kerala and further secured by first and exclusive hypothecation charge on all existing and future inventory and receivables relating to resorts.

(v) The carrying amounts of certain financial and non-financial assets pledged as security for non-current borrowings are disclosed in Note 48.

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(All amounts in Rs. lakhs, unless otherwise stated)

20 Borrowings (contd.)

(vi) The Reserve Bank of India (RBI) had permitted banks and financial institutions to offer a moratorium of three months on payment of instalments of all term loans falling due between March 1, 2020 and May 31, 2020. This includes, all Term Loans and Cash Credit/Overdraft facilities. The Company had considered to avail the loan moratorium and all instalments due from March 1, 2020 to May 31, 2020 stand deferred. The repayment schedule and all subsequent due dates, as also the tenor for such loans shall be shifted across by three months from the moratorium period. However, interest will continue to accrue on the outstanding portion of the loan amount. The RBI has further clarified that deferment of loan payments shall not be considered as default by lenders.

(vii) During the year, owing to its losses incurred, the Company has defaulted on certain financial covenants with respect to loans availed from HDFC Bank in the previous years and in the current year. However, based on the review of periodic filings made by the Company to the Bank, the Bank has continued with the facilities and has not placed any demand on the loans and does not intend to call upon the loan before its agreed due date. Accordingly, the Company continues to classify these loans as current and non-current based on the original maturity.

	As at March 31, 2020	As at March 31, 2019
21 Other financial liabilities		
21(a) Non-current		
Creditors for capital expenditure	8.27	18.87
Total	**8.27**	**18.87**
21(b) Current		
Current maturities of long-term borrowings	892.07	1,095.60
Interest accrued but not due on borrowings	34.80	42.49
Dividend payable on optionally convertible cumulative redeemable preference shares	5.07	2.49
Creditors for capital expenditure	380.77	668.57
Security deposits	101.05	83.03
Other liabilities	56.01	132.68
Contingent consideration	-	10.00
Interest payable to micro enterprises and small enterprises (Refer Note 46)	6.58	4.41
Total	**1,476.35**	**2,039.27**
Total other financial liabilities	**1,484.62**	**2,058.14**

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22 Employee benefit obligations

	As at March 31, 2020			As at March 31, 2019		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Compensated abscenses	142.91	110.24	253.15	135.32	112.72	248.04
Gratuity	166.95	307.70	474.65	134.08	320.38	454.46
Total	**309.86**	**417.94**	**727.80**	**269.40**	**433.10**	**702.50**

(i) Post employment obligations

a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days and multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2019	550.19	95.73	454.46
Current service cost	86.73	-	86.73
Past service cost	-	-	-
Interest expense/(income)	37.96	6.82	31.14
Total amount recognised in profit or loss	124.69	6.82	117.87
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	8.33	-	8.33
(Gain)/loss from change in financial assumptions	(25.21)	-	(25.21)
Experience (gains)/losses	(43.85)	-	(43.85)
Total amount recognised in other comprehensive income	(60.72)	-	(60.72)
Employer contributions	(20.00)	15.32	(35.32)
Benefit payments	(21.64)	(20.00)	(1.64)
March 31, 2020	572.52	97.87	474.65

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2018	511.80	136.50	375.30
Current service cost	85.89	-	85.89
Past service cost	-	-	-
Interest expense/(income)	37.52	10.12	27.40
Total amount recognised in profit or loss	123.41	10.12	113.29
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(4.04)	4.04
(Gain)/loss from change in demographic assumptions	(1.31)	-	(1.31)
(Gain)/loss from change in financial assumptions	(40.72)	-	(40.72)
Experience (gains)/losses	39.19	-	39.19
Total amount recognised in other comprehensive income	(2.84)	(4.04)	1.20
Employer contributions	(61.31)	14.47	(75.78)
Benefit payments	(20.87)	(61.32)	40.45
March 31, 2019	550.19	95.73	454.46

The net liability disclosed above relates to funded and unfunded plans, as follows:

	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	452.23	419.09
Fair value of plan assets	97.87	95.73
Deficit of funded plan	354.36	323.36
Current benefit obligation	166.95	134.08
Non-current benefit obligation	187.41	189.28
Unfunded plans	120.29	131.10
Deficit of gratuity plan	474.65	454.46

(ii) Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs 532.48 lakhs (March 31, 2019: Rs. 518.61 lakhs).

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(All amounts in Rs. lakhs, unless otherwise stated)

(iii) Principal actuarial assumptions used in valuation of gratuity

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.15%	7.13-7.57%
Expected rate of return on plan assets	6.15%	7.13%
Salary growth rate	First year 0%, thereafter 4%	4-7%
Attrition rate	30.00%	28.00%

Estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(iv) Sensitivity analysis

a) Gratuity	March 31, 2020	March 31, 2019
Discount rate:		
+ 100 basis points	(11.86)	(28.06)
- 100 basis points	14.14	32.29
Salary escalation rate:		
+ 100 basis points	14.18	28.67
- 100 basis points	(12 39)	(25 57)

b) Leave encashment	March 31, 2020	March 31, 2019
Discount rate:		
+ 100 basis points	(5.02)	(5.50)
- 100 basis points	5 67	6 80
Salary escalation rate:		
+ 100 basis points	6 59	7.03
- 100 basis points	(5 99)	(6.29)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to the significant actuarial assumptions the same method (present value of defined benefit obligation calculated using the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability in the balance sheet

The methods and types of assumption used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Risk exposure
The Company's Gratuity fund is maintained by an approved trust (Life Insurance Corporation of India). A large portion of the investment made by the LIC is in government bonds and securities and other approved securities Hence, the company is not exposed to the risk of asset volatility as at the balance sheet date.

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(All amounts in Rs. lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
23 Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	3,924.48	4,668.05
On account of land revaluation	3,130.74	3,399.85
On account of land valuation- Refer note below	116.73	116.73
On account of brand valuation- Refer note below	67.31	67.31
Total deferred tax liabilities	**7,239.26**	**8,251.94**
Set-off of deferred tax liabilities pursuant to set-off provisions	6,806.39	7,779.43
Net deferred tax liability/(asset) as per the balance sheet	432.87	472.51
Net unrecognised deferred tax liabilities	-	-
Unabsorbed depreciation allowance and business loss carried forward	8,621.44	8,744.62
Provision for employee benefits	341.41	365.84
Provision for doubtful debts	365.24	189.76
Property, plant & equipment	31.60	-
Total deferred tax assets	**9,359.69**	**9,300.22**
Set-off of deferred tax assets pursuant to set-off provisions	6,806.39	7,779.42
Net deferred tax (liability)/asset as per the balance sheet	9.11	10.18
Net unrecognised deferred tax assets	**2,544.19**	**1,510.62**

Note: The deferred tax liability on land and brand valuation arises only upon consolidation upon effecting the business combination with respect to Nature Trails Resorts Private Limited. Consequently the same is not adjusted against the assets available from the other entities as there are no enabling provision under existing tax laws that enables set off of the assets available within the group.

Movement in deferred tax liabilities

	Property, plant and equipment	On account of land revaluation	On account of brand valuation	On account of land valuation	On account of fair valuation of investments	Total
At April 1, 2018	4,610.53	-	67.31	116.73	269.11	5,063.68
(Charged)/credited:						
- to profit or loss	57.52	3,399.85	-	-	(269.11)	3,188.26
- to other comprehensive income	-	-	-	-	-	-
At March 31, 2019	**4,668.05**	**3,399.85**	**67.31**	**116.73**	-	**8,251.94**
(Charged)/credited:						
- to profit or loss	(743.57)	(269.11)	-	-	-	(1,012.68)
- to other comprehensive income	-	-	-	-	-	-
At March 31, 2020	**3,924.48**	**3,130.74**	**67.31**	**116.73**	-	**7,239.26**

Movement in deferred tax assets

	Unabsorbed depreciation allowance and business loss carried forward	Provision for employee benefits	Provision for doubtful debts	Others	Total
At April 1, 2018	8,839.35	316.98	1,816.94	-	10,973.27
Movement in deferred tax asset	(94.73)	48.86	(1,627.18)	-	(1,673.05)
At March 31, 2019	**8,744.62**	**365.84**	**189.76**	-	**9,300.22**
Movement in deferred tax asset	(123.18)	(24.43)	175.48	31.60	59.47
At March 31, 2020	**8,621.44**	**341.41**	**365.24**	**31.60**	**9,359.69**

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	As at March 31, 2020	As at March 31, 2019
24 Other non-current liabilities		
Deferred income	77,989.95	73,111.59
Advance received from customers	160.05	264.76
Total	**78,150.00**	**73,376.35**
25 Trade payables		
Current		
Dues to related parties (Refer Note 39)	176.81	129.48
Dues to micro enterprises and small enterprises (Refer Note 46)	48.68	54.62
Dues to creditors other than micro enterprises and small enterprises	2,958.22	2,992.43
Total	**3,183.71**	**3,176.53**

The Group's exposure to liquidity risks related to trade payables is disclosed in Note 38.

26 Provisions		
Provision for fringe benefit tax	74.40	74.40
Provision for stamp duty (Refer note below)	2,139.19	2,139.19
Total	**2,213.59**	**2,213.59**

Note:
Pursuant to the Composite scheme of arrangement and amalgamation referred in Note 47, the immovable properties of the demerged undertaking (Timeshare & Resorts business) is being transferred to the Company. The Company has immovable properties in various states. As per the laws prevalent in the respective states, stamp duty is applicable on such transfer of property. Hence, on the basis of legal opinion, the Company has maintained a provision as on March 31, 2020 amounting to Rs. 2,139.19 lakhs (March 31, 2019: Rs. 2139.19 lakhs) for the stamp duty liability that may arise.

27 Current tax liabilities		
Provision for income tax	21.61	5.36
Total	**21.61**	**5.36**
28 Other current liabilities		
Salaries, wages, bonus and employee payables	1,131.93	1,324.45
Statutory liabilities	2.55	288.91
Deferred income	4,052.20	3,628.38
Advance received from customers	1,437.01	1,407.60
Total	**6,623.69**	**6,649.34**

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		For the year ended March 31, 2020	For the year ended March 31, 2019
29	**Revenue from operations**		
	Disaggregation of revenue		
	On the basis of nature of goods or services:		
	Sale of services		
	Income from sale of membership:		
	- Membership fee/Admission fees (including income on cancellation of contracts)	4,935.59	4,271.02
	- Annual subscription fees/ Annual amenity charges	5,039.33	4,903.91
	- Interest income on trade receivables (instalment plan)	226.97	134.55
	Sale of products (Resort operations)		
	Food and beverages	4,855.47	5,800.01
	Sale of services (Resort operations)		
	Income from resorts:		
	- Room rentals	9,510.27	8,819.85
	- Adventure activities	507.77	612.29
	- Management contract income	167.51	46.19
	- Others	1,378.15	1,274.01
	Other operating revenues		
	Service charges	287.32	329.49
	Total	26,908.38	26,191.32
	On the basis of timing of transfer of goods or services		
	At a point in time	11,787.24	12,441.97
	Over a period of time	15,121.14	13,749.35
	Total	**26,908.38**	**26,191.32**

a) The Company uses the historical trends/ yield precentage to determine the provision for cancellation of contracts (i.e, the expected number of contracts which will be eventually cancelled) and accounts this as a reduction in revenue since it is attributable to uncertainty in collection. Based on this estimate, the Company has made a provision of Rs. 241.71 lakhs (March 31, 2019: Rs.221.35 lakhs) lakhs for the sales relating to the year.

b) Revenue recognised in the current year that was included in deferred income balance at the beginning of the year is Rs 3,452.72 lakhs (March 31, 2019: Rs 2,951.81 lakhs).

30	**Other income**		
	Interest income on:		
	- Bank deposits	4.18	5.07
	- Others	69.68	64.71
	Profit on sale of assets	-	3.86
	Dividend income from mutual fund investment	-	0.15
	Gain on sale of current investments (net)	1.66	27.50
	Net gain on financial assets mandatorily measured at fair value through profit or loss	8.40	22.72
	Gain on change in fair value of financial liability (Refer Note 21)	-	600.83
	Rental income	24.27	24.62
	Income from skill development training	199.77	41.83
	Scrap sales	7.27	4.10
	Provision/Liabilities no longer required written back	149.22	4.84
	Insurance income	195.09	3.04
	Gain on variable lease payments	76.40	-
	Income from termination of lease contracts	26.55	-
	Miscellaneous income	13.68	4.80
	Total	776.17	808.07
31	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	88.16	46.70
	Add: Purchases	1,659.30	1,751.79
	Less: Inventory of materials at the end of the year	107.01	88.16
	Cost of materials consumed	**1,640.45**	**1,710.33**
32	**Employee benefit expense**		
	Salaries, wages and bonus	10,298.94	10,380.13
	Contribution to provident and other funds	651.41	651.10
	Employee share-based payment expense	310.21	197.63
	Gratuity	117.88	113.30
	Compensated absences	32.31	46.13
	Staff welfare expenses	884.74	843.21
	Total	12,295.49	12,231.50

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Sterling Holiday Resorts Limited
Notes forming part of consolidated financial statements as at and for the year ended March 31, 2020
(All amounts in Rs. lakhs, unless otherwise stated)

		For the year ended March 31, 2020	For the year ended March 31, 2019
33	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	590.85	717.16
	Interest on lease liability	872.91	-
	Dividend on OCCRPS	2.58	2.49
	Total	1,466.34	719.65
34	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	2,485.76	2,538.80
	Depreciation of right of use assets	2,130.85	-
	Amortisation of intangible assets	398.96	218.66
	Total	**5,015.57**	**2,757.46**

		March 31, 2020	March 31, 2019
35	**Other expenses**		
	Consumption of stores and spares	372.24	353.73
	Power and fuel	1,837.85	1,956.09
	Rent	518.69	3,037.06
	Repairs and maintenance:		
	-Building	221.16	203.70
	-Plant and machinery	416.14	392.96
	-Others	250.59	223.62
	Insurance	58.12	65.74
	Rates and taxes	330.51	259.76
	Guest supplies	351.42	402.41
	Laundry expenses	277.76	286.59
	Communication	203.95	227.32
	Recruitment and training	81.83	186.74
	Travel and tours	565.96	524.73
	Legal and professional	746.96	782.11
	Directors' sitting fees	14.04	19.79
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	25.00	33.68
	- Limited review	16.50	16.50
	- Other services	26.13	2.50
	Reimbursement of expenses	6.76	4.39
	Travel and conveyance	674.01	840.09
	Security charges	393.39	383.11
	Water charges	205.98	178.87
	Sales commission	1,164.97	1,179.10
	Sales promotion	1,979.05	2,336.40
	Exchange loss	0.70	3.79
	Bank charges	335.37	319.88
	Provision for doubtful debts	22.70	52.93
	Provision for doubtful advances	5.34	1.84
	Loss on sale of assets (net)	10.64	-
	Printing and stationery	74.76	83.92
	Corporate social responsbility expenses	2.41	16.23
	Miscellaneous expenses	734.42	594.10
	Total	**11,925.35**	**14,969.68**

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(All amounts in Rs. lakhs, unless otherwise stated)

		For the year ended March 31, 2020	For the year ended March 31, 2019
36	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	21.61	16.12
	Deferred tax		
	Decrease / (increase) in deferred tax assets	1.07	(3,119.93)
	(Decrease) / increase in deferred tax liabilities	229.48	-
	Total deferred tax expense/(benefit)	**230.55**	**(3,119.93)**
	Income tax expense / (benefit)	252.16	(3,103.81)
	Loss before income tax expense	(4,658.65)	(5,389.23)
	Tax expense / (income) computed at applicable tax rates	(1,211.25)	(1,681.44)
	Tax expense arising on account of differential tax rates of subsidiary companies	(2.51)	17.02
	Total	**(1,213.76)**	**(1,664.42)**
	Net Tax effects of amount which are deductible/disallowed in calculating taxable income - other than temporary differences	-	(38.28)
	Total	**(1,213.76)**	**(1,702.71)**
	Tax effect of recognized tax losses for the year	1.07	(8.55)
	Tax effect of recognized tax losses for the previous year losses	229.48	(3,111.38)
	Total DTL recognized	**230.55**	**(3,119.93)**
	Tax effect of unrecognized tax losses for the year	(1,236.44)	(1,710.27)
	Tax (income) / expense recognised in the year	252.16	(3,103.81)
	(b) Tax losses		
	Unused tax losses for which no deferred tax assets have been recognised	9,305.43	4,948.13
	Potential tax benefit at applicable tax rates	2,456.53	1,510.61
	Tax losses on account of unrecognised deferred tax assets and its date of expiry		
	Date of expiry		
	March 31, 2028	2,412.86	-
	March 31, 2027	4,649.45	3,004.45
	March 31, 2026	116.71	116.71
	March 31, 2025	269.00	269.00
	March 31, 2024	916.97	931.81
	March 31, 2023	724.40	-
	March 31, 2022	83.39	172.96
	March 31, 2021	103.53	65.27
	March 31, 2020	-	92.84
	Indefinite period to carry forward	29.12	295.09
	Total	9,305.43	4,948.13

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(All amounts in Rs. lakhs, unless otherwise stated)

37 Fair value measurements

Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	0.39	-	-	1.33	-	-
- Mutual funds	321.60	-	-	312.26	-	-
Trade receivables	-	-	10,276.18	-	-	10,145.47
Unbilled revenue	-	-	11.62	-	-	129.16
Cash and cash equivalents	-	-	862.13	-	-	248.70
Bank balances other than above	-	-	39.26	-	-	71.40
Loans	-	-	83.14			56.06
Security deposits	-	-	765.79	-	-	925.64
Interest accrued on fixed deposits	-	-	4.03	-	-	4.03
Other receivables	-	-	746.49	-	-	629.49
Total financial assets	**321.99**	-	**12,788.64**	**313.59**	-	**12,209.95**
Financial liabilities						
Borrowings	-	-	5,980.31	-	-	6,244.07
Trade payables	-	-	3,183.71	-	-	3,176.53
Capital creditors	-	-	389.04	-	-	687.44
Contingent consideration	-	-	-	-	-	10.00
Security deposits	-	-	101.05	-	-	83.03
Other liabilities	-	-	56.01	-	-	132.68
Interest payable to micro enterprises and small enterprises	-	-	6.58	-	-	4.41
Total financial liabilities	-	-	**9,716.70**	-	-	**10,338.16**

This summary includes all financial instruments valued based on the principles of Ind AS 109- Financial Instruments.

(i) Fair value hierarchy

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

Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Mutual funds	7	321.60	-	-	321.60
Equity instruments	7	0.39	-	-	0.39
Total financial assets		**321.99**	-	-	**321.99**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	Other financial assets	-	-	765.79	765.79
Total financial assets		-	-	**765.79**	**765.79**
Financial Liabilities					
Borrowings	20(a) and 20(b)	-	-	5,980.31	5,980.31
Total financial liabilities		-	-	**5,980.31**	**5,980.31**

Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL:					
Mutual funds	7	312.26	-	-	312.26
Equity Instruments	7	1.33	-	-	1.33
Total financial assets		**313.59**	-	-	**313.59**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	Other financial assets	-	-	925.64	925.64
Total financial assets		-	-	**925.64**	**925.64**
Financial Liabilities					
Borrowings	20(a) and 20(b)	-	-	6,244.07	6,244.07
Total financial liabilities		-	-	**6,244.07**	**6,244.07**

There are no transfers between levels 1 and 2 during the year.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include the use of market prices based on recently concluded transaction by the company for the instruments. The resulting fair value estimate is included in level 2.

(All amounts in Rs. lakhs, unless otherwise stated)

(iii) Fair value of financial assets and liabilities measured at amortised cost

	March 31, 2020		March 31, 2019	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Security deposits	765.79	765.79	925 64	925.64
Total financial assets	765.79	765.79	925.64	925.64
Financial liabilities				
Borrowings	5,980.31	5,980.31	6,244 07	6,244.07
Total financial liabilities	5,980.31	5,980.31	6,244.07	6,244.07

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using market interest rates. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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38 Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, investments, financial assets measured at amortised cost	Aging analysis and credit rating	Diversification of portfolio, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Analysis of market rates on a real time basis, pre-closure of loans

The Board's risk management is carried out by a central treasury department under policies approved by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, non-derivative financial instruments and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures towards outstanding receivables.

(i) Credit risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the Group assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team that assesses and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

C1 : High-quality assets, negligible credit risk
C2 : Doubtful assets, credit-impaired

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information including the following indicators:

- Internal credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increase in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower and customer, including changes in the payment status of borrowers in the Group, expected acceptances of the instruments and changes in the operating results of the borrower.

A default on a financial asset is when the counterparty fails to make contractual payments on the due date. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. The Mangement makes necessary course corrections and evaluation of credit loss based on the assessment of a default on a continuing basis.

(ii) Provision for expected credit losses

The Group provides for expected credit loss based on the following:

Internal credit rating	Category	Description of category	Basis for recognition of expected credit loss provision		
			Investments	Loans and deposits	Trade receivables
C1	High quality assets, negligible credit risk	Assets where the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil	12 month expected credit losses	12 month expected credit losses	Lifetime expected credit loss
C2	Doubtful assets, credit impaired	Assets are provided for when there is no reasonable expectation of recovery. The Group categorises a loan or receivable for provisioning when the debtor fails to make the contractual payments for over 12 months. When the loans or receivables have been provided for, the Group continues to engage in enforcement activity to attempt to recover the receivable/cancel contracts as appropriate. When recoveries are made these are recognised in profit or loss.	Asset is provided for fully		

For the Year ended March 31, 2020:

(a) Expected credit loss for loans, security deposits and investments

The estimated gross carrying amount at default is Nil (March 31, 2019: Rs. Nil) for Investments. Accordingly provision had been provided in books for this financial asset

(b) Expected credit loss for trade receivables under simplified approach (including provision for cancellation of contracts)

Customer credit risk is managed by the Group based on the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. The Group classifies the receivables as high quality assets or doubtful assets based on the past performance of the portfolio. As on March 31, 2020 the Group determined that the expected cancellation rate on initial recognition is 14.6% based on which the Group has recognised an amount of Rs. 241.71 lakhs (March 2019: Rs. 221.35 lakhs) as provision for cancellation of contracts on initial recognition during the year. Additionally, the Group performs subsequent assessment for cancellation of contracts and such adjustments are considered in revenue. Also refer Note 29.

(iii) Reconciliation of loss allowance provision – Trade receivables with respect to resort operations

Loss allowance on April 1, 2018	**104.45**
Changes in loss allowance	52.93
Loss allowance on March 31, 2019	**157.38**
Changes in loss allowance	-
Loss allowance on March 31, 2020	**157.38**

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(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows and also reviews timing of liquidation of marketable securities.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2020	March 31, 2019
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	47.44	285.63
- Expiring beyond one year (bank loans)	-	476.12
Marketable securities *(including investments held for sale)**	321.60	312.26

* Does not include investments offerred as security for loan taken by a subsidiary

The marketable securities can be disposed by the Group at any point of time based on the objects and working capital requirement of the Group.
The bank overdraft facilities may be drawn at any time. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn any time.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. There are no derivative financial instruments.
The amounts disclosed in the table are the contractual undiscounted cash flows, including interest. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

March 31, 2020	Carrying amount	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 years	Total
Non-derivatives							
Borrowings	5,980.31	1,648.85	371.27	1,671.75	1,285.13	1,723.79	6,700.79
Trade payables	3,183.71	3,183.71	-	-	-	-	3,183.71
Other financial liabilities	552.68	544.41	-	-	8.27		552.68
Total non-derivative liabilities	**9,716.70**	**5,376.97**	**371.27**	**1,671.75**	**1,293.40**	**1,723.79**	**10,437.18**

March 31, 2019	Carrying amount	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Above 2 years	Total
Non-derivatives							
Borrowings	6,244.07	2,181.82	364.87	708.56	1,349.52	2,673.76	7,278.53
Trade payables	3,176.53	3,176.53	-	-	-	-	3,176.53
Contingent consideration	10.00	10.00	-	-	-	-	10.00
Other financial liabilities	907.56	898.69	-	-	18.87	-	917.56
Total non-derivative liabilities	**10,338.16**	**6,267.04**	**364.87**	**708.56**	**1,368.39**	**2,673.76**	**11,382.62**

C) Market risk- Interest rate risk

The Group's main interest rate risk arises from long term borrowings with variable interest rates, which exposes the Group to cash flow interest rate risk. The Group analyses the market rates on a real time basis and pre- closes/exchanges the variable interest rate instruments for fixed interest instruments in times of high interest rates and vice-versa to mitigate the risk. The exposure of the Group's borrowings to interest rates are as below:

	March 31, 2020	March 31, 2019
Variable rate borrowings	2,459.36	1,792.79
Fixed rate borrowings	3,481.08	4,512.96
	5,940.44	**6,305.75**

	March 31, 2020			March 31, 2019		
	Weighted average interest rate	Balance loan amount	% of total loans	Weighted average interest rate	Balance loan amount	% of total loans
Borrowings from banks and others	10.00%	2,459.36	41.40%	9.95%	1,792.79	28.43%

Sensitivity analysis

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of change in the interest rates. If the weighted average rate of the variable interest rate borrowings increase/decrease by 0.05% the interest expense will increase/decrease by Rs. 24.59 lakhs (March 31, 2019: Rs. 17.93 lakhs).

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(All amounts in Rs. lakhs, unless otherwise stated)

39 Related party transactions

(a) Parent entities

Name of entity	Type	Ownership interest held by the group	
		March 31, 2020	March 31, 2019
Fairfax Financial Holdings Limited, Canada	Ultimate Holding Company	-	-
Thomas Cook (India) Limited	Holding Company	100%	100%

(b) Fellow subsidiaries with whom transactions have been entered

Name of entity
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited w.e.f. April 1, 2019)
TC Tours Private Limited
SOTC Travel Services Private Limited (merged with TC Tours Private Limited)
Allsec Technologies Limited
Quess Corp Limited
CentreQ Business Services Ltd (merged with Quess Corp Limited)
Coachieve Solutions Pvt Ltd (merged with Quess Corp Limited)

(c) Key management personnel compensation

	March 31, 2020	March 31, 2019
Mr. Ramesh Ramanathan (Chairman - Managing Director)		
Short-term employee benefits	206.61	210.00
Post-employment benefits	15.58	15.84
Employee share based payment	-	53.39
Performance bonus	-	105.00
Total compensation	**222.19**	**384.23**
Mr. Manish Jain (Chief Financial Officer)*		
Short-term employee benefits	38.84	22.70
Post-employment benefits	3.33	0.72
Total compensation	**42.17**	**23.42**
*Mr. Manish Jain ceased to be the Chief Financial Officer with effect from October 23, 2019		
Mr. Udhay Shankar (Chief Financial Officer)*		
Short-term employee benefits	-	13.13
Post-employment benefits	-	12.56
Employee share based payment	-	11.02
Total compensation	-	**36.71**
*Mr. Udhay Shankar ceased to be the Chief Financial Officer with effect from June 30, 2018.		
Mr. M. Balasubramaniyan (Company Secretary)		
Short-term employee benefits	15.88	16.07

(d) Other related parties with whom the Group had transactions during the year

Entities over which Directors of the Group have control or significant influence

Pugmarks Eco Tours Private Limited

Divekar Wallstable Schnieder Precision Seals Private Limited

(e) Transactions with related parties

Transactions with related parties are as follows:

	March 31, 2020	March 31, 2019
Sale of Services		
Thomas Cook (India) Limited	-	32.14
TC Tours Private Limited	27.20	42.81
SOTC Travel Services Private Limited	0.42	26.14
Divekar Wallstable Schnieder Precision Seals Private Limited	0.35	3.01
Pugmarks Eco Tours Private Limited	-	16.39
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited w.e.f. April 1, 2019)	47.97	57.16
Total	**75.94**	**177.65**
Net recovery on account of holiday activities		
Thomas Cook (India) Limited	7.02	81.79
Sale of investment during the year		
Thomas Cook (India) Limited	-	1,669.22
Rent paid		
Thomas Cook (India) Limited	1.71	1.46
Rent received		
Thomas Cook (India) Limited	24.00	24.00
Travel related		
Thomas Cook (India) Limited	122.33	162.12

(All amounts in Rs. lakhs, unless otherwise stated)

	March 31, 2020	March 31, 2019
Services availed		
Quess Corp Limited	569.29	24.85
CentreQ Business Services Limited	-	3.24
Coachieve solutions Private Limited	26.64	44.69
Allsec Technologies Limited	11.45	-
Total	**607.38**	**72.78**
Stock compensation expense		
Thomas Cook (India) Limited	360.08	197.63

(f) Outstanding balances as at year end

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	March 31, 2020	March 31, 2019
Trade payables		
Thomas Cook (India) Limited	165.27	115.12
Quess Corporation Limited	0.08	3.25
Coachieve solutions Private Limited	0.98	11.11
Allsec Technologies Ltd	10.48	-
Total	**176.81**	**129.48**
Advances to suppliers		
Quess Corporation Limited	113.95	-
Advances from customers		
SOTC Travel Services Private Limited	1.00	1.42
Trade receivable		
TC Tours Private Limited	9.01	30.03
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited w.e.f. April 1, 2019)	17.08	35.14
Divekar Wallstable Schnieder Precision Seals Private. Limited	0.50	-
Pugmarks Eco Tours Private. Limited	1.33	-
Total	**27.92**	**65.17**

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STERLING HOLIDAY RESORTS LIMITED ★ CHENNAI

40 Segment information

Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Managing Director (MD) of the company has been identified as the chief operating decision maker of Sterling Holiday Resorts Limited who assesses the financial performance and position of the Company and makes strategic decisions. The Company has only one reportable segment as described below:

- Sterling membership and resort operations: This segment deals with timeshare business on account of sterling membership and the resort business.

41 In March 2020, the World Health Organization declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption (including temporary closure and phased reopening of its resorts).

The financial statements for the year ended March 31, 2020 reflect that the Group has incurred losses of Rs 4,910.81 lakhs during the year and has accumulated losses of Rs 56,673.16 lakhs (which have significantly eroded the net worth of the Group) as at the balance sheet date. The above accumulated loss includes a one-time impact of Rs. 30,259.94 lakhs on change in accounting for contracts with customers, pursuant to transition to Ind AS 115 Revenue from Contracts with Customers. The Group has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Group including those arising from of the COVID-19 pandemic.

Based on the approved cash flow projections for the next 12 months, availability of assets (land, buildings, trade receivables etc.) for securitization/monetization for additional funds, the Group believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

42 Particulars of goodwill arising on consolidation

Entity	March 31, 2020	March 31, 2019
Sterling Holidays Ooty Limited	576.47	576.47
Sterling Holiday Resorts Kodaikanal Limited	710.90	710.90
Nature Trails Resorts Private Limited	71.04	71.04
Total	**1,358.41**	**1,358.41**

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43 Contingent liabilities and contingent assets

Contingent liabilities	**As at March 31, 2020**	**As at March 31, 2019**
Claims against the Company not acknowledged as debt:		
(a) In respect of Income tax matters:		
Advance Subscription towards Customer Facilities (ASCF)/Entitlement fee being 55%/40% of sale value is treated as deferred income and recognised as income over the period of entitlement. In respect of Assessment Years 1997-98 to 2001-02, the Income Tax Appellate Tribunal, Chennai (ITAT) has passed orders against the said accounting treatment followed by the Company and to treat them as income in the respective year of receipt. The Company has appealed against these Orders before Hon'ble High Court of Madras and the case is pending.	-	-
The ITAT, Chennai has decided in favour of Company's accounting treatment of ASCF for Assessment years 2002-03, 2006-07, 2007-08, 2008-09 and 2009-10 against which department has gone on appeal. There is no tax liability on account of such order owing to carry forward losses and unabsorbed depreciation available under Income Tax Act. In respect of Assessment Years 2010-11 to 2013-14, ITAT, Mumbai has decided in favour of Company's accounting treatment of ASCF/Entitlement fee and in respect of Assessment Years, for which the department is likely to go on appeals. There is no tax liability on account of such orders owing to carry forward losses and unabsorbed depreciation available under Income Tax Act.	-	-
In respect of AY 1999-2000, The Assessing officer (AO) has added notional interest with the returned income of Manchanda Resorts Private Limited (Since merged with the company w.e.f., April 1, 2012). The Commissioner of Income Tax Appeals has confirmed the addition of the AO. The company has filed appeals with Income Tax Tribunal for this matter and the case is pending as of date. There is no tax liability on account of such order owing to carry forward losses and unabsorbed depreciation available under Income Tax Act.	-	-
In respect of Assessment Year 2010-11, the income tax department has re-opened the assessment and the assessing officer has disallowed the brought forward depreciation loss of the demerged entity Sterling Holiday Resorts India Limited from the AY 1996-97 to AY 2001-02. The Company has obtained the favourable orders from ITAT Mumbai. There is no tax liability on account of such order owing to carry forward losses and unabsorbed depreciation available under Income Tax Act.	-	-
In respect of Assessment Year 2015-16, the Assessing Officer (AO) had issued an order with respect to treatment of ASCF/Entitlement fee and disallowance of brought forward loss of the demerged entity Sterling Holiday Resorts India Limited and for other disallowances. The Company had filed an appeal before Commissioner of Income Tax (Appeals), Mumbai and the case is pending as of date. Since the entire brought forward loss was disallowed, this has resulted in a tax demand.	2,362.58	2,362.58
During the year, the Assessing Officer (AO) has issued an income tax demand order for the AY 2017-18. Additions of Rs. 13,805.84 lakhs have been made. Consequently, a demand of Rs. 6,451.04 lakhs was determined as payable. Based on the management's assessment and the advice of external consultant, the Company believes the demand is not tenable. The Company has filed an appeal in this regard.	6,451.04	-
During the year, the Assessing Officer (AO) has issued an income tax demand order for the AY 2001-02 & AY 2006-07. Penalty orders has been issued by the officer for the above years. Based on the management's assessment and the advice of external consultant, the Company believes the demand is not tenable. The Company is in the process of filing their response for the same.	694.35	-
(b) In respect of service tax matters:		
Demand towards service tax matters in respect of which stay order obtained	557.04	557.04
(c) Others:		
Luxury tax related demands under appeal	2,007.84	2,107.31
VAT related matters	37.60	49.17
GST related matters	179.37	113.28
Customer, vendor, employee and property related disputes under appeal	2,611.16	1,421.89

The Company has filed an appeal against the above matters which is pending disposal. Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decision pending with relevant authorities.

(d) Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Group, based on external advice, believes that there are interpretative challenges on the application of the judgement retrospectively. Pursuant to the ruling, the Group recorded a provision of Rs. 45.33 lakhs in 2018-19, with respect to demands received for Manali (for the period of April 2007 to December 2015) and Munnar (for periods prior to 2013). Based on the advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has not recorded a provision with respect to any period other than as mentioned above. The Company would update the provision in future based on clarification received from the relevant authorities.

44 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment	181.73	72.22
	181.73	**72.22**

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STERLING HOLIDAY RESORTS LIMITED CHENNAI

45 Property related matters

a During the financial year 2011-12, pursuant to One Time Settlement (OTS) scheme, the Company had fully settled the dues of a Financial Institution (FI) and also obtained a 'No Due' certificate. However, the FI has not released the title deeds of the properties given as security for the reason that a Third Party has filed a writ petition against the FI challenging the cancellation of sale of the said property to them. The Company is also a party to the said writ petition. The said writ petition was disposed off by Hon'ble High Court of Madras, against the Company. The Company has preferred Special Leave Petition (SLP) before the Hon'ble Supreme Court of India and the Court has ordered 'Status quo' in all respects concerning the said properties. The net book value of land and building as at March 31, 2020 in respect of the said property aggregates to Rs. 8,217.06 lakhs (March 31, 2019: Rs. 8,217.06 lakhs). In view of the management and based on the independent legal opinion obtained, the Company has a fair chance to succeed in the appeal pending before Hon'ble Supreme Court of India.

b The Company had in the past transferred a property at Goa and part of the sale consideration amounting to Rs. 527.10 lakhs (March 31, 2019: Rs. 527.10 lakhs) (included under "Other financial assets") was retained by the buyer pending compliance of certain conditions. The Company is confident of recovering this amount as it has taken effective steps for discharge of its obligations. The Company is also legally advised that it has the right of vendor's lien against the immovable property sold to the extent of amount due. The Company has filed a suit against the buyer for recovery of the amount. In view of the aforesaid, the above amount is considered good and recoverable by Management. Application for rejection of the plaint by the defendant has been dismissed. The Defendant filed a revision before the High Court at Goa and High Court dismissed the same. The Company expects the trial to start soon.

c The Company had in the past transferred a property of 7.3 acres out of 10.3 acres land parcel at Chail for consideration and with a condition that the buyer would construct 10 cottages in the 3 acres land retained by the Company and handover the same. However, the buyer had taken the possession of the entire parcel of land and had not fulfilled the condition. The book value of the land is Rs. 550.00 lakhs (March 31, 2019: Rs. 550.00 lakhs). The title deeds for 3 acres of land are not available with the Company. There is an arbitration award in favour of the Company which the Company is enforcing in the court of law. The Company is of the view that it has a fair chance to succeed in its plea. The High Court has ordered status Quo on the property. The Company has filed an application for appointment of the receiver.

d During July 2019, the Company terminated its lease contract for the Daman resort due to non-renewal of the statutory licenses by the owner after repeated reminders. The contract had a lock-in period of 9 years till January 2024. The resort owner issued a legal notice on November 25, 2019 demanding a sum of Rs.1,091 lakhs towards the outstanding lock-in obligation, outstanding operations and maintenance fee, GST not paid by SHRL and other costs incurred by the owner. The land lord has invoked the Arbitration clause and appointed an Arbitrator to adjudicate the dispute. The Company has submitted a reply on December 17, 2019 denying all the allegations and has nominated an Arbitrator to represent the Company. The Company is awaiting further update from the resort owner regarding the same. The amount is treated as contingent liability at this stage.

e **Other Property related matters**

Property	Net carrying amount as on March 31, 2020	Net carrying amount as on March 31, 2019	Remarks
Kodai Valley view (Revalued - Refer Note 50)	6,510.00	6,510.00	The Company has submitted the original title documents with the District Magistrate as part of the plaint filed in response to litigation for title in 1993. The trial has been stayed by the High Court. Stay has been vacated. The case will be heard before the District Court Kodaikanal.
Hubli	5.16	5.16	Sale deed was not registered in the name of the Company. The Company had paid the entire consideration and taken over possession of the property. Seller company was liquidated in the past, accordingly the Company needs to take necessary legal steps to register the title in its name. The Company has approached the official liquidators office and is yet to receive next steps from them.
Peermedu (Revalued - Refer Note 50)	1,483.15	1,483.15	The Company is in possession of a land at Peermedu which was initially under lease. Subsequently, an agreement for sale was also entered into with lessors and sale consideration was paid as one time deposit. The Company had filed a legal case against the lessors invoking specific performance of the sale agreement. The Court had issued notice to both the lessors / sellers, that was not responded by them. The Court has ordered publications in the newspapers. However, the defendants did not appear before the court and the defendant was set ex parte. The Company is taking necessary steps to file an execution petition.

46 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2019-20, to the extent of the Company has received intimation from the "Suppliers" regarding their status under the Act

		For the year ended March 31, 2020	For the year ended March 31, 2019
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	48.68	54.62
ii	Interest due to suppliers registered under theMSMED Act and remaining unpaid as at year end	6.58	4.41
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	288.68	173.44
iv	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act,beyond the appointed day during the year	-	-
v	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	2.11	3.64
vii	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	4.47	0.77

47 The composite Scheme of Arrangement and Amalgamation ("the Scheme") between Thomas Cook Insurance Services (India) Limited (now known as Sterling Holiday Resorts Limited) ("the Company"), Thomas Cook (India) Limited ("TCIL") and erstwhile Sterling Holiday Resorts (India) Limited ("SHRIL") and their respective shareholders and creditors has been sanctioned by the High Court of Judicature at Mumbai and the High Court of Judicature at Madras on July 2, 2015 and April 13, 2015, respectively, and made effective on August 18, 2015. In terms of the said Scheme, the Timeshare and Resort business of erstwhile SHRIL ("Demerged Undertaking") has been demerged and transferred to and vested with the Company as a going concern and the residual SHRIL has been amalgamated with TCIL. The appointed date of the Scheme is April 1, 2014.

In accordance with the said Scheme:

a) the assets and liabilities of the Demerged Undertaking as on April 1, 2014 have been taken over by the Company and have been recorded at their respective book values, ignoring revaluations.

b) the Equity Shares (including equity shares acquired after appointed date) held by the Company in erstwhile SHRIL were cancelled.

c) the difference of Rs. 22,984.06 lakhs between the book values of net assets of the Demerged Undertaking recorded in the books of the Company as above and the value of investments in erstwhile SHRIL in the books of the Company, has been adjusted against Securities Premium Account.

d) an amount of Rs. 274.00 lakhs relating to current tax provision was reversed and an amount of Rs. 4.20 lakhs relating to deferred tax asset was reversed into retained earnings consequent to the scheme.

e) in consideration for transfer of Demerged Undertaking into the Company, 116 equity shares of TCIL of Re. 1 each has been issued to the shareholders of erstwhile SHRIL for every 100 shares of Rs. 10 each held in erstwhile SHRIL.

STERLING HOLIDAY RESORTS LIMITED CHENNAI

(All amounts in Rs. lakhs, unless otherwise stated)

48 Assets pledged as security

	As at March 31, 2020	As at March 31, 2019
Current		
Receivables	72 25	897 09
Inventories	5 68	2 47
Cash and cash equivalents	18 36	4 18
Other current assets	26 07	49 74
Other financial assets	12 66	13 08
Non-current		
Freehold land (Revalued - Refer Note 50)	7,308 00	8,328 00
Freehold buildings	8,615 61	8,785 71
Moveable assets	3,465 12	4,437 56

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B S R & Co. LLP * Chartered Accountants *

STERLING HOLIDAY RESORTS LIMITED * CHENNAI

(All amounts in Rs. lakhs, unless otherwise stated)

49 Share based payments

(a) Employee option plan

The options outstanding as at March 31, 2020, represent the unvested, vested and exercisable options granted by Thomas Cook India Limited, the holding company, to the employees of the company. This disclosure is based on the information relating to the scheme shared by the holding company.

Sterling Holiday Resorts Limited Employee Stock Options Scheme 2012 - ("SHRL ESOS 2012")

As per clause 15.3.2 of the Composite Scheme of Arrangement and Amalgamation between Sterling Holiday Resorts (India) Ltd (SHRIL) and Thomas Cook Insurance Services (India) Ltd (TCISIL), and Thomas Cook (India) Ltd (TCIL) the SHRIL ESOS 2012 became a part of the holding company's schemes and Stock Options which had been granted but not exercised as of the Record Date, by such SHRIL employees shall lapse and in lieu of the Lapsed Options of SHRIL, TCIL shall grant 120 options for every 100 options of SHRIL. The revised Exercise Price for Grant I was INR 80.00 and for Grant II was INR 108.46. Subject to the terms of the Scheme and SEBI ESOP Guidelines, the option holder will have a period of 5 years from the date of which the Options have vested, within which the vested options can be exercise.

Thomas Cook Employees Stock Scheme 2015

Under Employee Share Option Scheme 2015 (ESOP 2015) granted by Thomas Cook India Limited, the holding Company, 33%, 33% and 34% of the options granted vest in a period of 12 months, 24 months and 36 months respectively from the grant date. Once vested the options remain exercisable for a period of 10 years from the date of grant.

Thomas Cook Employees Stock Scheme 2018 - Management (ESOP 2018 – Management)

The Company has established an Employee Stock Option Scheme called -"Thomas Cook Employees Stock Scheme 2018 - Management (ESOP 2018 – Management)". Grant date of the scheme if 01-Sep-2018 and the Exercise price of the Vested Option shall be 50% of the Market price as defined under the SEBI Regulations.
The purpose of this Scheme is to reward and retain the employees of the Subsidiary Companies of Thomas Cook under its control for high levels of individual performance and for exceptional efforts to improve the financial performance of the respective subsidiary companies, which will ultimately contribute to the success of Thomas Cook. This purpose is sought to be achieved through the grant of Options, for and on behalf of, and at the behest of the subsidiary companies to their employees.

Thomas Cook Employees Stock Scheme 2018 - Execom

The Exercise Price shall be equal to face value of shares i.e Re. 1 per option.
The objective of the ESOP 2018 - Execom is to reward the Execom Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.
The Scheme shall be applicable to the Execom and Employees of TCIL, its Subsidiary companies in India and abroad, as determined by the Committee on its own discretion from time to time.
Options granted under ESOP 2018 - Execom would Vest only at the end of 5 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters. The specific performance parameters will be decided by the Committee from time to time and will be communicated to the employees. The attainment of such performance parameters would be determined by the Committee from time to time which shall be a mandatory condition for vesting of options.

i) Summary of options granted under plan :

	March 31, 2020		March 31, 2019	
TCIL ESOP 2018 Execom	**Avg exercise price per share option**	**Number of options**	**Avg exercise price per share option**	**Number of options**
Opening balance	-	730,919	-	-
Granted during the year	-	-	-	730,919
Exercised during the year	-	-	-	-
Forfeited during the year	-	55,286	-	-
		675,633		**730,919**

	March 31, 2020		March 31, 2019	
TCIL ESOP 2018 Management	**Avg exercise price per share option**	**Number of options**	**Avg exercise price per share option**	**Number of options**
Opening balance	-	221,008	-	-
Granted during the year	-	-	-	235,639
Exercised during the year	-	-	-	-
Forfeited during the year	-	38,435	-	14,631
		182,573		**221,008**

	March 31, 2020		March 31, 2019	
ESOS 2012 (Grant II)	**Avg exercise price per share option**	**Number of options**	**Avg exercise price per share option**	**Number of options**
Opening balance	-	66,900	-	91,650
Granted during the year	-	-	-	-
Exercised during the year	108.46	3,300	108.46	23,400
Forfeited during the year	-	39,750	-	1,350
		23,850		**66,900**

(All amounts in Rs. lakhs, unless otherwise stated)

	March 31, 2020		March 31, 2019	
ESOP 2015	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	-	128,978	-	302,190
Granted during the year	-		-	-
Exercised during the year	165.92	13,037	165.92	151,546
Forfeited during the year	-	3,400	-	21,666
		112,541		**128,978**

ii) Share options outstanding at the end of year have following expiry date and exercise prices

				Share options	
	Grant date	Expiry date	Exercise price	March 31, 2020	March 31, 2019
ESOP 2018 - Execom	October 5, 2018	September 29, 2043	1.00	675,633	730,919
ESOP 2018 - Management	September 1, 2018	August 29, 2031	125.10	182,573	221,008
ESOS 2012 (Grant II)	July 30, 2014	July 27, 2024	108.46	23,850	66,900
ESOP 2015	August 25, 2015	August 24, 2025	165.92	112,541	128,978

iii) Modification of share based payment:

On implementation of Composite Scheme of arrangement and Demerger of Human Resource Business

The Holding company (TCIL) in a composite scheme of arrangement demerged its Human Resources Services Business and transferred it to Quess Corp Limited (Quess). The scheme was approved by the National Company Law Tribunal (NCLT) with the appointed date as April 1, 2019. The effective date of the scheme was November 25, 2019 when both TCIL and Quess filed the certified copies of the order with their respective jurisdictional Registrar of Companies.

As a part of the composite scheme, Group Employees whose ESOPs were outstanding on the effective date will be entitled to the additional shares of Quess on account of the demerger of Human Resource Business. Instead of altering the exercise price, TCIL provided additional award in form of Quess shares.

The group employees are now entitled to shares of Quess along with those of TCIL in the same share entitlement ratio prescribed in the scheme for the other shareholders of TCIL (1889:10,000)

In case of vested ESOPs, the employees will be granted shares of TCIL and Quess only on payment of the exercise price. In case of unvested ESOPs, the employees will be granted shares of TCIL and Quess on completion of the remaining vesting period and payment of the exercise price.

The options, to the extent, which are settled by shares of Quess do not meet the definition of a share-based payment arrangement because the value of shares of Quess is not based on the price or value of TCIL's equity instruments or any of its group entity's equity instruments.

The options to the extent which are settled by shares of Quess will be considered as an employee benefit within the scope of Ind AS 19.

The options settled by shares of TCIL continue to be considered as share based payments and are accounted as per IND AS 102

(b) Expense arising from share based payment transaction

Particulars	March 31, 2020	March 31, 2019
Employee option plan expenses	310.21	197.63
Employee stock expenses	49.87	-
Total	**360.08**	**197.63**

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STERLING HOLIDAY RESORTS LIMITED CHENNAI

50 Change in accounting policy

Revaluation of land

During the previous financial year 2018-19, the group had changed its accounting policy with respect to measurement of freehold and leasehold land from the cost model to revaluation model with effect from April 1, 2018. Freehold and leasehold land will be recognized at fair value based on periodic valuation done by external independent valuers, less subsequent amortization of leasehold land.

A revaluation surplus will be recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Fair value of the land assets was determined by an external independent valuer using the market comparable method, i.e., the valuations performed by the valuer are based on active market sale prices, adjusted for difference in the nature, location or condition of the specific property. The carrying amounts as at March 31, 2019 and March 31, 2020 under cost and revaluation models are given below:

Block of asset	Revaluation model As at March 31, 2020	Revaluation model As at March 31, 2019	Cost model As at March 31, 2020	Cost model As at March 31, 2019
Freehold land	52,244.48	52,244.48	5,500.44	5,500.44
Leasehold land	-	2,776.34	-	-
Right of use asset land (Refer note 51)	2,742.58	-	576.17	-
Total	**54,987.06**	**55,020.82**	**6,076.61**	**5,500.44**

51 Recently adopted accounting standard

Adoption of Ind AS 116 Leases

Transition

Pursuant to the notification dated March 30, 2019 of the Ministry of Corporate Affairs, Ind AS 116, Leases became applicable to the group with effect from April 1, 2019. This standard replaces the earlier standard, Ind AS 17 Leases.

Ind AS 116 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the earlier standard – i.e., lessors continue to classify leases as finance or operating leases.

The group has adopted Ind AS 116 and applied the Standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application (April 1, 2019). Accordingly, the information presented for the for the year ended March 31, 2019 has not been restated – i.e. it is presented, as previously reported, under Ind AS 17. The group has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Further, the group has elected not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

The group has used the following practical expedients permitted under Ind AS 116:

a) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics

b) the accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases

c) not to separate non-lease components from lease components where information is not clearly evident and instead account for each lease component and any associated non-lease components as a single lease component.

d) not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying Ind AS 17.

In the previous year, the group had adopted the revaluation model for measurement of land (including leasehold land) as per Ind AS 16 Property, plant and equipment. Consequently, the group has elected to apply the same revaluation model to all of the right-of-use assets related to leasehold land.

Impact on financial statements

On transition to Ind AS 116 the group recognised lease liability of Rs 9,535.90 lakhs measured at the present value of remaining lease payments and right-of-use assets of Rs 12,968.44 lakhs measured at lease liability adjusted for prepayments in the balance sheet as at April 1, 2019.

When measuring lease liabilities, the group discounted lease payments using its incremental borrowing rate at April 1,2019 The weighted average rate applied is 9.5%

	Amount
Operating lease commitment at March 31, 2019 as disclosed in the group's consolidated financial statements	13,029.26
---Recognition exemption for	
short term leases	76.90
leases of low values	27.19
Lease commitments to be recognized as at April 1, 2019	12,925.17
Present value of lease liabilities recognised at April 1, 2019	**9,535.90**

As a lessee, the group leases many assets including land and building, vehicles

Right of use assets	Land	Building	Vehicles	Total
Balance at April 1, 2019	-	-	-	-
Transition adjustment on adopting IND AS 116	-	9,468.08	67.82	9,535.90
Transfer from Property Plant & Equipment	2,776.33	-	-	2,776.33
Transfer from prepaid expense	250.24	405.97	-	656.21
Addition to right of use assets	-	2,441.48	2.73	2,444.21
Depreciation charge for the year	(74.05)	(2,030.96)	(25.84)	(2,130.85)
Derecognition of right of uses assets	-	(686.82)	-	(686.82)
Balance at March 31, 2020	**2,952.53**	**9,597.75**	**44.71**	**12,594.98**

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(All amounts in Rs lakhs, unless otherwise stated)

Lease liabilities	Amount
Balance at April 1, 2019	-
Transition adjustment	9,535.90
Additions	2,337.88
Deletions	(698.76)
Finance cost accrued during the period	872.91
Discharge of lease liabilities	(2,377.93)
Balance at March 31, 2020	**9,670.00**
Current	2,445.62
Non current	7,224.38

Maturity analysis contractual undiscounted cash flows	Amount
Less than one year	2,445.61
One to five years	6,862.09
More than five years	3,790.33
Total	**13,098.03**

Amounts recognised in profit or loss	Amount
Interest on lease liability	872.91
Variable lease payments not included in the measurement of lease liability	48.48
Expenses relating to short term leases	155.45
Expenses relating to leases of low value assets,excluding short term leases of low value assets	314.76
Income recognized on lease terminations/lease rent concessions	102.95

Amounts recognised in statement of cash flow	Amount
Total cash outflow for leases	2,377.93

Revaluation model

In the previous year, the group had adopted the revaluation model for measurement of land (including leasehold land) as per Ind AS 16 Property, plant and equipment. Consequently, the group has elected to apply the same revaluation model to all of the right-of-use assets related to leasehold land. Refer note 50 on balances relating to right of use asset land.

The effective date of revaluation is April 1,2019. Fair value of the land assets was determined by an external independent valuer using the market comparable method, i.e., the valuations performed by the valuer are based on active market sale prices, adjusted for difference in the nature, location or condition of the specific property.

The following table summarizes the amount by which each financial statement line item is affected in the current year as a result of applying Ind AS 116.

Consolidated Balance sheet as at March 31, 2020

Particulars	Note	Amounts without adoption of Ind AS 116	Impact of Ind AS 116	As reported
Non-current assets				
Property, plant and equipment	3	93,472.28	(2,742.58)	90,729.70
Capital work in progress	4	709.33	-	709.33
Goodwill	42	1,358.41	-	1,358.41
Other intangible assets	5	1,121.79	-	1,121.79
Intangible assets under development	6	60.05	-	60.05
Right of use assets	51	-	12,594.97	12,594.97
Financial assets				
i. Investments	7(a)	0.39	-	0.39
ii. Trade receivables	8(a)	584.88	-	584.88
iii. Other financial assets	10	1,281.63	-	1,281.63
Deferred tax assets	23	9.11	-	9.11
Other tax assets	11	1,349.58	-	1,349.58
Other non-current assets	12	9,862.34	(626.58)	9,235.76
Total non-current assets		**109,809.79**	**9,225.81**	**119,035.60**
Current assets				
Inventories	13	107.01	-	107.01
Financial assets				
i. Investments	7(b)	321.60	-	321.60
ii. Trade receivables	8(b)	9,691.30	-	9,691.30
iii. Cash and cash equivalents	14	862.13	-	862.13
iv. Bank balances other than (iii) above	15	39.26	-	39.26
v. Loans	9	83.14	-	83.14
vi. Other financial assets	10	246.30	-	246.30
Other current assets	16	1,479.01	-	1,479.01
Total current assets		**12,829.75**	**-**	**12,829.75**
Total assets		**122,639.54**	**9,225.81**	**131,865.35**

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(All amounts in Rs. lakhs, unless otherwise stated)

	Note	Amounts without adoption of Ind AS 116	Impact of Ind AS 116	As reported
Equity and liabilities				
Equity				
Equity share capital	17	2,905 00	-	2,905 00
Other equity				
Reserves and surplus	18	(24,149 16)	(451 35)	(24,600 52)
Other reserves	19	46,004 41	-	46,004 41
Total equity attributable to owners		**24,760.25**	**(451.35)**	**24,308.89**
Non-controlling interest	0	0 20	-	0 20
Total equity		**24,760.45**	**(451.35)**	**24,309.09**
Liabilities				
Non-current liabilities				
Financial liabilities				
i Borrowings	20(a)	2,589 01	-	2,589 01
ii Other financial liabilities	21(a)	8 27	-	8 27
iii Lease liability	51	-	7,224 38	7,224 38
Employee benefit obligations	22	417 93	0 00	417 94
Deferred tax liabilities	23	432 87	-	432 87
Other non-current liabilities	24	78,150 00	-	78,150 00
Total non-current liabilities		**81,598.08**	**7,224.38**	**88,822.47**
Current liabilities				
Financial liabilities				
i Borrowings	20(b)	2,459 36	-	2,459 36
ii Trade payables	25	3,176 55	7 16	3,183 71
iii Other financial liabilities	21(b)	1,476 35	-	1,476 35
iv Lease liability	51	-	2,445 62	2,445 62
Provisions	26	2,213 59	-	2,213 59
Current tax liabilities	27	21 61	-	21 61
Employee benefit obligations	22	309 87	(0 00)	309 86
Other current liabilities	28	6,623 69	-	6,623 69
Total current liabilities		**16,281.02**	**2,452.78**	**18,733.79**
Total liabilities		**97,879.10**	**9,677.16**	**107,556.26**
Total equity and liabilities		**122,639.55**	**9,225.81**	**131,865.35**

Consolidated Statement of Profit and Loss for the year ended March 31, 2020	Note	Amounts without adoption of Ind AS 116	Impact of Ind AS 116	As reported
Particulars				
Revenue from operations	29	26,908 38	-	26,908 38
Other income	30	673 22	102 95	776 17
Total income		**27,581.60**	**102.95**	**27,684.55**
Cost of materials consumed	31	1,640 45	-	1,640 45
Employee benefit expenses	32	12,295 49	-	12,295 49
Finance costs	33	593 43	872 91	1,466 34
Depreciation and amortisation expense	34	2,918 48	2,097 09	5,015 57
Other expenses	35	14,341 05	(2,415 70)	11,925 35
Total expenses		**31,788.90**	**554.30**	**32,343.20**
Loss before tax		**(4,207.30)**	**(451.35)**	**(4,658.65)**
Income-tax expense / (benefit)	36	252 16	-	252 16
Loss for the period		**(4,459.46)**	**(451.35)**	**(4,910.81)**
Other Comprehensive Income		329 84	-	329 84
Total Comprehensive Income		**(4,129.61)**	**(451.35)**	**(4,580.96)**

52 Movement in deferred acquisition costs and contract liabilities as per Ind AS 115 - Revenue from contracts with customers

(a) Deferred acquisition costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	7,753 35	-
Additions during the year	2,184 33	8,195 02
Amortized during the year	(598 41)	(441 67)
Closing balance	**9,339.27**	**7,753.35**

(b) Contract liabilities

	Membership fee	Annual subscription fee	Other resort revenue	For the year ended March 31, 2020
Opening balance as at April 1, 2019	76,739 97	609 79	1,062 57	78,412 33
Additions during the year (net)	10,151 94	417 94	826 81	11,396 69
Income recognized during the year	(4,849 76)	(365 22)	(954 83)	(6,169 81)
Closing balance as at March 31, 2020	**82,042.15**	**662.51**	**934.55**	**83,639.21**

Contract liabilities	Membership fee	Annual subscription fee	Other resort revenue	For the year ended March 31, 2019
Opening balance as at April 1, 2018	34,904 59	544 76	1,416 68	36,866 03
Additions during the year (net)	46,059 88	439 83	976 94	47,476 64
Income recognized during the year	(4,224 50)	(374 80)	(1,331 05)	(5,930 34)
Closing balance as at March 31, 2019	**76,739.97**	**609.79**	**1,062.57**	**78,412.33**

For contract liabilities pertaining to membership fee, services will be provided over the effective membership period and revenue is recognised over that period. Other contract liabilities pertain to consideration received in advance and are recognized as revenue in the respective period when the service is rendered.

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53 Earnings per share

	March 31, 2020	March 31, 2019
Loss for the year attributable to the equity holders of the Group	(4,910.81)	(2,285.42)
Weighted average number of equity shares outstanding (Number in lakhs)	290.50	290.50
Basic and diluted earnings per share	**(16.90)**	**(7.87)**

In terms of our report of even date

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership Number: 217042

Place: Chennai
Date: June 17, 2020

For and on behalf of the Board of Directors of
Sterling Holiday Resorts Limited
(CIN: U63040TN1989PLC114064)

Ramesh Ramanathan
Chairman and Managing Director
DIN No.: 00174550

Place: Chennai
Date: June 17, 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDIAN HORIZON MARKETING SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Indian Horizon Marketing Services Limited** (the Company), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Management of the Company is responsible for the other information. The other

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

information obtained at the date of this report is report of the board of directors, but does not include the standalone financial statements and our report thereon.

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

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

If, based on our work, we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take appropriate actions in accordance with the SAs. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 generally accepted in India, including Ind AS, read with the rules made thereunder and the relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Auditor's Responsibility 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.

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

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

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

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

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the rules made thereunder and the relevant provisions of the Act;

(e) On the basis of written representations received from the Directors as on March 31, 2020 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 from being appointed as a Director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any remuneration to its directors during the year and hence, the provisions of section 197 of the Act are not applicable; and

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

(i) The Company does not have any pending litigations, which would impact the financial position of the Company;

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and

(iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569
UDIN:20039569AAAAE03527

Place: Mumbai
Dated: June 12, 2020

Annexure A- referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on the standalone financial statements for the year ended March 31, 2020

i. The Company does not have any property, plant and equipment and hence provision of paragraph 3(i) of the Order is not applicable.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, paragraph 3(ii) of the Order regarding physical verification of inventories and maintenance of records is not applicable.

iii. The Company has not granted any unsecured loans to parties covered in the register maintained under section 189 of the Act during the year. Hence, paragraph 3(iii) of the Order is not applicable.

iv. Based on audit process applied by us and according to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted, as applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.

We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

vi. The provisions of section 148(1) of the Act, relating to maintenance of cost records are not applicable.

vii. (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues such as provident fund, employees' state insurance, income tax, profession tax, service tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. There are no arrears as at March 31, 2020 which were due for more than six months from the date they became payable.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of income-tax, service tax, goods & services tax and profession tax which have not been deposited on account of any dispute.

viii. The Company has neither raised loans from banks and financial institutions nor issued any debentures, therefore the provisions of paragraph 3(viii) of the Order regarding default in repayment of dues to banks and financial institutions and debenture holders is not applicable to the Company.

ix. The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans. Hence, the provisions of paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or on the Company by its officers and employees have been noticed or reported during the year.

xi. The Company has not paid or provided for any managerial remuneration. Hence, reporting requirements under this paragraph 3(xi) of the Order are not applicable.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. In respect of transactions with related parties, the Company has complied with provisions of sections 177 and 188 of the Act where applicable. Necessary disclosures relating to related party transactions have been made in the standalone financial statements as required by the applicable accounting standard.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. The Company has not entered into any non-cash transaction with directors. We have been informed that no such transactions have been entered into with persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order is

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not applicable.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAE03527

Mumbai
Dated: June 12, 2020

Annexure B referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Indian Horizon Marketing Services Limited (the Company) on the standalone financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAE03527

Mumbai
Dated: June 12, 2020

Indian Horizon Marketing Services Limited
Balance Sheet as at March 31, 2020

(Amount in Rupees)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Deferred Tax Assets (Net)	3	10,037	-
Total Non-Current Assets		**10,037**	-
Current Assets			
Financial Assets			
- Cash & Cash Equivalents	4	99,238	27,49,928
Current Tax Assets	5	9,900	9,900
Total Current Assets		**1,09,138**	**27,59,828**
TOTAL ASSETS		**1,19,175**	**27,59,828**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	6	5,00,000	5,00,000
Other Equity - Reserve & Surplus	7	(3,94,625)	(3,56,716)
Total Equity		**1,05,375**	**1,43,284**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
- Other financial liabilities	8	13,500	26,15,544
Other Current Liabilities	9	300	1,000
Total Current Liabilities		**13,800**	**26,16,544**
TOTAL LIABILITIES		**13,800**	**26,16,544**
TOTAL EQUITY AND LIABILITIES		**1,19,175**	**27,59,828**

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

Indian Horizon Marketing Services Limited

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

Indian Horizon Marketing Services Limited
Statement of Profit And Loss for the Year Ended March 31, 2020

(Amount in Rupees)

Particulars	Notes	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income			
Other income	10	9,810	64,418
Total income		**9,810**	**64,418**
Expenses			
Finance Cost	11	236	354
Other expenses	12	57,520	57,862
Total expenses		**57,756**	**58,216**
Profit before tax		**(47,946)**	**6,202**
Less: Tax expense	13		
Current tax		-	1,612
Deferred tax		(10,037)	-
Total tax expenses		**(10,037)**	**1,612**
Profit for the year (A)		**(37,909)**	**4,589**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		**(37,909)**	**4,589**
Earnings per equity share (Face value of INR 10 each)	18		
- Basic earnings per share (In INR)		(0.76)	0.09
- Diluted earnings per share (In INR)		(0.76)	0.09

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

Indian Horizon Marketing Services Limited

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

Indian Horizon Marketing Services Limited
Statement of Changes in Equity for the Year Ended March 31, 2020

STATEMENT OF CHANGES IN EQUITY

Equity share capital

Particulars	Amount
Balance as at April 1, 2018	**5,00,000**
changes in equity share capital during the year	-
Balance as at March 31, 2019	**5,00,000**
changes in equity share capital during the year	-
Balance as at March 31, 2020	**5,00,000**

Other Equity

	Reserves and Surplus		
Particulars	**Capital Contribution**	**Retained Earnings**	**Total Other Equity**
Balance as at April 1, 2018	-	**(3,61,305)**	**(3,61,305)**
Profit for the year	-	4,589	4,589
Other Comprehensive Income	-	-	-
Transaction with owners in their capacity as owners			
Employee Stock Option Expense	-	-	-
Balance as at March 31, 2019	-	**(3,56,716)**	**(3,56,716)**
Profit for the year	-	(37,909)	(37,909)
Other Comprehensive Income	-	-	-
Balance as at March 31, 2020	-	**(3,94,625)**	**(3,94,625)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Indian Horizon Marketing Services Limited

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC VISA SERVICES (INDIA) LIMITED
Statement of Cash Flows for the Year Ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
A) Cash flow from operating activities		
Profit before income tax	(47,946)	6,202
Adjustments for:		
Interest income on bank deposit	-	(17,234)
Operating profit before changes in operating assets and liabilities	(47,946)	(11,032)
Change in operating assets and liabilities:		
Increase/(Decrease) in Other financial Liabilities	(26,02,044)	(40,343)
Increase/(Decrease) in Other Liabilities	(700)	705
Increase/ (Decrease) in Other Assets	-	-
Increase/ (Decrease) in Other Financial Assets	-	16,366
Cash generated from operations	**(26,50,690)**	**(34,304)**
Income taxes paid	0	(3,250)
Net cash inflow from operating activities	**(26,50,690)**	**(37,554)**
B) Cash flow from investing activities:		
Interest Received		-
Invesment in Subsidiaries	-	66,192
Dividend received on Mutual Funds	-	-
Proceeds / (Investment) in Bank fixed deposits	-	5,00,000
Net cash inflow/(outflow) from investing activities	-	**5,66,192**
Net increase in cash and cash equivalents	(26,50,690)	5,28,638
Add: Cash and cash equivalents at the beginning of the financial year	27,49,928	22,21,290
Cash and cash equivalents at the end of the year	**99,238**	**27,49,928**
Reconciliation of Cash Flow statements as per the cash flow statement	**31 March 2020**	**31 March 2019**
Cash Flow statement as per above comprises of the following		
Cash and cash equivalents	99,238	27,49,928
Bank Overdrafts	-	-
Balances as per statement of cash flows	99,238	27,49,928
Notes :	(0)	0

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Acounts) Rules, 2015.
2. The above statement of Cash flow should be read in conjunction with the accompanying notes.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

Indian Horizon Marketing Services Limited

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

General Information

Indian Horizon Marketing Services Limited was incorporated on December 26th, 1989 The Company is a 100% subsidiary of Thomas Cook (India) Limited

1 **Significant Accounting Policies**

1.1 **Basis of preparation of financial statements**

(a) Statement of compliance with Ind AS
These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') In accordance with proviso of the Rule 4A of Companies Accounting Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 that are notified and effective as at 31st March, 2019.

These financial statements for the year ended 31st March, 2020 has prepared under Ind AS.

Current V/s Non-Current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-noncurrent classification of assets and liabilities.

1.2 **Other Income**
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive dividend is established.

1.3 **Taxes on Income**

Income Tax:
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax:

Deferred tax is recognised using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the Balance Sheet of the Company.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Certain temporary differences arising on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not recognised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

1.4 **Provisions and contingent liabilities**

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure require to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

1.5 **Cash and Cash Equivalents**

In the cash flow statement, Cash and Cash Equivalents includes Cash on Hand, Cheques/Drafts on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents.

1.6 **Earnings per share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, and excluding treasury shares other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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

The diluted potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (that is the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

1.7 **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees or decimals thereof as per the requirement of schedule III (division II), unless otherwise stated.

1.8 Previous year's figures have been regrouped/rearranged wherever necessary to confirm with current year's figures.

2 Critical Accounting Estimates and Judgements:

The preparation of Standalone Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Information. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 3: Deferred Tax Assets (Net)

The balance comprises of temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax on Business Losses	10,037	-
Net Deferred Tax Assets	**10,037**	**-**

Note 4: Financial Assets - Cash and Cash Equivalents:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks - In current accounts	99,238	27,49,928
Cash in hand	-	-
Cheques on hand	-	-
Total Cash and cash equivalents	**99,238**	**27,49,928**

Note 5: Current Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax	9,900	9,900
Closing Balances - Current Tax Asset/(Liabilities)	**9,900**	**9,900**

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 6: Equity Share Capital

(Amount in Rupees)

Equity Share capital

Particulars	No of Shares	Amount
AUTHORISED		
As at April 1, 2018	30,00,000	3,00,00,000
Increase during the year	-	-
As at March 31, 2019	30,00,000	3,00,00,000
Increase during the year	-	-
As at March 31, 2020	30,00,000	3,00,00,000

(i) Movement in Equity Share Capital during the Year

Particulars	No of Shares	Amount
As at April 1, 2018	50,000	5,00,000
Add: No of Shares issued during the year	-	-
As at March 31, 2019	50,000	5,00,000
Add: No of Shares issued during the year	-	-
As at March 31, 2020	50,000	5,00,000

(ii) Terms and rights attached to shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution to all secured creditors, if any, of all preferential amounts, in proportion to their dues.

(iii) Shares of the company held by Holding Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
Equity Shares				
Thomas cook (India) Limited(Holding Company) and its Nominees	50,000	5,00,000	50,000	5,00,000

(iv) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)

Category of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity Shares				
Thomas cook (India) Limited(Holding Company) and its Nominees	50,000	100%	50,000	100%
Total Other Financial Assets	50,000	100%	50,000	100%

Note 7: Reserves and surplus **(Amount in Rupees)**

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(3,94,625)	(3,56,716)
Total reserves and surplus	**(3,94,625)**	**(3,56,716)**

Retained Earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**(3,56,716)**	**(3,61,305)**
Net Profit for the year	(37,909)	4,589
Items of other Comprehensive income recognised directly in retained earnings		
Closing Balance	**(3,94,625)**	**(3,56,716)**

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 8: Other Financial Liablities **(Amount in Rupees)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Related Party	-	26,03,544
Liabilities against expense	13,500	12,000
Total Other Financial Liablities	**13,500**	**26,15,544**

Note 9: Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	300	1,000
Total Other Current Liabilities	**300**	**1,000**

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 10: Other Income

(Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Bank Deposits	-	17,234
Other Miscellaneous Income	9,810	-
Claims Written back	-	47,184
Total	**9,810**	**64,418**

Note 11: Finance Costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Finance Charges	236	354
Total	**236**	**354**

Note 12: Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and Professional Charges #(Refer note below "a")	53,560	57,820
Miscellaneous Expenses	3,960	42
Total	**57,520**	**57,862**

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to auditors		
As auditor:		
-Statutory Audit	22,000	25,960
-Tax Audit	-	-
In other capacities		
-Re-imbursement of expenses	-	-
Total payments to auditors	**22,000**	**25,960**

Note 13: Income Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	1,612
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	**1,612**
Deferred tax		
increase in deferred tax assets	(10,037)	-
Total deferred tax credit	**(10,037)**	-
Income tax expense	**(10,037)**	**1,612**

(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit from continuing operations before income tax expense	(47,946)	6,202
Tax at the Indian tax rate of 26% (PY - 26%)	**(12,466)**	**1,612**
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Interest on shortfall of advance tax	-	-
CSR Expenditure	-	-
Buffer tax created	-	-
Dividend income	-	-
Sec 14A Disallowance	-	-
On account of rate difference as compared to previous year	-	-
Other items	-	-
Income tax expense	**(10,037)**	**1,612**

Note 14: Fair value measurements

Trade receivables, cash and cash equivalents, other financial assets, trade payables, and other financial liabilities have been carried at amortised cost. The carrying amounts of these financial assets and financial liabilities are considered to be the same as their fair values due to their short-term nature. Hence, no fair value disclosures / information for these financial assets and financial liabilities has been disclosed since the carrying amount is a reasonable approximation of fair value.

Note 15: Financial risk management

Being a non - operating company, the company is not exposed to any kind of risk.

Note 16: Capital management

The Company's objectives when managing capital (consisting of equity capital and unremitted profit in the financial statements) are to safeguard its ability to continue as a going concern, so it can continue to provide services for the holding company and related entities and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or change the capital structure, the Company may adjust the amount of profits for remittance to holding company, return equity capital, or require holding company to infuse additional capital to support its operations.

There are no externally imposed capital requirements on the Company.

The Company has not proposed any Dividend for the year ended March 31, 2020 and March 31, 2019.

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 17: Related Party Transactions
(a) Parent Entities
The Company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest (%)	
			As at March 31, 2020	As at March 31, 2019
Thomas Cook (India) Limited, India ("TCIL") holds 100% of Equity Shares of the Company. (Fairbridge Capital (Mauritius) Limited, Mauritius ("FCML") holds 66.94% of Equity Shares of TCIL. FCML is wholly owned and controlled by Fairfax Financial Holdings Limited, Canada, the ultimate holding company.)	Parent entity	India	100%	100%

(b) Key Management personnel

Particulars
Amit Madhan
R R Kenkare
Abraham Alapatt

(c) Transactions with related parties
The following transactions occurred with related parties:

Nature of transaction	March 31, 2020	March 31, 2019
(i) Holding Company		
Reimbursement of Expenses (Net)		
Thomas Cook (India) Limited	-	55,089
Balance as at the year end		
Outstanding Payable		
Thomas Cook (India) Limited	-	26,03,544

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 18: Earnings Per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit attributable to equity shareholders	(37,909)	4,589
Weighted average number of outstanding shares	50,000	50,000
(a) Basic earnings per share		
Attributable to the equity holder of the company	(1)	0
(b) Diluted earnings per share		
Attributable to the equity holder of the company	(1)	0

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2020	March 31, 2019
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(37,909)	4,589
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	**(37,909)**	**4,589**

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

Particulars	March 31, 2020	March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic earning per share	50,000	50,000
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	50,000	50,000

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 19: Segmental Reporting
Since the Company has no operations, there are no reportable segments.

Note 20: Micro, Small and Medium Enterprises
There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 21: Previous year's figures has been regrouped/rearranged wherever necessary to confirm with current year's figure.

Signatures to Notes 1 to 21 form an integral part of the financial statements.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

Indian Horizon Marketing Services Limited

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

G. M. KAPA IA CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021. INDIA
PHONE : (91-22) 6611 6611 FAX : (91-22) 6611 6600

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TC TOURS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **TC Tours Limited** (the Company), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Management of the Company is responsible for the other information. The other

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

information obtained at the date of this report is report of the board of directors, but does not include the standalone financial statements and our report thereon.

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

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

If, based on our work, we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take appropriate actions in accordance with the SAs. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 generally accepted in India, including Ind AS, read with the rules made thereunder and the relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

Auditor's Responsibility 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.

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

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

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

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

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

G. M. KAPADIA & CO. MUMBAI ★ Chartered Accountants ★

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

Indian Accounting Standards specified under section 133 of the Act, read with the rules made thereunder and the relevant provisions of the Act;

(e) On the basis of written representations received from the Directors as on March 31, 2020 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 from being appointed as a Director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any remuneration to its directors during the year and hence, the provisions of section 197 of the Act are not applicable; and

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

(i) The Company does not have any pending litigations, which would impact the financial position of the Company;

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and

(iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAEL9152

Place: Mumbai
Dated: June 12, 2020

Annexure A- referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on the standalone financial statements for the year ended March 31, 2020

i. In respect of its Property, Plant and equipment:

(a) The Company does not have any property, plant and equipment except right of use assets and hence provision of para 3(i)(a) of the Order is not applicable;

(b) The Company does not have any property, plant and equipment except right of use assets and hence provision of para 3(i)(b) of the Order is not applicable; and

(c) The Company does not hold any immovable properties. In respect of immovable properties taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of Company.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, paragraph 3(ii) of the Order regarding physical verification of inventories and maintenance of records is not applicable.

iii. The Company has granted unsecured loan to its associate company covered in the register maintained under section 189 of the Act.

(a) In our opinion, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated and is also regular in payment of interest as applicable.

(c) There is no overdue amount remaining outstanding as at the year-end for more than ninety days in respect of such loans.

iv. Based on audit process applied by us and according to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted, as applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

vi. The provisions of section 148(1) of the Act, relating to maintenance of cost records are not applicable.

vii. (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues such as provident fund, employees' state insurance, income tax, profession tax, service tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. There are no arrears as at March 31, 2020 which were due for more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of income-tax, service tax, goods & services tax and profession tax which have not been deposited on account of any dispute.

viii. The Company has neither raised loans from banks and financial institutions nor issued any debentures, therefore the provisions of paragraph 3(viii) of the Order regarding default in repayment of dues to banks and financial institutions and debenture holders is not applicable to the Company.

ix. The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans. Hence, the provisions of paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or on the Company by its officers and employees have been noticed or reported during the year.

xi. The Company has not paid or provided for any managerial remuneration. Hence, reporting requirements under this paragraph 3(xi) of the Order are not applicable.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. In respect of transactions with related parties, the Company has complied with provisions of sections 177 and 188 of the Act where applicable. Necessary disclosures relating to related party transactions have been made in the standalone financial statements as required by the applicable accounting standard.

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. The Company has not entered into any non-cash transaction with directors. We have been informed that no such transactions have been entered into with persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order is not applicable.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN: 20039569AAAAEL9152

Mumbai
Dated: June 12, 2020

Annexure B referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of TC Tours Limited (the Company) on the standalone financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAEL9152

Mumbai
Dated: June 12, 2020

TC TOURS LIMITED
Balance Sheet as at March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Right of Use Assets	3(a)	103.7	-
Financial assets			
- Loans			
- Investments	5(a)	400.0	200.0
Deferred tax assets (net)	3(b)	100.3	101.3
Total non-current assets		**604.0**	**301.3**
Current assets			
Financial assets			
- Investments	5(a)	-	40.0
- Trade receivables	5(b)	10,046.2	21,562.9
- Cash and cash equivalents	5(c)	952.7	278.8
- Loans	5(d)	150.0	0.3
- Other financial assets	5(e)	1,983.7	2,190.3
Current Tax Assets	4	950.8	326.3
Other current assets	6	6,877.8	10,092.3
Total current assets		**20,961.2**	**34,491.0**
TOTAL ASSETS		**21,565.2**	**34,792.3**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	300.0	300.0
Other equity			
-Reserve & surplus	8	2,505.8	1,730.4
Total Equity		**2,805.8**	**2,030.4**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities		73.5	-
- Other financial liabilities	11(c)	-	-
Employee Benefit Obligations	9	82.6	60.6
Other non-current liabilities	10	-	-
Total non-current liabilities		**156.1**	**60.6**
Current liabilities			
Financial liabilities			
- Borrowing	11(a)	893.3	-
- Lease liabilities		37.0	-
- Trade payables	11(b)		
-Dues of micro enterprises and small enterprises		-	-
-Dues of creditors other than micro enterprises and small enterprises		16,092.8	30,595.1
- Other financial liabilities	11(c)	0.9	13.8
Employee Benefit Obligations	9	25.1	36.5
Other current liabilities	12	1,554.2	2,055.9
Total current liabilities		**18,603.3**	**32,701.3**
TOTAL LIABILITIES		**18,759.4**	**32,761.9**
TOTAL EQUITY AND LIABILITIES		**21,565.2**	**34,792.3**

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Date: June 12, 2020
Place: Mumbai

TC Tours Limited

For and on behalf of the Board of Directors

Debasis Nandy
Director
DIN: 06368365

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC TOURS LIMITED
Statement of Profit And Loss for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	13	20,062.9	19,016.1
Other income	14	474.7	76.7
Total income		**20,537.6**	**19,092.8**
Expenses			
Cost of services		14,169.3	13,648.1
Employee benefits expense	15	1,824.0	2,093.7
Depreciation	3	35.9	-
Finance Cost	16	837.3	377.7
Other expenses	17	2,643.6	2,419.3
Total expenses		**19,510.1**	**18,538.8**
Profit before tax		**1,027.5**	**554.0**
Less : Tax expense	18		
Current tax		269.7	199.1
Deferred tax		0.8	(29.1)
Total tax expenses		**270.5**	**170.0**
Profit for the year (A)		**757.0**	**384.0**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		0.3	(21.9)
Income tax relating to items that will not be reclassified to profit or loss		(0.2)	6.1
Total other comprehensive income for the year, net of taxes (B)		**0.1**	**(15.8)**
Total comprehensive income for the year (A+B)		**757.1**	**368.2**
Earnings per equity share (Face value of INR 10 each)	23		
- Basic earnings per share (In INR)		25.2	12.8
- Diluted earnings per share (In INR)		25.2	12.8

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Date: June 12, 2020
Place: Mumbai

TC Tours Limited

For and on behalf of the Board of Directors

Debasis Nandy
Director
DIN: 06368365

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

Equity share capital

Particulars	Amount
Balance as at April 1, 2018	**300.0**
changes in equity share capital during the year	-
Balance as at March 31, 2019	**300.0**
changes in equity share capital during the year	-
Balance as at March 31, 2020	**300.0**

Other Equity

	Reserves and Surplus		
Particulars	**ESOP Reserve**	**Retained Earnings**	**Total Other Equity**
Balance as at April 1, 2018	**2.7**	**1,336.3**	**1,339.1**
Profit for the year	-	384.0	384.0
Other Comprehensive Income	-	(15.8)	(15.8)
Total Comprehensive Income for the year	-	**368.2**	**368.2**
Transaction with owners in their capacity as owners			
Employee Stock Option Expense	23.2	-	23.2
Balance at the March 31, 2019	**25.9**	**1,704.5**	**1,730.4**
Profit for the year	-	757.0	757.0
Other Comprehensive Income	-	0.1	0.1
Total Comprehensive Income for the year	-	**757.1**	**757.1**
Transaction with owners in their capacity as owners			
Employee Stock Option Expense	18.3	-	18.3
Balance as at March 31, 2020	**44.2**	**2,461.6**	**2,505.8**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

TC Tours Limited

For and on behalf of the Board of Directors

Atul Shah
Partner
Membership No. 039569

Date: June 12, 2020
Place: Mumbai

Debasis Nandy
Director
DIN: 06368365

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC TOURS LIMITED
Statement of Cash Flows for the year ended March 31 , 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
A) Cash flow from operating activities			
Profit before income tax		**1,027.5**	**554.0**
Adjustments for:			
Interest Income	14	(8.9)	(51.7)
Gains from Mutual Fund		(0.7)	(7.7)
ESOP Expense	15	18.3	23.2
Depreciation on ROU assets		35.9	-
Interest on lease liability		10.9	-
Provision for Doubtful Advances (Net)	17	323.4	443.2
Operating profit before changes in operating assets and liabilities		**1,406.4**	**961.0**
Change in operating assets and liabilities:			
Decrease / (Increase) in Trade Receivables		11,516.8	301.4
(Increase) in Other Financial Assets		207.0	(481.9)
Decrease / (Increase) in Other Current Assets		2,891.1	(8,191.5)
Increase in Employee Benefits Obligation		10.9	(106.1)
(Decrease) / Increase in Trade Payables		(14,502.2)	6,961.1
Increase in Other Financial Liabilities		(12.9)	(20.0)
(Decrease) / Increase in Other Liabilities		(501.7)	(44.6)
Cash generated from operations		**1,015.4**	**(620.6)**
Income taxes paid		(894.2)	(251.8)
Net cash inflow from operating activities		**121.2**	**(872.4)**
B) Cash flow from investing activities:			
Interest Received		8.9	51.7
Invesment sold in Subsidiaries		-	300.0
Investment (made)/sold in Associates		(200.0)	(200.0)
Loan given to related party	14	(150.0)	1,126.0
Investment (made)/sold in units of mutual fund		-	(22,715.0)
Proceeds from redemption of units of mutual fund		40.7	22,682.7
Net cash inflow / (outflow) from investing activities		**(300.6)**	**1,245.4**
C) Cash flow from financing activities:			
Repayment of lease liabilities		(29.1)	-
Interest on lease liabilty made		(10.9)	-
Net cash inflow / (outflow) from finnacing activities		**(40.0)**	-
Net increase in cash and cash equivalents		(219.4)	373.0
Add: Cash and cash equivalents at the beginning of the financial year		278.8	(94.2)
Cash and cash equivalents at the end of the year		**59.4**	**278.8**
Reconciliation of Cash Flow statements as per the cash flow statement		**Year ended March 31, 2020**	**Year ended March 31, 2019**
Cash Flow statement as per above comprises of the following			
Cash and cash equivalents		952.7	278.8
Bank Overdrafts		(893.3)	-
Balances as per statement of cash flows		59.4	278.8

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Acounts) Rules, 2015.
2. The above statement of Cash flow should be read in conjunction with the accompanying notes.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

TC Tours Limited

Debasis Nandy
Director
DIN: 06368365

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC TOURS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

General Information

TC Tours Limited (CIN-U63040MH1989PLC054761) (the "Company") was incorporated in the state of Maharashtra on December 26, 1989 under the Companies Act, 1956. It's main object is to inter-alia to carry on the trades or business of general passengers, tourists and transport agents and contractors. The Company is a 100% subsidiary of Thomas Cook (India) Limited.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

(a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time that are notified and effective as at March 31, 2019. In accordance with proviso of the Rule 4A of Companies Accounting Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting Standards.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for defined benefit plans & Investments measured at fair value.

1.2 Foreign currency translation and transactions

(a) Functional and presentation currency

A Company's functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Presentation currency is the currency in which the financial statements are presented. These financial statements are presented in Indian Rupees (INR), which is Company's functional and presentation currency.

(b) Transactions and balances

(i) Initial Recognition

On initial recognition, foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

(ii) Subsequent Recognition

As at the reporting date, non - monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

All monetary items denominated in foreign currency are restated at Foreign Exchange Dealers Association of India (FEDAI) rates and the exchange variations arising out of settlement / conversion at the FEDAI rates are recognised in the Statement of Profit and Loss.

1.3 Revenue Recognition

Revenue is measured based on transaction price, which is the consideration paid for services. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from rendering of services is net of Indirect taxes and discounts.

Effective April 1, 2018 the Company has applied Ind AS 115 which replaces Ind AS 18 revenue recognition. Refer Note 1.4 – Significant accounting policies – Revenue recognition in the Financial Statements of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18.

(a) Income from operations

The Company earns revenue from travel and related services and human resource services.

(i) Travel and related services

It comprises of leisure tours packages within India and outside India. Revenue on leisure tours/holiday packages are recognized on the completion of the performance obligation which is on the date of departure of the tour.

It also includes income from the sale of airline tickets which is recognized, as an agent, on the basis of net commission earned, at the time of issuance of tickets, as the Company does not assume any performance obligation post the confirmation of the issuance of an airline ticket to the customer. Performance linked bonuses from airlines/global distribution systems ('GDSs') are recognized as and when the performance obligations under the schemes are achieved.

(ii) Human resource services

It comprises of training fees. These trainings are generally of short term in nature. Revenue is recognized in the period in which services are being rendered.

(b) Contract balances (effective from 1 April 2018)

(i) Contract assets

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company performs by rendering services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

1.4 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive dividend is established.

1.5 Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax for the period comprises of current tax and deferred tax. Income tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised in 'Other comprehensive income or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current Tax:

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/expenses and penalties, if any related to income tax are included in current tax expense.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The company offsets the current tax assets as against the liability for provision for tax.

Deferred Tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred Taxes on items classified under Other Comprehensive Income ('OCI') has been recognised in OCI.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

1.6 Leases

Company has adopted Ind AS 116 "Leases" (which replaces Ind AS 17 "Leases") effective April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Determining whether an arrangement contains a lease:

Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use asset are subsequently measured at cost less accumulated depreciation and impairment losses if any and adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rates in the country of domicile of the leases.

Lease payments included in the measurement of the lease liability comprise the following:
i) Fixed payments;
ii) Variable lease payments;
iii) Amounts expected to be payable under a residual value guarantee; and
iv) The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in terms of the contract, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

TC TOURS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Short-term leases and leases of low-value assets

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Till March 31, 2019, all lease arrangements were classified as operating or finance leases. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the term of the lease. Lease arrangements where Company has substantially all the risks and rewards of ownership were classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As a lessee:

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

1.7 Employee Benefits

(a Long-term Employee Benefits

(i) Defined Contribution Plans

The Company has Defined Contribution Plan for post employment benefits in the form of Provident Fund which is Government administered provident fund. Under such Defined Contribution Plan, the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plan is charged to the Statement of Profit and Loss as incurred.

(ii) Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI).

(l Short-term Employee Benefit

As per the leave policy of the Company, employees are entitled to avail 30 days of annual leave during a calender year. Any carry forward or encashment of the same is not allowed and all unutilised leaves necessarily lapse at the end of the calender year. Provision on actual basis is created for proportionate unutilised leaves as at year end.

TC TOURS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

1.8 Impairment of Assets

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. The entity considers evidence of impairment for receivables for each specific asset. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in statement of profit and loss and are reflected as an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of profit and loss.

The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in statement of profit and loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

Carrying amount of tangible assets, intangible assets and investments in subsidiaries (which are carried at cost) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period

1.9 Provisions and contingent liabilities

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized if the likelihood of an outflow with respect to any one item included in the same class of obligations is more probable than not. Provisions are measured at the present value of management's best estimate of the expenditure require to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.0 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques/drafts on hand, remittances in transit, balances with bank held in current account, demand deposits with maturities of three months or less, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.1 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Although the Company recognises the revenue relating to commission on net and agent basis, the trade receivables and trade payables are recognised on the gross value of services rendered and services received respectively.

2.2 Investments in Subsidiaries

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. The Company's investments in its Subsidiaries are accounted at cost.

2.3 Financial Instruments

(a Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value. Transaction costs are expensed in the Statement of Profit and Loss, expect for financial instruments carried at amortised cost, where transaction costs are adjusted in the amortised cost of the asset.

(ii) Subsequent Measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of:
(i) the entity's business model for managing the financial assets and
(ii) the contractual cash flow characteristics of the financial asset.

(a) **Measured at amortised cost** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model with the objective of holding the assets to collect contractual cash flows, are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised in the Statement of Profit and Loss.

(b)**Measured at fair value through other comprehensive income** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, is measured at fair value through other comprehensive income. It is subsequently measured at fair value with unrealised gains or losses recognised in the other comprehensive income ('OCI'), except for interest income which is recognised as 'other income' in the Statement of Profit and Loss using the EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) **Measured at fair value through profit or loss**: A financial asset not measured at either amortised cost or FVOCI, is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL. For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss when the company's right to receive payments is establishes.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset On transfer of the financial asset, the Company evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(b) Financial liabilities

(i) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition:

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

TC TOURS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.5 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.6 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.7 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.8 Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current if it is :a) expected to be realised or intended to be sold or consumed in normal operating cycle; b) held primarily for the purpose of trading; c) expected to be realised within twelve months after the reporting period; ormonths after the reporting period.All other assets are classified as non-current.A liability is current when : a) it is expected to be settled in normal operating cycle; b) it is held primarily for the purpose of trading; c) it is due to be settled within twelve months after the reporting period; or d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current on net basis. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

2.9 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs or decimals thereof as per the requirement of schedule III (division II), unless otherwise stated.

2 Critical Accounting Estimates and Judgements:

The preparation of Standalone Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Information. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimation of defined benefit obligation (Refer note 9) involves critical estimates and judgements.

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

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 3(a) - Right of Use Assets

Particulars	Building	Total
Gross Carrying Amount		
Opening Balance as at 1 April 2019	-	-
Transition Adjustment (as at 1 April 2019)	139.6	139.6
Additions	-	-
Disposals/Transfer	-	-
Closing Balance as at 31 March 2020	**139.6**	**139.6**
Accumulated Depreciation		
Opening Balance as at 1 April 2019	-	-
Transition Adjustment (as at 1 April 2019)	-	-
Depreciation	**35.9**	35.9
Disposals/Transfer	-	-
Closing Balance as at 31 March 2020	**35.9**	35.9
Net carrying amount as at 31 March 2020	**103.7**	**103.7**

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 3(b): Deferred Tax Assets (Net)

The balance comprises of temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities	-	-
Deferred Tax Assets		
On provisions allowable for tax purpose when paid	21.5	16.4
On Provision for Doubtful Advances	77.4	84.9
Other items (ROU)	1.4	-
Net Deferred Tax Assets	**100.3**	**101.3**

Movement in Deferred Tax Assets

Particulars	On provisions allowable for tax purpose when paid	On Provision for Doubtful Advances	Other items (ROU)	Total
As at March 31, 2019	**16.4**	**84.9**		**101.3**
charged/(credited)				
-to profit or loss	5.3	(7.5)	1.4	(0.8)
-to other comprehensive income	(0.2)	-		(0.2)
As at March 31, 2020	**21.5**	**77.4**	**1.4**	**100.3**

Note 4: Current Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	326.3	273.6
Less: Current Tax payable for the year	(269.7)	(199.1)
Add: Taxes Paid	894.2	251.8
Closing Balances - Current Tax Asset/(Liabilities)	**950.8**	**326.3**

* Amount is below the rounding off norm adopted by the Company.

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 5: Financial Assets

5(a)Investments

Particulars	Non-current March 31, 2020	Current March 31, 2020	Non-current March 31, 2019	Current March 31, 2019
Unquoted - In associates at cost				
5020 (Previous year: 2510) fully paid up 0.0001%Convertible Cummulative Preference Shares of INR 100/- each ofTraveljunkie Solutions Private Limited *[Refer Note 29]*	400.0	-	200.0	-
Quoted - Investment in mutual funds fair valued through Profit and Loss account				
Nil (Previous year:1367.571) Units of INR 1000/- each in SBI Liquid Fund Direct Growth	-	-	-	40.0
Total	**400.0**	**-**	**200.0**	**40.0**
Aggregate amount of quoted investments	-	-	-	40.0
Aggregate amount of unquoted investments	400.0	-	200.0	-
Aggregate market value of quoted investments	-	-	-	40.0
Aggregate amount of impairment in the value of investments	-	-	-	-

5(b)Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	10,061.9	21,604.4
Less: Allowance for doubtful debts	(15.7)	(41.5)
Total recievables	**10,046.2**	**21,562.9**
Break up of Security Details		
Unsecured, considered good	10,046.2	21,562.9
Unsecured, considered Doubtful	15.7	41.5
Total	**10,061.9**	**21,604.4**
Less: Allowance for doubtful debts	(15.7)	(41.5)
Total Trade Recievables	**10,046.2**	**21,562.9**

5(c) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In current accounts	32.3	273.5
Fixed Deposits with original maturity of less than three months	920.0	-
Cash in hand	0.4	0.0
Cheques on hand	-	5.3
Total Cash and cash equivalents	**952.7**	**278.8**

5(d) Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to Related Parties	150.0	0.3
Total Loans	150.0	**0.3**

5(e) Other financial Assets

Particulars	Non-current March 31, 2020	Current March 31, 2020	Non-current March 31, 2019	Current March 31, 2019
Accrued Revenue	-	1,972.9	-	2,118.8
Interest Receivables from Related Parties	-	7.0	-	-
Other Receivables from Related Parties	-	3.8	-	71.5
Total Other Financial Assets	**-**	**1,983.7**	**-**	**2,190.3**

Note 6: Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to Suppliers		
Considered good	6,039.4	9,821.6
Considered Doubtful	370.5	466.3
Less: Allowance for doubtful advances	(370.5)	(466.3)
	6,039.4	**9,821.6**
Advance to Employees		
Considered good	13.9	3.9
Considered Doubtful	0.3	0.3
Less: Allowance for doubtful debts	(0.3)	(0.3)
	13.9	**3.9**
Prepaid expenses	27.4	21.5
Balances with Government authorities	797.1	245.4
Total	**6,877.8**	**10,092.3**

Note 7: Equity Share Capital

Equity Share capital

Particulars	No of Shares (In lakhs)	Amount
AUTHORISED		
As at March 31, 2019	30.0	300.0
Increase during the year	-	-
As at March 31, 2020	30.0	300.0

(i) Movement in Equity Share Capital during the Year

Particulars	No of Shares (In lakhs)	Amount
As at March 31, 2019	30.0	300.0
Add: No of Shares issued during the year	-	-
As at March 31, 2020	30.0	300.0

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares at a par value of INR 10/- per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share holding.

(iii) Shares held by Holding Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares (In lakhs)	Amount	No of Shares (In lakhs)	Amount
Equity Shares				
Thomas cook (India) Limted and its Nominees	30.0	300.0	30.0	300.0

(iv) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)

Category of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares (In lakhs)	% of Holding	No of shares (In lakhs)	% of Holding
Equity Shares				
Thomas cook (India) Limted and its Nominees	30.0	100.0%	30.0	100.0%

Note 8: Reserves and surplus

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	2461.6	1704.5
ESOP Reserve	44.2	25.9
Total reserves and surplus	**2505.8**	**1730.4**

Retained Earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	1704.5	1336.3
Net Profit for the year	757.0	384.0
Items of other Comprehensive income recognised directly in retained earnings		
Remeasurements of post-employement benefit obligtion, net of tax	0.1	(15.8)
Closing Balance	**2461.6**	**1704.5**

ESOP Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	25.9	2.7
Capital Contribution towards ESOP Expenses	18.3	23.2
Closing Balance	**44.2**	**25.9**

ESOP Reserve

ESOP Reserve has been created for ESOPs issued by the group company - Thomas Cook (India) Limited to the employees of the company.

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 9: Employee Benefit Obligations

Particulars	March 31, 2020			March 31, 2019		
	Non Current	Current	Total	Non Current	Current	Total
Leave Entitlement	-	0.0	0.0	-	16.3	16.3
Gratuity	82.6	-	82.6	60.6	(0.0)	60.6
Employee Benefit Payables	-	25.1	25.1	-	20.2	20.2
Total	**82.6**	**25.1**	**107.7**	**60.6**	**36.5**	**97.1**

(i)Leave Obligations - Leave Entitlement
The leave obligations cover the Company's liability for earned leave.
The amount of the provision of INR Nil (31 March 2019 - INR 16.3) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2020	As at March 31, 2019
Current leave obligations expected to be settled within next 12 months	0.0	16.3

(ii) Post Employment Obligations
Gratuity
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(iii) Defined contribution Plans
The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 74.5 Lakhs (31 March 2019 - INR 61.5 Lakhs).

Balance Sheet Amounts - Gratuity
The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	112.5	-	112.5
Current service cost	14.9	-	14.9
Interest expense/(income)	7.5	-	7.5
Total amount recognised in profit and loss	**22.4**	-	**22.4**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)		2.0	(2.0)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	2.4	-	2.4
Experience (gains)/losses	21.5	-	21.5
Total amount recognised in other comprehensive income	**23.9**	**2.0**	**21.9**
Employer contributions		96.2	(96.2)
Benefit payments	(4.7)	(4.7)	-
March 31, 2019	**154.1**	**93.5**	**60.6**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2019	**154.1**	**93.5**	**60.6**
Current service cost	20.8	-	20.8
Interest expense/(income)	9.7	7.2	2.5
Total amount recognised in profit and loss	**30.5**	**7.2**	**23.3**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(1.4)	1.4
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	11.9	-	11.9
Experience (gains)/losses	(13.6)	-	(13.6)
Total amount recognised in other comprehensive income	**(1.6)**	**(1.4)**	**(0.2)**
Employer contributions		1.0	(1.0)
Benefit payments	(0.6)	(0.5)	(0.1)
March 31, 2020	**182.4**	**99.8**	**82.6**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	182.4	154.1
Fair value of plan assets	99.8	93.5
Deficit of funded plan	82.6	60.6
Unfunded plans	-	-
Deficit of gratuity plan	**82.6**	**60.6**

(All amounts in INR Lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	5.70%	7.00%
Salary growth rate	6.00%	6.00%

(iv) Sensitivity analysis

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

			Impact on defined benefit obligation			
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
Particulars	March 31,2020	March 31,2019	March 31,2020	March 31,2019	March 31,2020	March 31,2019
Discount rate	50 basis point	50 basis point	-2.62%	-2.25%	2.77%	2.36%
Salary growth rate	50 basis point	50 basis point	2.75%	2.37%	-2.63%	-2.28%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(v) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

a) Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any Decrease in the bond yields will increase the plan liabilities.

b) Salary growth & Demographic assumptions- The plan liabilities are calculated using the salary escalation and demographic assumptions which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 5.45 years (2019 - 4.6 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Post Employment Obligations as at March 31, 2020	43.6	25.3	65.1	128.8	262.8
Post Employment Obligations as at March 31, 2019	31.8	36.6	58.3	100.6	227.3

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 10: Other Non-Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income Received In Advance	-	-
Total	-	-

Note 11: Financial Liabilities

11(a) Current Borrowings

Particulars	Maturity Date	Terms of Payment	Coupon/ Interest Rate	As at March 31, 2020	As at March 31, 2019
Unsecured					
Bank Overdrafts	Payable on Demand		9.1%	893.3	-

Note 11(b): Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
-Dues of micro enterprises and small enterprises	-	-
-Dues of creditors other than micro enterprises and small enterprises	16,092.8	30,595.1
Total Trade Payables	**16,092.8**	**30,595.1**

Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding as at the Balance Sheet date. This information has been determined on the basis of information available with the Company.

Note 11(c): Other Financial Liablities

Particulars	As at March 31, 2020		As at March 31, 2019
	Non-Current	Current	Current
Other Payables to Related Parties	-	0.9	13.8
Total Other Financial Liablities	-	**0.9**	**13.8**

Note 12: Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income Received In Advance	1,062.7	1,591.9
Statutory Dues	491.5	464.0
Total	**1,554.2**	**2,055.9**

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 13: Revenue from Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Services		
- Travel and Related Services	20,062.9	18,999.7
Other Operating Revenue		
- Human Resource Services	-	16.4
Total	**20,062.9**	**19,016.1**

Also refer note 27 for IND AS 115 disclosure

Note 14: Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Bank Deposits	1.8	3.3
Interest Income on Loan Given	7.1	48.5
Dividend Income from Mutual Fund Investments	-	-
Gains from Mutual Fund	0.7	7.7
Claims Written back	84.8	-
PGSI Cashback Income	321.3	-
Miscellaneous Income	59.0	17.2
Total	**474.7**	**76.7**

Note 15: Employee Benefit Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries Wages and Bonus	1,694.8	1,960.3
Contribution to Provident and Other Funds	74.5	61.5
Gratuity (Refer note 9)	23.3	22.4
ESOP Expense	15.5	23.2
ESOP stock option Expense	2.8	-
Staff Welfare Expenses	13.1	26.3
Total	**1,824.0**	**2,093.7**

Note 16: Finance Costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Bank Overdraft	8.3	0.3
Other Finance Charges	818.1	377.4
Interest on shortfall of Advance tax	-	-
Interest on Lease liabilty	10.9	-
Total	**837.3**	**377.7**

* Amount is below the rounding off norm adopted by the Company.

Note 17: Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent (Refer note 26)	213.4	130.4
Electricity	0.7	14.3
Repairs and Maintenance	341.9	286.7
Rates and Taxes	7.5	19.7
Security Services	74.3	73.0
Travelling Expenses	19.3	35.1
Legal and Professional Charges #(Refer note below "a")	1,404.4	996.0
Printing, Stationery and Communication Cost	53.4	64.8
Airline Inventory Loss	323.4	648.1
Advertisment Expenses	11.9	9.5
CSR Expenses (Refer note below "b")	14.9	16.6
Miscellaneous Expenses	178.5	125.1
Total	**2,643.6**	**2,419.3**

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to auditors		
As auditor:		
-Statutory Audit	4.4	5.9
-Tax Audit	1.5	1.5
In other capacities		
-Re-imbursement of expenses	-	-
Total payments to auditors	**5.9**	**7.4**

(b): Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Gross amount required to be spent by the Company during the year	14.9	12.4
(b) Amount spent and paid during the year on		
(1) Eradicating Hunger, Poverty & Malnutrition, Promoting Health-Care Including Preventive Health-Care And Sanitation	14.9	16.6

(All amounts in INR Lakhs, unless otherwise stated)

Note 18: Income Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	269.7	199.1
Adjustments for current tax of prior periods	-	-
Total current tax expense	**269.7**	**199.1**
Deferred tax		
increase in deferred tax assets	0.8	(29.1)
Total deferred tax credit	**0.8**	**(29.1)**
Income tax expense	**270.5**	**170.0**

(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit from continuing operations before income tax expense	1,027.5	554.0
Tax at the Indian tax rate of 25.168% (PY - 27.82%)	**258.6**	**154.1**
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Interest on shortfall of advance tax	-	-
CSR Expenditure	3.7	4.6
Buffer tax created	-	-
Dividend income	-	-
Sec 14A Disallowance	-	-
On account of rate difference as compared to previous year	9.5	-
Other items	(1.3)	11.3
Income tax expense	**270.5**	**170.0**

Note 19: Fair value measurements

Trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities have been carried at amortised cost. The carrying amounts of these financial assets and financial liabilities are considered to be the same as their fair values due to their short-term nature. Hence, no fair value disclosures / information for these financial assets and financial liabilities has been disclosed since the carrying amount is a reasonable approximation of fair value.

Note 20: Financial risk management

(i) Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the policies and processes. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for payments that are 365 days past due as it represents its estimate of expected credit loss in respect of trade and other receivables. The Company does not have any financial assets, other than receivables from group entities, that are 365 days past due but not impaired.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers including group entities is as follows:

		As at March 31, 2020	As at March 31, 2019
Past due 1–90 days		891.5	15,103.0
Past due 91–180 days		1,264.3	4,273.1
Past due 180–365 days		4,894.4	851.1
Past due > 365 days		3,011.7	1,377.2
		10,061.9	**21,604.4**

Reconciliation of loss allowance provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on March 31, 2018	-
Changes in loss allowance	(41.5)
Loss allowance on March 31, 2019	**(41.5)**
Changes in loss allowance	25.7
Loss allowance on March 31, 2020	**(15.7)**

Expected credit loss assessment for customers as at March 31, 2019 and March 31, 2020

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As Company's customer is mainly its holding company and few corporate customers (for whom based on information available in the public domain about there credibility/financial performance no impairment indicator exist) hence impairment of trade receivables do not reflect any significant credit losses. Considering the duration of the operations and given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions of INR 952.7 Lacs and INR 278.8 Lacs as at March 31, 2020 and March 31, 2019 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company had working capital of INR 2357.1 as at March 31, 2020 and 1,789.7 as at March 31, 2019.

(All amounts in INR Lakhs, unless otherwise stated)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated

		Contractual cash flows				
March 31, 2020	**Carrying amount**	**Total**	**1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	16,092.8	16,092.8	16,092.8	-	-	-
Other financial liabilities	0.9	0.9	0.9	-	-	-
Total	**16,093.8**	**16,093.8**	**16,093.8**	**-**	**-**	**-**

		Contractual cash flows				
March 31, 2019	**Carrying amount**	**Total**	**1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	30,595.1	30,595.1	30,595.1	-	-	-
Other financial liabilities	13.8	13.8	13.8	-	-	-
Total	**30,608.9**	**30,608.9**	**30,608.9**	**-**	**-**	**-**

(iv) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is not exposed to any market risk-sensitive financial instruments, foreign curreny risk and interest rate risk since it does not have any investments in securities, foreign currency receivables and payables or debts.

Note 21: Capital management

The Company's objective for Capital management is to maximise shareholder's value and support the strategic objectives of the Company. The Company determines the capital requirements based on its financial performance, operating and long term investment plans. The funding requirements are met through operating cash flows.

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 22: Related Party Transactions

(a) Parent Entities:
The Company is controlled by the following entities:

Name	Relationship	Place of Business/ Country of Incorporation	Ownership Interest (%)	
			As at March 31, 2019	As at March 31, 2018
Fairfax Financial Holdings Limited	Ultimate Holding	Canada	-	-
Thomas Cook (India) Limited, India	Parent entity	India	100%	100%

(b) Names of related parties and related party relationship:

Name of Entity	Relationship	Place of Business/ Country of Incorporation
Fairfax Financial Holdings Limited	Ultimate Holding	Canada
Thomas Cook (India) Limited	Parent entity	India
SOTC Travel Limited	Fellow Subsidiary	India
Travel Corporation (India) Limited	Fellow Subsidiary	India
TC Travel Services Limited *(Now merged with Thomas cook india ltd from 1st April 2019*	Fellow Subsidiary	India
Quess Corp Limited *(was fellow subsidiary upill February 28, 2018.)*	Fellow Associate	India

(c) Key Management personnel

Particulars
Debasis Nandy
R.R. Kenkare
Abraham Alapatt

(d) Transactions with related parties
The following transactions occurred with related parties:

Nature of transaction	March 31, 2020	March 31, 2019
(i) Ultimate Holding Company		
Reimbursement of Expenses (Net)		
Fairfax Financial Holdings Limited	-	25.3
(ii) Holding Company		
Sale of Services		
Thomas Cook (India) Limited	1,41,006.7	1,75,943.1
Facilities and Support Services Availed		
Thomas Cook (India) Limited	1,107.3	510.7
PLB and GDS Incentive		
Thomas Cook (India) Limited	1,907.7	-
ESOP Share Issue Push Down Cost/(Benefit)		
Thomas Cook (India) Limited	18.3	23.2
Corporate Gurantee fees		
Thomas Cook (India) Limited	(0.7)	5.3
Reimbursement of Expenses (Net)		
Thomas Cook (India) Limited	-	12.3
Sale of shares of TC Travel		
Thomas Cook (India) Limited	-	300.0
(ii) Fellow subsidiaries		
Sale of Services		
SOTC Travel Limited	2,842.5	6,393.4
PLB and GDS Incentive		
SOTC Travel Limited	279.0	-
Facilities and Support Services Availed		
Travel Corporation (India) Limited	-	35.0
Interest received on loan given		
TC Travel Services Limited	-	48.5
Repayment of Loan		
TC Travel Services Limited	-	1,174.5
(ii) Fellow Associates		
Interest received on loan given		
TravelJunkie Solutions Pvt .Ltd.	7.1	-
Other Professional Chagres (Outsourced Staff)		
Quess Corp Limited	195.7	222.5

(All amounts in INR Lakhs, unless otherwise stated)

(e) Outstanding balances arising from sale and purchase of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	March 31, 2020	March 31, 2019
Trade Payables		
Thomas Cook (India) Limited	2171.9	684.3
SOTC Travel Limited	1672.7	182.9
Quess Corp Limited	13.8	1.2
Travel Corporation (India) Limited	7.3	0.7
Advances from Related Parties		
Thomas Cook (India) Limited	-	12.9
SOTC Travel Limited	-	0.9
Total payables to related parties	**3,865.7**	**869.1**

Particulars	March 31, 2020	March 31, 2019
Advances to Related Parties		
Travel Corporation (India) Limited	-	33.6
Fairfax Financial Holdings Limited	-	37.9
SOTC Travel Limited		-
Loan Given to Related parties		
TC Travel Services Limited	-	0.3
Trade Receivables		
Thomas Cook (India) Limited	7180.1	16,738.9
TC Travel Services Limited	0.0	1,142.5
SOTC Travel Limited	1626.9	1,801.2
Loan Given to Related parties		
TC Travel Services Limited	-	0.3
TravelJunkie Solutions Pvt .Ltd.	150.0	-
Investment in Related Parties		
TravelJunkie Solutions Pvt .Ltd.	400.0	200.0
Interest Receivable		
TravelJunkie Solutions Pvt .Ltd.	7.1	-
Total receivables from related parties	**9,364.2**	**19,954.8**

Note 23: Earnings Per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit attributable to equity shareholders	757.0	384.0
Weighted average number of outstanding shares	30.0	30.0
(a) Basic earnings per share		
Attributable to the equity holder of the company	25.2	12.8
(b) Diluted earnings per share		
Attributable to the equity holder of the company	25.2	12.8

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2020	March 31, 2019
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	757.0	384.0
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	757.0	384.0

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

Particulars	March 31, 2020	March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic earning per share	30.0	300.0
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	30.0	300.0

Note 24: Leases

The Group has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and the right of use asset as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 139.6 lacs and a lease liability of INR 139.6 lacs.
Impact of first time adoption of INd AS 116 in profit and loss during the year is INR 6.78 lacs.

The following is the movement in lease liabilities during the year ended March 31, 2020;

Particulars	Amount
Balance as at March 31, 2019	-
On account of Transition to Ind AS 116	139.62
Interest on lease liabilities	10.88
Payment of lease liabilities	-39.98
Balance at the end of the year	**110.52**
Classification as	
Non current	73.47
Current	37.04

Below are the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	38.81
One to Five years	90.20
More than Five year	-

Rental expense recognised for short-term leases and low value leases for the year ended March 31,2020	213.35
Interest on Lease Liability	10.88
Depreciation on ROU Assets	35.88

Note 25: Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 26: Segment Information

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM), comprises of Director and Senior management, evaluates the Company's performance and reviews the segment business. The Company is primarily engaged in a single segment business of 'Travel related services'. All assets of the Company are domiciled in India and the Company earns entire revenue from its operations in India.

Note 27 - IND AS 115 'Revenue from Contracts with Customers':

As per Ind AS 115 'Revenue from Contracts with Customers' revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company's revenue was primarily comprised of Revenue from travel and related services and human resource services.

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes, in its Statement of Profit and Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Travel and Related Services	20,062.9	18,999.7
Human Resource Services	-	16.4
	20,062.9	19,016.1

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by geography:

Revenue based on geography

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
India	18,011.6	16,840.7
Overseas	2,051.2	2,175.4
	20,062.9	19,016.1

Revenue based on product and services

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Travel and Related Services	20,062.9	18,999.7
Human Resource Services	-	16.4
	20,062.9	19,016.1

iii) Contract balance

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/service is delivered.

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from global distribution systems towards performance linked bonuses. Revenue from Performance linked bonuses from global distribution systems ('GDSs') is recognized as and when the performance obligations under the schemes are achieved.

Revenue from contract with customers

Particulars	As at March 31, 2020	As at April 01, 2019
Income Received In Advance	1,062.7	1,591.9
	1,062.7	**1,591.9**

Note 28: Investment made in Traveljunkie Solutions Private Limited:

During the year ended March 31, 2019, the Company has entered into an Share Subscription and Shareholders' Agreement ("SSSA") dated 16 November 2018 with a travel start up called Traveljunkie Solutions Private Limited ("TravelJunkie"), promoters and other seed investors to acquire 24% stake for a consideration of Rs. 400.0 lakhs in 3 tranches as per the terms of the SSSA. In accordance with SSSA, the Group has acquired 15.57% stake for a consideration of 200 lakhs (First Tranche). Considering provisions of the SSSA, the company has classified investment in Traveljunkie as associate as per Ind AS 28, Investment in Associates.

Further during year eneded March 31, 2020, Group has invested 200 lakhs as agreed Share Subscription and Shareholders' Agreement ("SSSA").

(All amounts in INR Lakhs, unless otherwise stated)

Note : 29 Impact of COVID-19 (Global pandemic)

COVID-19 is an unprecedented situation and is expected to have an adverse economic impact. The Company has identifed below key areas that may be impacted due to COVID 19 ,However,the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Key areas	Impact on Company
Going Concern	Company has assessed various possible scenarios and projected future cash flow on basis of same. Company is able to survive for upcoming year even in worst case scenario based on projected cash flows. Company has assessed that COVID -19 has moderate impact on going concern of the company.The Company continues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.
Impairment of Investment	The Company has invested in TravelJunkie Solutions Private Limited "Ithaka" a startup business engaged in the activity of providing a chat-based mobile application for tour planning services targeting individual travellers and enriching their travel experience by suggesting authentic local experiences for different destinations. The company has been adversely affected due to COVID 19. However being in startup business Ithaka is expected to regain business at moderate pace however is expected to earn profits in future. The Company constinues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.
Revenue and cost of tours	The company is engaged in travel and tourism business and working as travel agent and tour operator in tours. The impact on future revenue streams could come from: • The inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers • Prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility • Customers postponing their discretionary spend due to change in priorities The Company being in tourism has assessed that customers in Travel and tourism industry are more prone to immediate impact due to disruption in supply chain and severe drop in demand. With the lifting of lockdown demostically, Company has projected some demand on account of corporate travel from July and MICE and Domestic business from October. Comapny is also expected to regain some business post launching of various initiatives like touchless bookings, virtual branches, video KYC in the new COVID 19 normal for the safety and health of its customers by the Group. Therefore company has projected Revenue will start flowing in September quarter of FY 20-21 in cash flows. The Company has taken steps to reassess the cost budgets along with cash flows. Company has revised budget due to COVID 19 impact. Further company has also assessed the impact of likely delays / increased cost in meeting its future obligations such as provision for onerous contracts or inability to meet contractual commitments etc. The impact of the same is not material.
Impairment losses	The Company Post March 2020 has been able to recover major part of outstanding balance till date and company do not see any challenge in recovery of remaining balance receivable. The Company do not see any major impact of COVID -19 on outstanding receivables from Debtors.
Employee benefits	The Company have decided to moderate the employee benefit cost for FY 2020-2021 to conserve resources in view of the economic conditions impacted by the COVID-19 pandemic. The same has been considered in future cash flow projection by the company for going concern assessment.
Leases	The Company does not foresee any major impact due to COVID 19, which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as branch offices are long term in nature and no material changes in terms of those leases are expected due to the COVID-19.However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.
Income taxes	Company has assessed deferred tax position. Company feels financials position is temporary affected due to low business, however expected to earn profits in future. The Company continues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Note 30: Previous year's figures has been regrouped/rearranged wherever necessary to confirm with current year's figure.
Signatures to Notes 1 to 30 form an integral part of the financial statements.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

TC Tours Limited

Debasis Nandy
Director
DIN: 06368365

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

G. M. KAPA IA CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021. INDIA
PHONE : (91-22) 6611 6611 FAX : (91-22) 6611 6600

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BORDERLESS TRAVEL SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Borderless Travel Services Limited** (the Company), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Management of the Company is responsible for the other information. The other

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

information obtained at the date of this report is report of the board of directors, but does not include the standalone financial statements and our report thereon.

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

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

If, based on our work, we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take appropriate actions in accordance with the SAs. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 generally accepted in India, including Ind AS, read with the rules made thereunder and the relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

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Auditor's Responsibility 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.

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

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

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

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

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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Chartered Accountants

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the rules made thereunder and the relevant provisions of the Act;

(e) On the basis of written representations received from the Directors as on March 31, 2020 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 from being appointed as a Director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any remuneration to its directors during the year and hence, the provisions of section 197 of the Act are not applicable; and

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

(i) The Company does not have any pending litigations, which would impact the financial position of the Company;

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and

(iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAEN9177

Place: Mumbai
Dated: June 12, 2020

Annexure A- referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on the standalone financial statements for the year ended March 31, 2020

i. The Company does not have any property, plant and equipment and hence provision of paragraph 3(i) of the Order is not applicable.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, paragraph 3(ii) of the Order regarding physical verification of inventories and maintenance of records is not applicable.

iii. The Company has not granted any unsecured loans to parties covered in the register maintained under section 189 of the Act during the year. Hence, paragraph 3(iii) of the Order is not applicable.

iv. Based on audit process applied by us and according to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted, as applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.

We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

vi. The provisions of section 148(1) of the Act, relating to maintenance of cost records are not applicable.

vii. (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues such as provident fund, employees' state insurance, income tax, profession tax, service tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. There are no arrears as at March 31, 2020 which were due for more than six months from the date they became payable.

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(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of income-tax, service tax, goods & services tax and profession tax which have not been deposited on account of any dispute.

viii. The Company has neither raised loans from banks and financial institutions nor issued any debentures, therefore the provisions of paragraph 3(viii) of the Order regarding default in repayment of dues to banks and financial institutions and debenture holders is not applicable to the Company.

ix. The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans. Hence, the provisions of paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or on the Company by its officers and employees have been noticed or reported during the year.

xi. The Company has not paid or provided for any managerial remuneration. Hence, reporting requirements under this paragraph 3(xi) of the Order are not applicable.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. In respect of transactions with related parties, the Company has complied with provisions of sections 177 and 188 of the Act where applicable. Necessary disclosures relating to related party transactions have been made in the standalone financial statements as required by the applicable accounting standard.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. The Company has not entered into any non-cash transaction with directors. We have been informed that no such transactions have been entered into with persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order is

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not applicable.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAEN9177

Mumbai
Dated: June 12, 2020

Annexure B referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of Borderless Travel Services Limited (the Company) on the standalone financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial

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statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Mumbai
Dated: June 12, 2020

UDIN:20039569AAAAEN9177

Borderless Travel Services Limited
Balance Sheet as at March 31, 2020

(Amount in Rupees)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Deferred Tax Assets	3	3,297	-
Total Non-Current Assets		**3,297**	**-**
Current assets			
Financial assets - Cash and cash equivalents	4	5,01,705	5,41,481
Total Current Assets		**5,01,705**	**5,41,481**
TOTAL ASSETS		**5,05,002**	**5,41,481**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	5	50,000	50,000
Other equity			
-Reserve & surplus	6	(5,74,095)	(5,37,212)
Total Equity		**(5,24,095)**	**(4,87,212)**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Other financial liabilities	7	10,28,797	10,27,297
Other current liabilities	8	300	1,396
Total current liabilities		**10,29,097**	**10,28,693**
TOTAL LIABILITIES		**10,29,097**	**10,28,693**
TOTAL EQUITY AND LIABILITIES		**5,05,002**	**5,41,481**

The above balance sheet should be read in conjunction with the accompanying notes.

For Borderless Travel Services Limited

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

Borderless Travel Services Limited
Statement of Profit And Loss for the year ended March 31, 2020

(Amount in Rupees)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from Operations		-	-
Total income		-	-
Expenses			
Finance Cost	9	-	1,840
Other expenses	10	40,180	50,150
Total expenses		**40,180**	**51,990**
Profit before tax		**(40,180)**	**(51,990)**
Less : Tax expense			
Current tax		-	-
Deferred tax	11	(3,297)	-
Total tax expenses		**(3,297)**	-
Profit for the year (A)		**(36,883)**	**(51,990)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		**(36,883)**	**(51,990)**
Earnings per equity share (Face value of INR 10 each)	16		
- Basic earnings per share (In INR)		(7)	(10)
- Diluted earnings per share (In INR)		(7)	(10)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

For Borderless Travel Services Limited

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital (Amount in Rupees)

Particulars	Amount
Balance as at April 1, 2018	**50,000**
changes in equity share capital during the year	-
Balance as at March 31, 2019	**50,000**
changes in equity share capital during the year	-
Balance as at March 31, 2020	**50,000**

(B) Other Equity

	Reserves & Surplus	
Particulars	**Retained Earnings**	**Total Reserve & Surplus**
Balance as at April 1, 2018	**(4,85,222)**	**(5,84,222)**
Profit for the year	(51,990)	(51,990)
Other Comprehensive Income	-	-
Total Comprehensive Income for the year ended March 31,2019	-	-
Transaction with owners in their capacity as owners		
Balance at the March 31, 2019	**(5,37,212)**	**(5,37,212)**
Profit for the year	(36,883)	(36,883)
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	-	-
Transaction with owners in their capacity as owners		
Balance as at March 31, 2020	**(5,74,095)**	**(5,74,095)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Borderless Travel Services Limited

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

Borderless Travel Services Limited
Statement of Cash Flows for the year ended March 31, 2020

(Amount in Rupees)

Particulars	Note	Year ended March 31,2020	Year ended March 31, 2019
A) Cash flow from operating activities			
Profit before income tax		(40,180)	(51,990)
Adjustments for:			
Interest Income		-	-
Interest income on bank deposit		-	-
Operating profit before changes in operating assets and liabilities		(40,180)	(51,990)
Change in operating assets and liabilities:			
Increase/(Decrease) in Other financial Liabilities		1,500	5,92,369
Increase/(Decrease) in Other Liabilities		(1,096)	1,102
Increase/ (Decrease) in Other Assets		-	-
Increase/ (Decrease) in Other Financial Assets		-	-
Cash generated from operations		(39,776)	5,41,481
Income taxes paid		-	-
Net cash inflow from operating activities		(39,776)	5,41,481
B) Cash flow from investing activities:			
Interest Received		-	-
Invesment in Subsidiaries		-	-
Dividend received on Mutual Funds		-	-
Proceeds / (Investment) in Bank fixed deposits, including interest income		-	-
Net cash inflow / (outflow) from investing activities		-	-
Net increase in cash and cash equivalents		(39,776)	5,41,481
Add: Cash and cash equivalents at the beginning of the financial year		5,41,481	-
Cash and cash equivalents at the end of the year		5,01,705	-
Reconciliation of Cash Flow statements as per the cash flow statement		**31 March 2019**	**31 March 2018**
Cash Flow statement as per above comprises of the following			
Cash and cash equivalents		5,01,705	5,41,481
Bank Overdrafts		-	-
Balances as per statement of cash flows		5,01,705	5,41,481

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Acounts) Rules, 2015.
2. The above statement of Cash flow should be read in conjunction with the accompanying notes.

For Borderless Travel Services Limited

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

General Information

Borderless Travel Services Limited was incorporated on August 25th, 2015 The Company is a 100% subsidiary of Thomas Cook (India) Limited

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

(a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') In accordance with proviso of the Rule 4A of Companies Accounting Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 that are notified and effective as at 31st March, 2019.

This financial statements for the year 31st March, 2020 has prepared under IND AS.

Current V/s Non-Current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-noncurrent classification of assets and liabilities.

1.2 Provisions and contingent liabilities

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure require to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

1.3 Cash and Cash Equivalents

In the cash flow statement, Cash and Cash Equivalents includes Cash on Hand, Cheques/Drafts on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents.

1.4 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, and excluding treasury shares other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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

The diluted potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (that is the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

1.5 **Rounding of amounts**
All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees or decimals thereof as per the requirement of schedule III (division II), unless otherwise stated.

1.6 Previous year's figures have been regrouped/rearranged wherever necessary to confirm with current year's figures.

2 Critical Accounting Estimates and Judgements:

The preparation of Standalone Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also need to exercise judgment in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Restated Standalone Financial Information.

Critical estimates and Judgements

The areas involving critical estimates and judgements are:
(1) Reorganization of deferred tax
In view of the consistent losses and no commercial operations by company, the company may not have future taxable profit. Accordingly, a deferred tax asset has not been reorganized on unabsorbed losses of INR 51,989/-, since criteria for probability has not met.

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

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 3: Deferred Tax Assets:

The balance comprises of temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax on Business Losses	3,297	-
Total Deferred Tax Assets	3,297	-

Note 4: Financial Assets - Cash and cash equivalents

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks :		
In current accounts	5,01,705	5,41,481
Cash in hand	-	-
Cheques on hand	-	-
Total Cash and cash equivalents	5,01,705	5,41,481

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 5: Equity Share Capital

Equity Share capital (Amount in Rupees)

Particulars	No of Shares	Amount
AUTHORISED		
As at April 1, 2017	**10,00,000**	**1,00,00,000**
Increase during the year	-	-
As at March 31, 2018	**10,00,000**	**1,00,00,000**
Increase during the year	-	-
As at March 31, 2019	**10,00,000**	**1,00,00,000**

(i) Movement in Equity Share Capital during the Year

Particulars	No of Shares	Amount
As at April 1, 2017	**5,000**	**50,000**
Add: No of Shares issued during the year	-	-
As at March 31, 2018	**5,000**	**50,000**
Add: No of Shares issued during the year	-	-
As at March 31, 2019	**5,000**	**50,000**

(ii) Terms and rights attached to shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution to all secured creditors, if any, of all preferential amounts, in proportion to their dues.

(iii) Shares of the company held by Holding Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
Equity Shares				
Thomas cook (India) Limited (Holding Company) and its Nominees	5,000	50,000	5,000	50,000

(iv) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)

Category of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity Shares				
Thomas cook (India) Limited (Holding Company) and its Nominees	5,000	100%	5,000	100%

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 6: Reserves and surplus **(Amount in Rupees)**

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(5,74,095)	(5,37,212)
Total reserves and surplus	**(5,74,095)**	**(5,37,212)**

Retained Earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	**(5,37,212)**	**(4,85,222)**
Net Profit for the year	(36,883)	(51,990)
Items of other Comprehensive income recognised directly in retained earnings		
Closing Balance	**(5,74,095)**	**(5,37,212)**

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 7: Other Financial Liablities **(Amonut in Rupees)**

Particulars	As at March 31,2020	As at March 31,2019
Advance from Related Party	10,15,297	10,15,297
Liabilities against expense	13,500	12,000
Total Other Financial Liablities	**10,28,797**	**10,27,297**

Note 8: Other Current Liabilities

Particulars	As at March 31,2020	As at March 31,2019
Statutory Dues	300	1,396
Total	**300**	**1,396**

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 9: Finance Costs (Amount in Rupees)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Finance Charges	-	1,840
Total	-	**1,840**

Note 10: Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal and Professional Charges #(Refer note below "a")	36,760	50,150
Miscellaneous Expenses	3,420	-
Total	**40,180**	**50,150**

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to auditors		
As auditor:		
-Statutory Audit	22,000	18,290
-Tax Audit	-	-
In other capacities		
-Re-imbursement of expenses	-	-
Total payments to auditors	**22,000**	**18,290**

Note 11: Income Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
increase in deferred tax assets	(3,297)	-
Total deferred tax credit	(3,297)	-
Income tax expense	(3,297)	-

(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit from continuing operations before income tax expense	(40,180)	(51,990)
Tax at the Indian tax rate of 0% (PY -0%)	-	-
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Interest on shortfall of advance tax	-	-
CSR Expenditure	-	-
Buffer tax created	-	-
Dividend income	-	-
Sec 14A Disallowance	-	-
On account of rate difference as compared to previous year	-	-
Other items	-	-
Income tax expense	(3,297)	-

Note 12: Fair value measurements

Trade receivables, cash and cash equivalents, other financial assets, trade payables, and other financial liabilities have been carried at amortised cost. The carrying amounts of these financial assets and financial liabilities are considered to be the same as their fair values due to their short-term nature. Hence, no fair value disclosures / information for these financial assets and financial liabilities has been disclosed since the carrying amount is a reasonable approximation of fair value.

Note 13: Financial risk management
Being a non - operating company, the company is not exposed to any kind of risk.

Note 14: Capital management

The Company's objectives when managing capital (consisting of equity capital and unremitted profit in the financial statements) are to safeguard its ability to continue as a going concern, so it can continue to provide services for the holding company and related entities and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or change the capital structure, the Company may adjust the amount of profits for remittance to holding company, return equity capital, or require holding company to infuse additional capital to support its operations.

There are no externally imposed capital requirements on the Company.

The Company has not proposed any Dividend for the year ended March 31, 2020 and March 31, 2019.

Note 15: Related Party Transactions

(a) Parent Entities

The Company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest (%)	
			As at March 31, 2020	As at March 31, 2019
Thomas Cook (India) Limited, India ("TCIL") holds 100% of Equity Shares of the Company. (Fairbridge Capital (Mauritius) Limited, Mauritius ("FCML") holds 66.94% of Equity Shares of TCIL. FCML is wholly owned and controlled by Fairfax Financial Holdings Limited, Canada, the ultimate holding company.)	Parent entity	India	100%	100%

(b) Key Management personnel

Particulars
Amit Madhan
Rajeev Kale
Abraham Alapatt

(c) Transactions with related parties

The following transactions occurred with related parties:

Nature of transaction	March 31, 2020	March 31, 2019
(i) Holding Company		
Reimbursement of Expenses (Net)		
Thomas Cook (India) Limited	-	6,02,312
Balance as at the year end		
Outstanding Payable		
Thomas Cook (India) Limited	10,15,297	10,15,297

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 16: Earnings Per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Profit attributable to equity shareholders	(36,883)	(51,990)
Weighted average number of outstanding shares	5,000	5,000
(a) Basic earnings per share		
Attributable to the equity holder of the company	(7)	(10)
(b) Diluted earnings per share		
Attributable to the equity holder of the company	(7)	(10)

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2020	March 31, 2019
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(36,883)	(51,990)
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	**(36,883)**	**(51,990)**

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

Particulars	March 31, 2020	March 31, 2019
Weighted average number of equity shares used as the denominator in calculating basic earning per share	5,000	5,000
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	5,000	5,000

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2020

Note 17: Segmental Reporting
Since the Company has no operations, there are no reportable segments.

Note 18: Micro, Small and Medium Enterprises
There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 19
As at March 31, 2020, company has not started its commercial operations. The Company is a 100% subsidiary of Thomas Cook (India) Limited, which has undertook to provide sufficient financial support to the company to carry on business without curtailment of operations for the period of at least 12 months from the date of signing of the audit report i.e. June 12, 2020 by written support letter.

Note 20: Previous year's figures has been regrouped/rearranged wherever necessary to confirm with current year's figure.

Signatures to Notes 1 to 20 form an integral part of the financial statements.

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For Borderless Travel Services Limited

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

THOMAS COOK LANKA (PVT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2020

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Colombo 00300, Sri Lanka.

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF THOMAS COOK LANKA (PVT) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thomas Cook Lanka (Pvt) Limited ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31st March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our audit opinion, we draw attention to Note 15 to the financial statements. As disclosed Luxe Asia (Pvt) Limited has incurred a net loss of Rs. 44,107,776/- (2019 – 15,556,387/-), and as of that date the company's accumulated losses amounted to Rs. 154,784,468/- (2019 – 117,046,001/-). Further as at the reporting date, the current liabilities exceeded the current assets by Rs. 131,039,799/- (2019 – 114,327,809/-) and its total liabilities exceeded its total assets by Rs. 124,784,468/- (2019 - 112,046,001/-). Although these conditions indicate existence of potential impairment of the investment made in the subsidiary the Board of Directors of Thomas Cook Lanka (Pvt) Limited and Luxe Asia (Pvt) Limited are of the view that, the subsidiary will be able to realize economic benefits in the future. Further, the ultimate parent company, Thomas Cook (India) Limited, has given a letter of comfort confirming that they will provide the necessary financial support and assistance as may be required to ensure that Luxe Asia (Pvt) Ltd is able to meet all its obligations and continue as a going concern.

Accordingly, no provision for impairment has been made for the investment in the subsidiary as at reporting date.

KPMG

Other Information

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

Management is responsible for the other information. These Financial statements do not comprise other information.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

KPMG

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
15 July 2020

THOMAS COOK LANKA (PVT) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,	Notes	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
Revenue	6	172,808,455	224,341,052	570,867,592	1,117,256,489
Administrative and other operating expenses	7	(215,198,661)	(213,614,287)	(683,436,464)	(1,129,869,304)
Profit / (loss) from operations		**(42,390,206)**	**10,726,765**	**(112,568,872)**	**(12,612,815)**
Other income	8	2,611,969	2,238,080	38,155,759	8,043,051
Net finance income	9	9,709,292	6,882,926	9,336,583	13,628,738
Operating profit before taxes on financial services		**(30,068,945)**	**19,847,771**	**(65,076,530)**	**9,058,974**
Taxes on financial services	10	(905,360)	(8,048,984)	(905,360)	(8,048,984)
Operating profit after taxes on financial services		**(30,974,305)**	**11,798,787**	**(65,981,890)**	**1,009,990**
Share of Profit/(loss) of equity accounted investee, net of tax	16	-	-	254,860	(1,439,361)
Profit / (loss) before tax		**(30,974,305)**	**11,798,787**	**(65,727,030)**	**(429,371)**
Income tax reversal/(charge)	11	2,675,082	(6,610,078)	(6,426,005)	(11,377,664)
Profit / (loss) for the year		**(28,299,223)**	**5,188,709**	**(72,153,035)**	**(11,807,035)**
Other comprehensive income, net of tax					
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability		3,175,211	34,530	10,581,385	815,631
Less: Deferred tax charge on actuarial gains		(889,059)	(9,668)	(1,925,923)	(119,023)
Net actuarial gains on defined benefit plans		**2,286,152**	**24,862**	**8,655,462**	**696,608**
Total other comprehensive income for the year		**2,286,152**	**24,862**	**8,655,462**	**696,608**
Total comprehensive income for the year		**(26,013,071)**	**5,213,571**	**(63,497,573)**	**(11,110,427)**
Basic earnings / (loss) per share	12	**(2.63)**	**0.48**	**(6.70)**	**(1.10)**

The annexed Notes to the Financial Statements form an integral part of these Financial Statements.
Figures in the brackets indicate deductions.

KPMG Chartered Accountants

THOMAS COOK LANKA (PVT) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Notes	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
ASSETS					
Property, plant and equipment	13	20,681,068	17,795,503	28,964,840	28,158,901
Intangible assets and goodwill	14	684,931	2,162,469	79,471,116	80,121,008
Investment in subsidiary	15	48,975,000	48,975,000	-	-
Equity-accounted investee	16	10,313,800	10,313,800	7,948,292	7,036,792
Other investments - Non current assets	17	25,330,280	22,468,126	25,330,280	22,468,126
Deferred tax assets	24	-	-	251,520	-
Non-current assets		**105,985,079**	**101,714,898**	**141,966,048**	**137,784,827**
Current Assets					
Amount due from related companies	19	31,613,416	25,000,000	-	-
Trade and other receivables	20	6,864,294	8,643,864	21,956,570	78,850,218
Prepayments		6,330,659	6,977,259	11,868,573	17,930,208
Current taxation	18	1,343,491	-	1,210,878	-
Other investments - Current assets	17	109,854,311	109,216,056	110,376,894	109,716,056
Cash and cash equivalents	21	43,427,515	81,753,658	50,186,092	130,573,788
Total Current assets		**199,433,686**	**231,590,837**	**195,599,007**	**337,070,270**
Total assets		**305,418,764**	**333,305,735**	**337,565,055**	**474,855,097**
EQUITY AND LIABILITIES					
Equity					
Stated capital	22	107,679,780	107,679,780	107,679,780	107,679,780
Retained earnings		140,088,775	166,101,846	16,078,581	78,919,514
Total Equity		**247,768,555**	**273,781,626**	**123,758,361**	**186,599,294**
LIABILITIES					
Employee benefits	23	3,691,873	5,774,361	7,643,236	15,850,257
Deferred tax liabilities	24	-	1,786,023	-	635,472
Lease Liability	26	2,190,480	-	2,190,480	-
Non-current liabilities		**5,882,353**	**7,560,384**	**9,833,716**	**16,485,729**
Amount due to related companies	25	44,410,632	37,726,624	58,410,632	37,726,624
Trade and other payables	26	7,357,225	10,395,042	106,066,399	200,369,508
Current taxation	18	-	3,842,059	-	4,515,424
Bank overdraft	21	-	-	39,495,947	29,158,517
Current liabilities		**51,767,857**	**51,963,725**	**203,972,978**	**271,770,073**
Total liabilities		**57,650,210**	**59,524,109**	**213,806,694**	**288,255,802**
Total Equity and Liabilities		**305,418,764**	**333,305,735**	**337,565,055**	**474,855,097**

The Notes to the Financial Statements form an integral part of these Financial Statements.
These Financial Statements are in compliance with the requirements of the Company Act No 07 of 2007.

....
Thajul Riyaz
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board:

....
Ilamparithi j
Country Head - Foreign Exchange

.... **Director**

.... **Director**

15-Jul-20
Colombo

KPMG Chartered Accountants

THOMAS COOK LANKA (PVT) LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March,

COMPANY

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2018	**107,679,780**	**160,888,275**	**268,568,055**
Profit for the year	-	5,188,709	**5,188,709**
Other comprehensive income	-	24,862	**24,862**
Total Comprehensive Income for the year	-	5,213,571	**5,213,571**
Balance as at 31st March 2019	**107,679,780**	**166,101,846**	**273,781,626**
Balance as at 1st April 2019	**107,679,780**	**166,101,846**	**273,781,626**
Loss for the year	-	(28,299,223)	**(28,299,223)**
Other comprehensive income	-	2,286,152	**2,286,152**
Total Comprehensive Income for the year	-	(26,013,071)	**(26,013,071)**
Balance as at 31st March 2020	**107,679,780**	**140,088,775**	**247,768,555**

GROUP

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1st April 2018	**107,679,780**	**90,029,941**	**197,709,721**
Loss for the year		(11,807,035)	**(11,807,035)**
Other comprehensive income		696,608	**696,608**
Total Comprehensive Income for the year	-	(11,110,427)	**(11,110,427)**
Balance as at 31st March 2019	**107,679,780**	**78,919,514**	**186,599,294**
Balance as at 1st April 2019	**107,679,780**	**78,919,514**	**186,599,294**
Loss for the year	-	(72,153,035)	**(72,153,035)**
Other comprehensive income	-	8,655,462	**8,655,462**
Total Comprehensive Income for the year	-	**(63,497,573)**	**(63,144,297)**
Forfeiture of unclaimed dividends (Note 16.2.1)		656,640	**656,640**
Balance as at 31st March 2020	**107,679,780**	**16,078,581**	**123,758,361**

* The Group initially applied SLFRS 16 as at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

The notes to the Financial Statements form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

KPMG Chartered Accountants

THOMAS COOK LANKA (PVT) LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31st March,	Notes	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
Cash flows from Operating Activities					
Profit / (loss) before taxation		(30,974,305)	11,798,787	(65,727,030)	(429,371)
Adjustment for :					
Depreciation	7.1	4,134,557	3,086,248	6,290,183	5,021,035
Amortization of intangible assets		1,477,538	2,675,947	2,142,849	3,113,688
Intangible asset writeoff	7.2	-	-	14,000	-
Provision for impairment of trade receivables		-	-	-	291,742
Loss on disposal of property, plant and equipment		-	-	-	1,498,262
Provision for employee benefits	7.1	1,092,723	1,355,473	2,487,764	4,568,976
Interest income		(14,175,922)	(13,734,132)	(13,569,290)	(13,734,132)
Interest expense	9	4,658,032	3,165,995	9,852,491	6,891,985
Foreign exchange (gain)/loss		(191,402)	3,685,211	(5,619,784)	(6,786,591)
Direct cost provision reversal	8	-	-	(30,000,000)	-
Share of Profit/(loss) of equity accounted investee, net of tax		-	-	(254,860)	1,439,361
Operating profit/(loss) before working capital changes		**(33,978,779)**	**12,033,529**	**(94,383,676)**	**1,874,955**
Increase / (decrease) in trade and other receivable		(245,352)	(978,958)	73,476,347	(34,474,165)
Increase / (decrease) in amount due from related party		(6,613,416)	438,034	-	-
Increase / (decrease) in prepayments		646,600	(2,664,706)	6,061,635	4,895,132
Increase / (decrease) in amount due to related party		6,684,007	13,421,959	20,684,008	13,421,959
Increase / (decrease) in trade and other payable		(5,361,170)	2,458,319	(90,192,006)	79,292,332
Cash generated from operating activities		**(38,868,109)**	**24,708,177**	**(84,353,692)**	**65,010,213**
Taxes paid	18	(2,478,459)	(3,632,742)	(2,478,459)	(3,632,742)
Employee benefit paid	23	-	(332,400)	(113,400)	(332,400)
Interest Expense Paid		(3,887,205)	(3,165,995)	(9,081,664)	(6,891,985)
Net cash generated from operating activities		**(45,233,773)**	**17,577,040**	**(96,027,215)**	**61,045,071**
Cash flows from investing activities					
Purchase of property plant and equipment	13	(888,669)	(2,808,266)	(964,669)	(11,425,744)
Purchase of intangible assets	14.1	-	-	(1,506,958)	(622,625)
Interest received	9	12,682,683	10,048,921	12,682,683	13,734,132
Proceeds from disposal of PPE		-	-	-	102,175
(Invest) / Redemption of long term investment	16	(2,636,383)	(2,645,538)	(2,658,966)	(2,623,085)
Net cash used in investing activities		**9,157,630**	**4,595,116**	**7,552,089**	**(835,147)**
Cash flows from financing activities					
Lease payments		(2,250,000)	-	(2,250,000)	-
Net cash used in financing activities		**(2,250,000)**	-	**(2,250,000)**	-
Net increase / (decrease) in cash and cash equivalents		(38,326,143)	22,172,156	(90,725,126)	60,209,924
Cash and cash equivalents at the beginning of the year		81,753,658	59,581,502	101,415,271	41,205,347
Cash and cash equivalents at the end of the year		**43,427,515**	**81,753,658**	**10,690,145**	**101,415,271**
Analysis of cash & cash equivalents (Note - 20)					
Cash in hand		22,061,296	73,533,424	23,061,296	74,533,424
Cash at bank		21,366,219	8,220,234	27,124,796	56,040,364
		43,427,515	**81,753,658**	**50,186,092**	**130,573,788**
Bank overdraft		-	-	(39,495,947)	(29,158,517)
		43,427,515	**81,753,658**	**10,690,145**	**101,415,271**

The Notes to the Financial Statements form an integral part of these Financial Satements.

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1. REPORTING ENTITY

1.1 Domicile and legal form

Thomas Cook Lanka (Private) Limited, ("the Company") is a Private Limited Liability Company incorporated and domiciled in Sri Lanka on April 20, 2012, under the Companies Act no 07 of 2007. The registered office and principal place of business are situated at No.393, Union Place, Colombo 02.

The operations are conducted at Aviation branches, including arrival and departure, Kandy City Center Branch, Crescat Branch, Colombo City Centre Branch and One Galle Face Branch.

1.2 Consolidated financial statements

The Consolidated Financial Statements of the group for the year ended 31st March 2020, comprise the Company (Parent Company) and its Subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in its Associates.

The immediate and the ultimate parent company of the group is Thomas Cook India (Private) Limited and Fairfax Financial Holdings Limited respectively.

1.3 Principal activities and nature of operations of the Group

1.3.1. Thomas Cook Lanka (Private) Limited – Reporting Entity

The principle activity of the Company is dealing in foreign currencies.

1.3.2. Luxe Asia (Private) Limited - Subsidiary

The principle activity of the company is to act as a travel agent and to provide travel related services.

1.3.3. Sita World Travel Lanka (Private) Limited - Associate

The principle activity of the company was to act as travel agent. However the company ceased its business operation since October 2018.

1.4 Number of employees

The total number of employees as at 31st March 2020 were as follows:

Group	70 (2019-96)
Company	28 (2019-32)

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company and the Group comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and cash flows together with the notes to the financial statements.

The financial statements of the Group and the separate financial statements of the Company have been prepared and presented in accordance with Sri Lanka Accounting Standards (LKAS / SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act, No. 7 of 2007.

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2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently which no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position:

- The defined benefit liability is recognized as the present value of the defined benefit obligation, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

2.3 Functional and Presentation Currency

The consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency. Except as indicated, financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee value.

2.4 Comparative Information

The previous year figures and phrases have been reclassified whenever necessary to conform to the current year presentation.

2.5 Use of Estimates and Judgments

The preparation of the Financial Statements of the Group and the Company in conformity with SLAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Impairment losses on trade receivables (Note 3.8.1)
- Impairment of non-financial assets (Note 3.8.2)
- Current taxes (Note 3.3.a)
- Deferred tax assets / liabilities (Note 3.3.b)
- Defined benefit plan (Note 3.11)
  Provisions and contingencies (Note 3.12 & 3.13)

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on 'Presentation of Financial Statements'.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, unless otherwise indicated.

3.1 Basis of Consolidation

The Group's Financial Statements comprise consolidation of the Financial Statements of the Company, its Subsidiaries in terms of the Sri Lanka Accounting Standard-SLFRS 10 on 'Consolidated Financial Statements and Separate Financial Statements' and the proportionate share of the profit or loss and net assets of its Associates in terms of the Sri Lanka Accounting Standard – LKAS 28 on 'Investment in Associate and Joint Ventures'.

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3.1.1 Business Combination

Business combinations are accounted for using the acquisition method when control is transferred to the Group (See Note 3.1.2 below). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

3.1.2 Subsidiaries

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The cost of an acquisition is measured at fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Subsequent to the initial measurement the Group continues to recognise the investments in Subsidiaries at cost.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions, income and expenses are eliminated in full.

There are no significant restrictions on the ability of Subsidiaries to transfer funds to the Parent (the Company) in the form of cash dividend or repayment of loans and advances.

All Subsidiaries of the Company have been incorporated in Sri Lanka.

3.1.3 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Subsequently, it is accounted for as an Associate or in accordance with the Group's Accounting Policy for financial instruments depending on the level of influence retained.

3.1.5 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.1.6 Accounting for investment in subsidiaries

When separated financial statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of Financial Position at cost less accumulated impairment losses.

3.1.7 Financial Period

The Consolidated Financial Statements are prepared to a common financial year ended 31st March. The accounting policies of Subsidiaries have been changed where necessary to align them with the policies adopted by the Group

3.2 Foreign Currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized as profit or loss, except for differences arising on the retranslation of available for- sale equity instruments, which are recognized in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.3 Income tax expense

Income tax expenses comprise of current & deferred tax expenses recognized in the profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income

a) Current taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date

The Group's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and the subsequent amendments thereto.

b) Deferred taxation

Deferred tax is provided using the liability method, providing for the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted by the reporting date.

Deferred tax assets including those related to temporary tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.4 Events occurring after the reporting date

All material and important events which occur after the reporting date have been considered and disclosed in Note to the Financial Statements.

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ASSETS AND BASIS OF THEIR VALUATION

Assets classified as current on the Statement of Financial Position are cash or those which are expected to be realized in cash during the normal operating cycle of the Group or within one year from the reporting date, whichever is earlier. Assets other than current assets are those, which the Group intends to hold beyond a period of one year calculated from the reporting date.

3.5 Property, plant and equipment

The Group applies the requirements of the Sri Lanka Accounting Standard - LKAS 16 on 'Property, Plant & Equipment' in accounting for its owned assets which are held for and use in the provision of services, or for administrative purposes and are expected to be used for more than one year.

a) Recognition and Measurement

Property, Plant & Equipment is recorded at cost less accumulated depreciation less accumulated impairment losses if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

b) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalised as part of the cost of the asset in accordance with New Sri Lanka Accounting Standard – LKAS 23 "Borrowing Costs".

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete.

c) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

d) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

• Office Equipment	21	years
• Motor Vehicle	6 2/3	years
• Furniture and Fittings	15 ¾	years
• Computer Hardware	4	years

Depreciation is provided on a pro-rata basis on the assets purchased/constructed/disposed of during the year. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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e) Derecognition

The carrying amount of an items of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or losses rising on de-recognition of the asset is included in the statement of profit or loss the year the asset is derecognized.

f) Impairment of Property, Plant and Equipment

The carrying value of property plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indications exist and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognized in the statement of comprehensive income unless it reverses a previous revaluation surplus for the same asset.

3.6 Intangible Assets

a. Recognition and measurement

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard - LKAS 38 on 'Intangible Assets'.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition

All computer software costs incurred, licensed for use by the Company, which are not integrally related to associate hardware, and can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and accumulated impairment losses if any.

b. Subsequent expenditure

Expenditure incurred on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

c. Amortization and impairment

Intangible assets with finite lives and amortisation

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Computer software – 4 years

d. Goodwill

Goodwill that arises on the acquisition of subsidiary is presented with intangible assets. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Subsequent to initial recognition, goodwill is measured at cost accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

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3.7 Financial instruments

3.7.1 Financial assets

Initial Recognition, Classification and Subsequent Measurement

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair value through OCI) - debt investment; FVOCI - equity investment; or FVTPL (Fair value through profit or loss).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.7.3 Derecognition

a. Financial assets

The Group derecognised a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group entered into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets were not derecognised.

b. Financial liabilities

The Group derecognised a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognised a financial liability when its terms are modified and the cash flows of the modified liability were substantially different, in which case a new financial liability based on the modified terms was recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) was recognised in profit or loss.

3.7.3 Offsetting

Financial assets and financial liabilities were offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.8 Impairment of Assets

3.8.1 Financial assets (including receivables)

Financial instruments and contract assets

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt 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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

3.8.2 Impairment of Non-financial assets

The carrying amounts of the Group's non-financial assets such as deferred tax assets were reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount was estimated each year at the same time.
The recoverable amount of an asset or cash-generating unit was the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows were discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually were grouped together into the smallest group of assets that generates cash inflows from continuing use that were largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount Impairment losses are recognized in profit or loss.

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3.9 Fair Value Measurement

3.9.1 Use of assumptions and estimation uncertainty

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.10 Leases

The Group has applied SLFRS 16 for the first time on 1 April 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17 and IFRIC 4. The details of accounting policies under LKAS 17 and IFRIC 4 are disclosed separately

3.10.1 POLICY APPLICABLE FROM 1 APRIL 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

3.10.1.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.10.1.2 As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SLFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3.10.2 POLICY APPLICABLE PRIOR TO 1 APRIL 2019

3.10.2.1 Determining whether an Arrangement Contains a Lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

3.10.2.2 Leased Assets

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

3.10.2.3 Lease Payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities in the Statement of Financial Position are those obligations payable on demand or within one year from the Statement of Financial Position. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provision and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

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3.11 Employee benefits

a) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post- employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

b) Defined Benefit Plan – Retiring Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

As required by LKAS 19 - Employee Benefits, which became effective from 1 January 2012 the Group has provided for gratuity liability based on an internally generated model using a formula based on projected unit credit method as recommended by LKAS 19.

However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The liability is not externally funded.

Actuarial gains and loses

The re - measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in Other Comprehensive Income.

c) Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided.

3.12 Provisions

A provision is recognized if, as a result of a past event, the Group 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 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 recognized as finance cost. Trade and other payables are stated at their cost.

3.13 Contingencies and capital commitments

All discernible risks are accounted for in determining the amount of all known liabilities. The Company's share of any contingencies and capital commitments of a subsidiary for which the Company is also liable severally or otherwise are also included with appropriate disclosures.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed unless they are remote.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.14 Revenue recognition

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under SLFRS 15
Foreign currency exchange (Buying and Selling)	The Service is transferred to the customer at the completion of its performance obligation which is when the foreign currency is exchanged.	SLFRS 15 established a comprehensive framework for determining whether, how much and when revenue is to be recognized. Under SLFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control is at a point in time.

3.15 Other income

Other income is recognized on an accrual basis.

3.16 Expenditure recognition

3.16.1 Operating expenses

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, plant & equipment in a state of efficiency has been charged to the statement of comprehensive income.

3.16.2 Finance income and expenses

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.
The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.16.3 Borrowing Cost

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.17 Statement of cash flows

The Cash Flow Statement has been prepared using the Indirect Method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Cash Flow Statements.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

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4 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE AS AT THE REPORTING DATE.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements.

The following amended standards are not expected to have a significant impact on the Group's financial statements.

- Amendments to References to Conceptual Framework in SLFRS Standards.
- Definition of a Business (Amendments to SLFRS 3).
- SLFRS 17 Insurance Contracts.

SLFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. SLFRS 17 introduces a new measurement model for insurance contracts and becomes effective in 2023.

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5 Changes in Significant Accounting Policies

5.1. SLFRS 16 - Leases

The Group applied SLFRS 16 using the modified retrospective approach, under which Right Of Use of underlying asset (ROU asset) and lease liability were recognised at equal amounts as at 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under LKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

5.1.1 Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3.10

On transition to SLFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SLFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under LKAS 17 and IFRIC 4 were not reassessed for whether there is a lease under SLFRS 16. Therefore, the definition of a lease under SLFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

5.1.2 As a lessee

As a lessee, the Group leases assets including property and motor vehicles. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SLFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

5.1.2.1 Leases classified as operating leases under LKAS 17

Previously, the Group classified property leases as operating leases under LKAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

- did not recognise right-of-use assets and liabilities for leases of low value assets;

- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and

- used hindsight when determining the lease term.

5.1.2.2 Leases classified as finance leases under LKAS 17

The Group leases a number of motor vehicles. These leases were classified as finance leases under LKAS 17. The carrying amount of the lease asset and lease liability under LKAS 17 immediately before that date, of these finance leases, were considered to be the carrying values of the right-of-use asset and the lease liability as at 1 April 2019.

5.1.3 As a lessor

The Group has not leased out any of its assets. Therefore the Company is not required to make any adjustments on transition to SLFRS 16 for leases as a lessor.

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5 Changes in Significant Accounting Policies (Cont.)

5.1.4 Impact on financial statements

On transition to SLFRS 16, the Group recognised additional right-of-use assets at an amount equal to additional lease liabilities. The impact on transition is summarised below.

As at 1 April 2019	Company Rs.	Group Rs.
Right-of-use assets – property, plant and equipment (Note 13)	6,131,453	6,131,453
Lease liability	6,011,453	6,011,453

There were no material impact to the subsidiary of the Group and accordingly, SLFRS 16 was not applied.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 15%.

5.2 IFRIC Interpretation 23 - Uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

* Whether an entity considers uncertain tax treatments separately
* The assumptions an entity makes about the examination of tax treatments by taxation authorities
* How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused
* How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex environment, it assessed whether the Interpretation had an impact on its financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions and Group determined that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Group.

For the year ended 31st March	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
6 Revenue				
Foreign currency trading	148,835,109	196,572,779	148,835,109	196,572,779
Commission on encashment trading	23,973,346	27,768,273	23,973,346	27,768,273
Travel related services	-	-	398,059,137	892,915,438
	172,808,455	**224,341,052**	**570,867,592**	**1,117,256,489**

6.1 The Group's revenue include income earned through dealing with foreign currency trading and providing travel related services. Revenue from contracts with customers is disaggregated by the timing of revenue recognition as follows:

Timing of revenue recognition				
Services transferred at a point in time	**172,808,455**	**224,341,052**	**570,867,592**	**1,117,256,489**

6.2 Following Coronavirus "COVID-19" outbreak in Sri Lanka , the Government announced a lockdown position with curfew since 17 March 2020. Therefore the business operations and activities of the Company/Group were impacted. The operations of the Company/Group were temporarily suspended. The Company resumed the business only after the 15th May 2020 by opening a few outlets while the major revenue outlet at Bandarnayake airport remained non operating till reporting date. The subsidiary remained non operating till reporting date as it's directly linked to the tourism industry. The Management has already developed plans to expand operations on a phased out manner.

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THOMAS COOK LANKA (PVT) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March,	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
7. Administrative and other operating expenses				
Auditor's remuneration				
- Audit fee	635,000	635,000	960,000	960,000
Director's fees and emoluments	1,077,940	1,016,422	12,908,293	14,256,352
Depreciation and amortization	5,612,093	5,762,195	8,433,030	8,134,723
Professional service cost	445,935	1,631,127	6,065,926	7,620,653
Staff expenses (Note 7.1)	38,819,217	41,534,278	103,638,832	115,480,216
Other expenses (Note 7.2)	168,608,475	163,035,265	551,430,382	983,417,361
	215,198,661	**213,614,287**	**683,436,464**	**1,129,869,304**
7.1 Staff expense				
Salaries, wages and bonus	22,535,734	25,302,541	77,644,264	81,315,603
Define benefit plan cost (Note 23)	1,092,723	1,355,473	2,487,764	4,568,976
Define contribution plan cost	4,807,045	4,441,138	4,807,045	4,441,138
Others (Note 7.1.1)	10,383,715	10,435,126	18,699,759	25,154,499
	38,819,217	**41,534,278**	**103,638,832**	**115,480,216**

Note 7.1.1 This includes mainly staff welfare expenses, staff traveling and rent expenses to executives.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
7.2 Other expenses				
Travel related services	-	-	340,145,851	760,250,571
Office rent expenses (Note 7.2.1)	148,769,450	141,683,918	158,286,348	141,683,918
IT Expenses	7,202,548	6,741,222	7,202,548	6,741,222
Internet Expenses	3,140,352	2,818,604	6,248,521	7,118,843
Others (Note 7.2.2)	9,496,124	11,791,521	39,547,113	67,622,807
	168,608,475	**163,035,265**	**551,430,382**	**983,417,361**

Note 7.2.1 This inludes mainly Rs 145Mn rent paid for the counters at the Airport by Thomas Cook Lanka (Pvt) Ltd. SLFRS 16 has not been applied to the above balance due to the asset being not identifiable or under the excemption criterion.

Note 7.2.2 This includes mainly Printing and Packaging, Electricity expenses, Other Insurance and some other miscelleneous expenses.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
8. Other income				
Commission income	-	-	4,619,825	6,978,878
Other income (Note 8.1)	2,611,969	2,238,080	3,535,934	1,064,173
Direct cost provision reversal (Note 8.2)	-	-	30,000,000	-
	2,611,969	**2,238,080**	**38,155,759**	**8,043,051**

Note 8.1 This includes incentive received for Global Payment Service and Dynamic Currency Conversion during the year.
Note 8.2 The Company (Luxe Asia) has reversed Rs. 30,000,000/- of excess provision made for direct cost in previous years as no claims have been made. The Board resolution was passed on 25 March 2020 to reverse these provisions to Other Income, during the current year.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
9. Finance income				
Interest income	14,175,922	13,734,132	13,569,290	13,734,132
Foreign exchange gain/(loss)	191,402	(3,685,211)	5,619,784	6,786,591
	14,367,324	**10,048,921**	**19,189,074**	**20,520,723**
Finance expenses				
Bank charges	679,960	403,300	2,629,420	4,129,290
Interest on overdraft	3,207,245	2,762,695	6,452,244	2,762,695
Interest on ROU assets	770,827	-	770,827	-
	4,658,032	**3,165,995**	**9,852,491**	**6,891,985**
Net finance income	**9,709,292**	**6,882,926**	**9,336,583**	**13,628,738**
10. Taxes on financial services				
10.1 Value added tax on financial services				
Current year charge	778,446	7,110,757	778,446	7,110,757
Under provision in respect of previous years	30,513	-	30,513	-
	808,960	**7,110,757**	**808,960**	**7,110,757**

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For the year ended 31st March,	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
10. Taxes on financial services (Cont.)				
10.2 National building tax on financial services				
Current year charge	61,566	938,228	61,566	938,228
Under provision in respect of previous years	34,834	-	34,834	-
	96,400	**938,228**	**96,400**	**938,228**

10.2.1 NBT has been removed with effect from 1 December 2019 and accordingly the provision inlcudes the charge for the 8 months period ended 30 November 2019.

Taxes on financial services	**905,360**	**8,048,984**	**905,360**	**8,048,984**

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
11. Income tax charge/(reversal)				
Current taxes expense				
Current year tax expense	-	6,447,101	-	7,120,466
(Over)/Under provision in respect of prior years	-	437,614	(540,753)	437,614
Impairment for ESC receivable (Note 20.2)	-	-	9,779,673	4,649,733
	-	6,884,715	9,238,920	12,207,813
Deferred tax expense				
Deferred tax asset origination (Note 24.1)	(3,973,201)	(286,459)	(4,152,631)	(736,350)
Deferred tax liability origination/(reversal) (Note 24.2)	1,298,119	11,822	1,339,716	(93,799)
	(2,675,082)	**6,610,078**	**6,426,005**	**11,377,664**
11.1 Reconciliation of the accounting profit and the income tax expense				
Profit before taxation	(30,974,305)	11,798,787	(65,727,030)	(429,371)
Disallowable expenses	10,481,973	17,363,388	20,690,296	37,481,154
Allowable expenses	(21,002,769)	(19,870,948)	(23,974,488)	(22,950,806)
Income not liable for taxes	-	-	-	-
Total statutory income from Business	(41,495,100)	9,291,227	(69,011,221)	14,100,977
Investment income	14,175,923	13,734,132	14,175,923	13,734,132
Assessable income	(27,319,178)	23,025,359	(54,835,299)	27,835,109
Less: Setting off against brought forward tax losses	-	-	-	-
Taxable income/(loss)	(27,319,178)	23,025,359	(54,835,299)	27,835,109
Total Income Tax Expense for the year	-	6,447,101	-	7,120,466

The Company has considered the relevant provisions of the Inland Revenue Act, No. 24 of 2017 which came into effect from 1 April 2018, when computing the current and deferred tax assets/liabilities.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
11.2 Reconciliation of tax losses				
Balance as at 1 April	-	-	-	-
Add : Tax loss for the year	(27,319,178)	-	(54,835,299)	-
Less: Tax losses claimed during the year	-	-	-	-
Balance as at 31 December	**(27,319,178)**	-	**(54,835,299)**	-
11.3 Amount recognised in OCI				
Deferred tax impact on defined benefits plan actuarial gains	(889,059)	(9,668)	(1,925,923)	(119,023)
	(889,059)	**(9,668)**	**(1,925,923)**	**(119,023)**

12. Basic earnings / (loss) per share

Calculation of basic earnings/(loss) per share is based on the net profit/(loss) attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding as at the reporting date.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
Profit/(loss) attributable to equity holders of the Company/Group	(28,299,223)	5,188,709	(72,153,035)	(11,807,035)
Weighted average number of ordinary shares (Note 22)	10,767,978	10,767,978	10,767,978	10,767,978
	(2.63)	**0.48**	**(6.70)**	**(1.10)**

For the year ended 31st March,

13. Property , Plant & Equipment

13.1 Company

	Office Equipment	Furniture & Fittings	Computer Hardware	Right-of-use Assets	Total 2020	Total 2019
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 01,	4,599,900	20,073,800	8,686,548	-	33,360,248	39,803,908
Recognition of ROU Asset on initial application	-	-	-	6,131,453	6,131,453	-
Adjusted balance as at April 01,	4,599,900	20,073,800	8,686,548	6,131,453	39,491,701	39,803,908
Additions during the year	260,078	29,475	599,117	-	888,669	2,808,266
Write-off of Assets	-	-	-	-	-	(9,251,927)
Balance as at March 31,	4,859,977	20,103,275	9,285,665	6,131,453	40,380,370	33,360,248
Accumulated Depreciation						
Balance as at April 1,	1,272,176	6,896,806	7,395,763	-	15,564,745	21,730,424
Charge for the year	220,022	1,252,048	733,861	1,928,626	4,134,557	3,086,248
Write-off of Assets	-	-	-	-	-	(9,251,927)
Balance as at March 31,	1,492,198	8,148,854	8,129,624	1,928,626	19,699,302	15,564,745
Carrying amount						
As 31st March 2020	3,367,779	11,954,421	1,156,041	4,202,827	20,681,068	
As 31st March 2019	3,327,724	13,176,994	1,290,785	-		17,795,503

13.2 Group

	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Hardware	Right-of-use Assets	Total 2020	Total 2019
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1,	235,990	6,103,288	28,313,781	17,854,843	-	52,507,902	55,169,708
Recognition of ROU Asset on initial application	-	-	-	-	6,131,453	6,131,453	-
Adjusted balance as at April 01,	235,990	6,103,288	28,313,781	17,854,843	6,131,453	58,639,355	55,169,708
Write-off of Assets	-	(59,950)	(25,920)	(1,928,216)	-	(2,014,086)	(9,251,927)
Additions during the year	-	260,078	29,475	675,117		964,669	11,425,744
Trasfers during the year	-	-	164,220	153,907	-	318,127	-
Disposals during the year	-	-	-	-	-	-	(4,835,623)
Balance as at March 31,	235,990	6,303,416	28,481,556	16,755,651	6,131,453	57,908,066	52,507,902
Depreciation							
Balance as at April 1,	133,723	1,740,545	7,558,276	14,916,457	-	24,349,001	24,113,760
Write-off of Assets	-	(59,950)	(25,920)	(1,928,216)	-	(2,014,086)	(9,251,927)
Charge for the year	47,196	398,892	2,266,622	1,648,847	1,928,626	6,290,183	5,021,035
Trasfers during the year	-	-	164,220	153,907	-	318,127	-
Disposals during the year	-	-	-	-	-	-	(3,235,188)
Balance as at March 31,	180,919	2,079,487	9,963,198	14,790,995	1,928,626	28,943,225	16,647,681
Carrying amount							
As 31 March 2020	55,071	4,223,929	18,518,358	1,964,656	4,202,827	28,964,840	
As 31 March 2019	102,267	4,362,744	20,755,505	2,938,386			28,158,901

13 **Right-of-use assets**

As explained in note 3.7 and 5, the Company/Group adopted SLFRS 16 first time on 1 April 2019. Accordingly, a Right of Use Asset recognised in the statement of financial position for the first time.

13 The Board of Directors of Company/Group have assessed the potential impairment loss of property, plant and equipment as at 31 March 2020. Based on the assessment, no impairment provision was required to be made in the financial statements as at the reporting date.

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As at 31st March,	Company		Group	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
14. Intangible assets				
Computer software (Note 14.1)	684,931	2,162,469	2,356,331	3,006,222
Goodwill (Note 14.2)	-	-	77,114,785	77,114,785
	684,931	**2,162,469**	**79,471,116**	**80,121,008**
14.1 Computer software - Cost				
Balance as at April 1,	10,973,975	13,337,465	15,769,409	17,510,274
Write-off of Assets	-	(2,363,490)	(2,926,940)	(2,363,490)
Transfers during the year	-	-	(318,127)	-
Additions during the year	-	-	1,506,958	622,625
Balance as at March 31,	**10,973,975**	**10,973,975**	**14,031,300**	**15,769,409**
Amortisation				
Balance as at April 1,	8,811,506	8,499,049	12,763,187	12,012,990
Write-off of Assets	-	(2,363,490)	(2,912,940)	(2,363,490)
Transfers during the year	-	-	(318,127)	-
Charge for the year	1,477,538	2,675,947	2,142,849	3,113,687
Balance as at March 31,	**10,289,044**	**8,811,506**	**11,674,969**	**12,763,187**
Carrying amount as 31 March,	**684,931**	**2,162,469**	**2,356,331**	**3,006,222**

14.2 Provision for impairment of Goodwill

The Board of Directors were of the view that impairment that no provision for impairment was required as at 31 March 2020. For as the related impairment in Luxe Asia is supported by the comfort letter (Note 15.1).

15. Investment in subsidiary - Luxe Asia (Pvt) Ltd

	Company	
	2020	2019
	Rs.	Rs.
Balance as at April 1,	48,975,000	48,975,000
Additional Investment	-	-
Allowance for impairment	-	-
Balance as at March 31,	**48,975,000**	**48,975,000**

15.1 Allowance for impairment

Balance as at April 1,	-	-
Charge during the year	-	-
Balance as at March 31,	-	-

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Audited financial statements of Luxe Asia (Pvt) Limited carried an Emphasis of Matter over going concern ability for the year ended 31 March 2020 as the company has incurred a net loss of Rs. 44,107,776/- (2019 – 15,556,387/-), and as of that date the company's accumulated losses amounted to Rs. 154,784,468/- (2019 – 117,046,001/-). Further as at the reporting date, the current liabilities exceeded the current assets by Rs. 131,039,789/- (2019 – 114,327,809/-) and its total liabilities exceeded its total assets by Rs. 124,784,468/- (2019 - 112,046,001/-). Although these factors raise concern over the ability of the company to continue as a going concern, the Board of Directors of Thomas Cook Lanka (Pvt) Limited and Luxe Asia (Pvt) Limited are of the view that, the subsidiary will be able to realise economic benefits in the future. Further, the ultimate parent company, Thomas Cook (India) Limited, has given a letter of comfort confirming that they will provide the necessary financial support and assistance as may be required to ensure that Luxe Asia (Pvt) Ltd is able to meet its all obligations and continue as a going concern. Accordingly no provision for impairment has been made as at March 31, 2020 for the investment in the subsidiary.

As at 31st March,	Company		Group	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
16. Equity-accounted investee - Sita World Travel Lanka				
Interest in associate **(Note 16.2)**	**10,313,800**	**10,313,800**	**7,948,292**	**7,036,792**

16.1 Interest in associate

Sita World Travel Lanka Limited, is a company incorporated in Sri Lanka, to set up and carry out travel agent activities, and the Company acquired 24% stakes of Sita Travels on August 12, 2016 from Jetwings Travels (Private) Limited, which gives the significant influence over the Component.

Audited financial statements of Sita World Travel Lanka Limited carried an Emphasis of Matter for going concern ability as the company has incurred a net profit of Rs. 1,061,916/- for the year ended 31 March 2020 and as of that date the Company's accumulated losses amounted to Rs. 30,532,130/-. The current year profit was due to total reversal of over provisions of Rs 8,646,079/- to profit or loss as the Company has ceased business operations from October 2018. Although the above facts indicate the existence of uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, The board of directors of the Company are of the view that eventhough the indications exist, it will continue as a going concern. Accordingly, the Board of Directors of Thomas Cook Lanka (Pvt) Ltd is of the view that no provision is required in the current financial statements given the Net Assets Position, and required adjustments, if any, will be made in next financial year.

16.2 Movement in interest in associate

16.2.1 Value of the Equity Accounted Investee	2020 - (Rs.)	2019 - (Rs.)
Balance as at April 01,	7,036,792	8,476,153
Current year's share of comprehensive income		
Share of profit or loss, net of tax	254,860	(1,439,361)
Share of other comprehensive income, net of tax	-	-
Forfeiture of unclaimed dividends (Note 16.2.1)	656,640	-
Carrying value as at March 31,	**7,948,292**	**7,036,792**

Note 16.2.1 The company has reversed the unclaimed dividend related prior years, in this year

16.3 Summarize financial information in interest in associate

Carrying amount of interest in associate

Financial Position of Equity Accounted Investee	2020 - (Rs.)	2019 - (Rs.)
Non Current Assets	512,111	912,989
Current Assets	14,869,785	15,470,028
Non-Current Liabilities	(36,625)	(11,365)
Current Liabilities	(277,161)	(48,201,698)
Net Assets/(Liabilities)	**15,068,110**	**(31,830,046)**
Advance received from share holder, Travel Corporation India (Pvt) Ltd	(43,100,238)	-
Net Assets/(Liabilities) related to equity holders of the company	**(28,032,128)**	**(31,830,046)**
Percentage Ownership Interest	24%	24%
Group's share of net assets	(6,727,710)	(7,639,210)
Goodwill	14,676,002	14,676,002
Carrying value of interest in equity accounted	**7,948,292**	**7,036,792**

Company's share of comprehensive income

Financial Performance of Equity Accounted Investee		
Revenue	-	25,520,240
Profit/(Loss) for the year, net of tax	1,061,916	(5,997,338)
Other comprehensive income	-	-
Comprehensive income for the year	**1,061,916**	**(5,997,338)**
Company's share of Total comprehensive income (24%)	**254,860**	**(1,439,361)**

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As at 31st March,

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
17. Other investments				
Non-Current assets				
Investment in fixed deposits	21,540,227	21,540,227	21,540,227	21,540,227
Interest receivable	3,790,053	927,899	3,790,053	927,899
	25,330,280	22,468,126	25,330,280	22,468,126
Current assets				
Investment in fixed deposits	104,128,250	101,491,867	104,650,833	101,991,867
Interest receivable	5,726,061	7,724,189	5,726,061	7,724,189
	109,854,311	109,216,056	110,376,894	109,716,056
Total long term investments	**135,184,590**	**131,684,182**	**135,707,173**	**132,184,182**

17.1 The Company/Group have pledged following FDs with Sampath Bank and National Development Bank to obtain bank guarantees.

Bank Name	Guarantee Number	Expiry Date	Fixed deposit amount	Guarantee amount
Bank guarantees provided in favour of Bandaranayake International Airport against the Fixed depsoit				
Sampath Bank PLC	208816407766	30-Sep-21	24,866,584	21,369,900
	208816407777	31-Jul-20	12,433,292	12,433,292
	208815742144	28-Jan-21	3,526,981	3,000,000
	208815851898	1-Aug-20	4,521,409	3,087,450
	208816407771	31-Jul-20	24,866,584	20,000,000
	208816407774	31-Jul-20	24,866,584	20,000,000
			95,081,434	**79,890,642**
Bank guarantees obtained in favour of Thomas Cook Lanka Limited				
National Development Bank PLC	BCU/2020/01883	24-Jan-22	7,000,000	7,000,000
			7,000,000	**7,000,000**

As at 31st March,

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
18. Current taxation				
Balance as at the beginning of the year	(3,842,059)	(1,363,600)	(4,515,424)	(1,363,600)
Provision for the year (Note 11)	-	(6,447,101)	-	(7,120,466)
(Over)/Under provision in respect of prior years	-	(437,614)	540,753	(437,614)
	(3,842,059)	(8,248,315)	(3,974,671)	(8,921,680)
WHT on Fixed deposits	2,707,091	773,513	2,707,091	773,513
Self-assessment payments	2,478,459	3,632,742	2,478,459	3,632,742
Balance as at the end of the year	**1,343,491**	**(3,842,059)**	**1,210,878**	**(4,515,424)**
19. Amount due from related companies				
Luxe Asia (Pvt) Limited	**31,613,416**	**25,000,000**	-	-

19.1 Above balance include 25,000,000/- amount due from Luxe Asia (Pvt) Ltd. Based on the board resolution passed on 17 January 2020, the Rs.25,000,000/- long term loan due from Thomas Cook Lanka (Pvt) Ltd has been transferred to equity as advance received from shareholders in Luxe Asia (Pvt) Ltd financial statements in order to converte it in to redeemable preference shares in the upcoming financial year. This initiative was taken as the Company (Luxe Asia (Pvt) Limited was facing a serious loss of capital and in order to improve the net worthiness of the Company.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
20. Trade and other receivables				
Trade receivable	505,542	2,064,389	15,456,051	63,910,369
Provision for bad debt (Note 20.1)	-	-	-	-
Other receivable - Net off provision	505,542	2,064,389	15,456,051	63,910,369
ESC receivable (Note 20.2)	691,826	-	691,826	8,230,715
Other receivable (Note 20.3)	5,666,926	6,579,475	5,808,693	6,709,134
Total trade and other receivables	**6,864,294**	**8,643,864**	**21,956,570**	**78,850,218**

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As at 31st March,

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
20. Trade and other receivables (Cont.)				
20.1 Provision movement				
Balance as at the beginning of the year	-	-	-	578,395
Provision during the year	-	-	-	291,742
Write off during the year	-	-	-	(870,137)
Balance as at the end of the year	-	-	-	-
20.2 ESC Receivables				
ESC receivable	691,826	-	10,471,499	12,880,448
Impairment of ESC receivable (Note 20.2.1)	-	-	(9,779,673)	(4,649,733)
	691,826	-	**691,826**	**8,230,715**

Note 20.2.1 Based on the internal assessmnet carried out by the Management of Luxe Asia (Pvt) Ltd, on the availability future taxable profit after utilising the brought forward tax losses, the Company has made a full provision against the ESC receivable of Rs.9,779,673/- (2019: Rs.4,649,733). This is included under Income tax expenses. The availability of taxable profits to set off ESC receivable will be assessed at each reporting date and the provisions made will be adjusted accordingly. No impairment was recognised in Thomas Cook Lanka (Pvt) Ltd

Note 20.3 This amount includes the short term advance payments made to business vendors.

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
21. Cash and cash equivalents				
Cash in Hand				
- Sri Lankan rupees	19,414,586	25,108,630	20,414,586	26,108,630
- Foreign Currencies	2,646,710	48,424,794	2,646,710	48,424,794
Cash at Bank	21,366,219	8,220,234	27,124,796	56,040,364
	43,427,515	**81,753,658**	**50,186,092**	**130,573,788**
Bank Overdraft	-	-	(39,495,947)	(29,158,517)
Cash and cash equivalents as per the Statement of Cash Flows	**43,427,515**	**81,753,658**	**10,690,145**	**101,415,271**
22. Stated capital				
10,767,978 Ordinary Shares	**107,679,780**	**107,679,780**	**107,679,780**	**107,679,780**
23. Employee benefits				
Balance as at the beginning of the year	5,774,361	4,785,818	15,850,257	12,429,312
Provision recognized during the year (Note 23.1)	1,092,723	1,355,473	2,487,764	4,568,976
Actuarial gain during the year (Note 23.2)	(3,175,211)	(34,530)	(10,581,385)	(815,631)
	3,691,873	**6,106,761**	**7,756,636**	**16,182,657**
Payments during the year	-	(332,400)	(113,400)	(332,400)
Balance as at the end of the year	**3,691,873**	**5,774,361**	**7,643,236**	**15,850,257**
23.1 Provision recognized in profit or loss				
Current service costs	590,402	865,038	1,445,955	3,345,707
Interest costs	502,322	490,435	1,041,810	1,223,268
	1,092,723	**1,355,473**	**2,487,764**	**4,568,976**
23.2 Provision recognized in the other comprehensive income				
Actuarial gain during the year	**(3,175,211)**	**(34,530)**	**(10,581,385)**	**(815,631)**

As required by LKAS 19 - Employee Benefit, which became effective from 1 January 2012 the Company has provided for gratuity liability based on an internally generated model. The principal assumptions used in determining the cost of Employee Benefits were as follows.

	2020	2019
Discount rate	10.50%	11.00%
Future salary increment Rate	3.00%	12.00%
Staff Turnover	37.00%	24.57%

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As at 31st March,

	Company 2020 Rs.	Company 2019 Rs.	Group 2020 Rs.	Group 2019 Rs.
24. Deferred taxation				
Deferred tax assets (Note 24.1)	4,700,963	1,616,821	5,254,154	3,027,446
Deferred tax liabilities (Note 24.2)	(4,700,963)	(3,402,844)	(5,002,634)	(3,662,918)
	-	**(1,786,023)**	**251,520**	**(635,472)**
24.1 Deferred tax assets				
Balance at the beginning of the year	1,616,821	1,340,030	3,027,446	2,410,119
Originated during the year to profit or loss	3,973,201	286,459	4,152,631	736,350
(Originated)/Reversal during the year to other comprehensive income	(889,059)	(9,668)	(1,925,923)	(119,023)
Balance at the end of the year	**4,700,963**	**1,616,821**	**5,254,154**	**3,027,446**
24.2 Deferred tax liabilities				
Balance at the beginning of the year	(3,402,844)	(3,391,022)	(3,662,918)	(3,756,717)
(origination)/Reversal during the year - recognised in Profit or Loss	(1,298,119)	(11,822)	(1,339,716)	93,799
Balance at the end of the year	**(4,700,963)**	**(3,402,844)**	**(5,002,634)**	**(3,662,918)**

24.3 Deferred tax assets and liabilities are attributable to,

Company

	2020 Temporary difference	2020 Tax effect	2019 Temporary difference	2019 Tax effect
Deferred tax liabilities				
Property, plant and equipment	(16,789,153)	(4,700,963)	(12,153,015)	(3,402,844)
Deferred tax assets				
Employee benefits	3,691,873	1,033,724	5,774,361	1,616,821
Right of use asset	329,453	92,247	-	-
Tax losses (Note 24.3.1)	12,767,827	3,574,992		
Net deferred tax liabilities	-	-	**(6,378,654)**	**(1,786,023)**

Group

	2020 Temporary difference	2020 Tax effect	2019 Temporary difference	2019 Tax effect
Deferred tax liabilities				
Property, plant and equipment	(18,943,945)	(5,002,634)	(14,010,689)	(3,662,918)
Deferred tax assets				
Employee benefits	7,643,234	1,586,915	15,850,255	3,027,446
Right of use asset	329,453	92,247	-	-
Tax losses (Note 24.3.1)	12,767,827	3,574,992	-	-
Net deferred tax liabilities	**1,796,569**	**251,520**	**1,839,566**	**(635,472)**

Note 24.3.1 Deferred tax asset arising from tax losses

Thomas Cook Lanka (Pvt) Ltd - The tax losses as at the reporting date was Rs.27,319,178/- (2019 : NIL) resulting in a deferred tax asset of Rs.7,649,370/- as at the reporting date (2019 : NIL). However, deferred tax asset has been recognised only up to the deferred tax liability amounting to Rs.3,574,992/- as at the reporting date (2019 : NIL) due to the uncertainty regarding the availability of future taxable profits against which the deferred tax asset would be utilized. Accordingly, the unrecognised deferred tax asset at reporting date was Rs.4,074,378/- (2019 : Rs.NIL/-).

Luxe Asia (Pvt) ltd - During the previous finacial year the tax losses had been claimed in full. However, as at the reporting date the temporary difference arising from tax losses was Rs. 27,538,717/- which arised during the year resulting in deferred tax assets of Rs. 3,855,420/-. However, deferred tax asset was not recognised for the carried forward tax losses due to the uncertainity regarding the availability of future taxable profits against which the deferred tax asset would be utilized.

24 Deferred taxation (Cont.)

24.4 Impact due to corporate income tax rate change

As provided for in LKAS 12 - Income taxes, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the reporting date.

As per the proposed changes by the government, the standard tax rate applicable to a Group is proposed to be reduced to 24%. However as these changes have not been gazetted as at the reporting date, the prevailing income tax rate of 28% has been used for the deferred tax computation as at 31 March 2020.

25. Amount due to related companies

Thomas Cook India Limited	44,410,632	37,726,624	44,410,632	37,726,624
Sita World Travels	-	-	14,000,000	-
	44,410,632	**37,726,624**	**58,410,632**	**37,726,624**

26. Trade and other payables

Trade payable	1,569,862	3,390,811	18,537,110	42,417,318
Lease Liability (Note 26.1)	2,341,800	-	2,341,800	-
Other payables	3,445,563	7,004,231	85,187,489	157,952,190
	7,357,225	**10,395,042**	**106,066,399**	**200,369,508**

26.1 As explained in Note 6 to the financial statements, the Company has initially applied SLFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under LKAS 17 and IFRIC 4.

As at 31 March 2020	Company Rs.	Group Rs.
Balance at the beginning of the year	-	-
Recognition of lease liability on initial application of SLFRS 16 (Note 5.1.4)	6,011,453	6,011,453
Adjusted balance as at 01 April 2019	6,011,453	6,011,453
Additions during the year	-	-
Interest expense for the year (Note 09)	770,827	770,827
Payments duing the period	(2,250,000)	(2,250,000)
Balance as at 31 March 2020	**4,532,280**	**4,532,280**
Payable after one year	2,190,480	2,190,480
Payable within one year	2,341,800	2,341,800
	4,532,280	**4,532,280**

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 15%. There were no addition to the lease liability during the period.

26.1.1 Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

	Company Rs.	Group Rs.
Initial Application of SLFRS 16 as at 01 April 2019	6,131,453	6,131,453
Additions to right-of-use assets during the year (Note 13)	-	-
Depreciation for the year (Note 13)	(1,928,626)	(1,928,626)
Balance as at 31 March 2020	**4,202,827**	**4,202,827**

26.1.2 Amounts recognised in profit or loss

For the year ended 31 March 2020 - Leases under SLFRS 16

Interest on lease liabilities	770,827	770,827
Depreciation of right-of-use assets	1,928,626	1,928,626
	2,699,453	2,699,453
Expenses relating to short-term leases (Exclude from SLFRS 16)	148,769,450	158,286,348
	151,468,904	**160,985,802**

For the year ended 31 March 2020 – Operating leases under LKAS 17

	Company Rs.	Group Rs.
Lease expense	148,769,450	158,286,348

26.1.3 Amounts recognised in statement of cash flows

The Company has classified:

- cash payments for the principal portion of lease payments as financing activities;
- cash payments for the interest portion as operating activities consistent with the presentation of interest payments chosen by the Company
- short-term lease payments and payments for leases of low-value assets as operating activities.

The Company has not restated the comparative information.

27. Related party transactions

The Group carried out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - Related Party Disclosures. The details of which are given below.

27.1 Key Management Personnel (KMP)

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company/Group directly or indirectly.

Thomas Cook India Limited, being the parent company, the Board of Directors of the Company have been classified as KMP as they have the authority and responsibility for planning, directing, and controlling the activities of the entity directly or indireclty. Emoluments paid to key management personnel (Board of Directors) are as follow.

For the year ended 31 March	Company		Group	
	2020	2019	2020	2019
Short term employee benefits	1,077,940	1,016,422	12,908,293	14,256,352
Post employement benefits	-	-	492,931	331,950

27.2 Transactions with the Related companies

27.2.1 Company

	Nature of Relationship	Nature of Transaction	Transaction Amount 2020 (Rs.)	2019 (Rs.)
Thomas Cook India Limited	Parent Company	License fee – (SAP and Mudra)	7,070,186	11,625,325
		Allowance to Country Head	-	-
		Fees for IT/ software license	-	-
		AMC Board meeting & CITRIX	-	-
		Dividend paid	-	-
Luxe Asia (Pvt) Limited	Subsidiary	Loan Granted	14,000,000	-
		Fees for IT/ software license	1,047,756	1,052,142
		Board meeting & other expenses	-	-
Sita World Travel Lanka Ltd	Affiliate entity	Investment	-	-

27.2.2 Group

	Nature of Relationship	Nature of Transaction	Transaction Amount 2020 (Rs.)	2019 (Rs.)
Thomas Cook India Limited	Parent Company	License fee – SAP and Mudra	7,070,186	11,625,325
		Sales	43,968,352	88,850,216
		Receipts	48,445,020	102,974,719
Kuoni Travel - Hong Kong	Subsidiary of Ultimate Parent	Sales	-	7,910,985
		Receipts	303	13,016,792
Travel Corporation India Ltd	Subsidiary of Ultimate Parent	Sales	15,494,069	210,440,667
		Receipts	31,388,003	203,747,004
SOTC	Subsidiary of Ultimate Parent	Sales	63,943,232	125,618,534
		Receipts	69,887,741	122,921,080

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27. Related party transactions (Cont.)

27.2 Transactions with the Related companies (Cont.)

27.2.2 Group

	Nature of Relationship	Nature of Transaction	Transaction Amount 2020 (Rs.)	Transaction Amount 2019 (Rs.)
TCI Go-Vacations	Subsidiary of Ultimate Parent	Sales	-	3,079,287
		Receipts	-	3,267,548
Sita World Travels Limited	Affiliate entity	Investment	-	-
		Reimbursment	-	6,055
		Loans granted	14,000,000	-
Fairbridge Capital (Pvt) Ltd	Parent of Ultimate Parent Company	Sales	45,106	19,566
		Receipts	45,244	19,543
Quess Corp Lanka (Pvt) Ltd	Subsidiary of	Expenses	1,204,191	1,328,010

28. Fair Values of Financial Instruments

28.1 Valuation of Financial Instruments Measured at Fair Value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities of the Company/Group.

As at 31 March 2020

	Company Carrying Amount Rs.	Company Fair Value Rs.	Group Carrying Amount Rs.	Group Fair Value Rs.
Financial assets measured at fair value				
Other investments - Non current assets	25,330,280	25,330,280	22,468,126	22,468,126
Other investments - Current assets	109,854,311	109,854,311	109,716,056	109,716,056
Financial assets not measured at fair value				
Amount due from related companies	31,613,416	31,613,416	-	-
Trade and other receivables	6,864,294	6,864,294	21,956,570	21,956,570
Prepayments	6,330,659	6,330,659	11,868,573	11,868,573
Cash and cash equivalents	43,427,515	43,427,515	50,186,092	50,186,092
	223,420,474	**223,420,474**	**216,195,417**	**216,195,417**
Financial liabilities not measured at fair value				
Amount due to related companies	44,410,632	44,410,632	58,410,632	58,410,632
Trade and other payables	7,357,225	7,357,225	106,066,399	106,066,399
Bank overdraft	-	-	39,495,947	39,495,947
	51,767,857	**51,767,857**	**203,972,978**	**203,972,978**

As at 31 March 2019

	Company Carrying Amount Rs.	Company Fair Value Rs.	Group Carrying Amount Rs.	Group Fair Value Rs.
Financial assets measured at fair value				
Other investments - Non current assets	22,468,126	22,468,126	25,330,280	25,330,280
Other investments - Current assets	109,216,056	109,216,056	110,376,894	110,376,894
Financial assets not measured at fair value				
Amount due from related companies	25,000,000	25,000,000	-	-
Trade and other receivables	8,643,864	8,643,864	78,850,218	78,850,218
Prepayments	6,977,259	6,977,259	11,868,573	11,868,573
Cash and cash equivalents	81,753,658	81,753,658	50,186,092	50,186,092
	254,058,963	**254,058,963**	**276,612,056**	**276,612,056**
Financial liabilities not measured at fair value				
Amount due to related companies	37,726,624	37,726,624	37,726,624	37,726,624
Trade and other payables	10,395,042	10,395,042	106,066,399	106,066,399
Bank overdraft	-	-	29,158,517	29,158,517
	48,121,666	**48,121,666**	**172,951,540**	**172,951,540**

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29. Financial risk management

29.1 Overview

The Company/Group has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

29.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company/Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

29.3 Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Group's receivable from customers and other investments.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. However, geographically there is no concentration of credit risk.

The Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Cash and cash equivalents

The Group held cash and equivalents in the form of cash at bank. Hence the Group is exposed to risk that such counterparties fail meet to the contractual obligation.

The Group minimize the credit risk by monitoring the creditworthiness of the counterparty periodically.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

For the year ended 31st March

	Company		Group	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Other investments - Non current assets	25,330,280	22,468,126	25,330,280	22,468,126
Trade and other receivables	6,864,294	8,643,864	21,956,570	78,850,218
Amount due from related companies	31,613,416	25,000,000	-	-
Other investments - Current assets	109,854,311	109,216,056	110,376,894	109,716,056
Cash and cash equivalents	43,427,515	81,753,658	50,186,092	130,573,788
	217,089,815	**247,081,704**	**207,849,835**	**341,608,188**

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29. Financial risk management (Cont.)

29.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses standard costing to cost its services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Company

As at 31st March 2020	Carrying amount (Rs.)	Contractual cash flows (Rs.)		
		Up to 3 months	3-12 months	More than a year
Amount due to related companies	44,410,632	-	44,410,632	-
Trade and other payables	2,824,945	2,824,945	-	-
Lease Liability	4,532,280	776,400	1,565,400	2,190,480
Bank overdraft	-	-	-	-
Dividend Payable	-	-	-	-
	51,767,857	**3,601,345**	**45,976,032**	**2,190,480**

As at 31st March 2019	Carrying amount (Rs.)	Contractual cash flows (Rs.)		
		Up to 3 months	3-12 months	More than a year
Amount due to related companies	37,726,624		37,726,624	
Trade and other payables	10,395,042	10,395,042		
Bank overdraft	-	-	-	-
	48,121,666	**10,395,042**	**37,726,624**	-

Group

As at 31st March 2020	Carrying amount (Rs.)	Contractual cash flows (Rs.)		
		Up to 3 months	3-12 months	More than a year
Amount due to related companies	58,410,632	-	58,410,632	-
Trade and other payables	101,534,119	101,534,119	-	-
Lease Liability	4,532,280	776,400	1,565,400	2,190,480
Bank overdraft	39,495,947	39,495,947	-	-
	203,972,978	**141,806,466**	**59,976,032**	**2,190,480**

As at 31st March 2019	Carrying amount (Rs.)	Contractual cash flows (Rs.)		
		Up to 3 months	3-12 months	More than a year
Amount due to related companies	37,726,624	-	37,726,624	
Trade and other payables	200,369,508	200,369,508		
Bank overdraft	29,158,517	29,158,517	-	-
	267,254,649	**229,528,025**	**37,726,624**	-

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29. Financial risk management (Cont.)

29.4 Liquidity risk (Cont.)

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's policy is to hold cash and undrawn overdraft facilities at a level sufficient to ensure that the Group has available funds to meet its liabilities.

Liquidity reserves

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising of mainly cash and cash equivalents which can be readily sold to meet liquidity requirements

	Company		Group	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	43,427,515	81,753,658	50,186,092	130,573,788
Other investments	135,184,590	131,684,182	135,707,173	132,184,182
	178,612,105	**213,437,840**	**185,893,265**	**262,757,970**

**The balance inlcude only the highly liquid resources which can be converted to form of cash immediately.*

29.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

29.5.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates . As protection against exchange rate fluctuations, the Group backs its commitments in local currency. The Group has minimised invested or borrowed in foreign currencies. The Group does not use any derivative financial instruments to hedge the risk. The currency risk attached to financial instruments is minimal as it represents local currency.

29.5.2 Exposure to currency risk

The following significant exchange rates were applied during the year:

As at 31 March,	Average rate		Reporting date spot rate	
	2020	2019	2020	2019
USD	185.06	166.72	174.17	188.62
EURO	204.68	191.70	194.30	207.96
INR	2.53	2.41	2.50	2.55

29.5.2 Interest rate risk

Interest rate risk is the risk to the Group's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

29.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance when this is effective.

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29. Financial risk management (Cont.)

29.6 Operational risk(Cont.)

Compliance with Group standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Board of Directors and senior management of the Group.

30. Events occurring after the reporting date

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the financial statements, except for the following:

On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected. Businesses may be negatively impacted due to the overall negative economic conditions caused by the pandemic. The financial reporting effects of the COVID-19 outbreak have been considered as adjusting events, and necessary adjustments have been made in these financial statements. However, Directors are unable to estimate the full potential impact the outbreak could have on the on Company/Group's business operations or financial position, as of date.

31. Capital commitments

As disclosed in Note 17.1, the Company have been pledged fixed deposits for the purpose of obtaining banking facilities, comprising of Overdraft facility and other pecuniary Aid, Assistance.

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date.

32. Contingent liabilities

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date. There have been no material contingent liabilities outstanding as at the reporting date.

33. Director's assesment of going concern

On 11 March 2020 the World Health Organization has declared the Coronavirus COVID-19 to be a gloabal pandemic. Following this outbreak, Sri Lanka has been in locked down position with curfew being imposed since 20 March 2020. Therefore the business operation and activities of Group are impacted. The Group has been taking various precautionary measures to protect employees and workmen, thier families, and the eco system in which they interact, while at the same time ensuring business continuity.

Based on directives issued by the Government of Sri Lanka, the Company suspended and has resumed since the lock down condition ceased.

The Board is confident that COVID 19 will not significant impact the going concern ability of the Company although the implication on the subsidiary are significant, The Company will continue to monitor any material changes in future economic conditions and amend the business projections accordingly, if required.

34. Comparative information

Where necessary information has been restated to conform to current year's presentation and classification, except where as described in the Note 5, the company has selected the option to recognise Right-of-Use asset (ROU asset) and lease liability at equal amounts as at 1 April 2018 with the adjustments required on first-time adoption of SLFRS 16 "Leases". Accordingly, comparative information have been restated.

35. Directors responsibility for financial statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the Companies Act No. 7 of 2007.

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SOTC Travel Limited

Balance Sheet

as at 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	241.12	247.46
(b) Right of use assets	2.1	3,292.92	-
(c) Goodwill	2.3	268.50	268.50
(d) Other intangible assets	2.3	67.66	58.84
(e) Financial assets			
(i) Investments	3	8,849.28	8,849.28
(ii) Loans	4	1,011.16	1,608.12
(iii) Other financial assets	5	171.56	35.10
(f) Deferred tax assets (net)	6	1,994.96	1,480.83
(g) Income tax assets (net)	7	4,108.39	3,185.82
Total non-current assets		20,005.55	15,733.95
(2) Current assets			
(a) Financial assets			
(i) Investments	8	4,108.35	5,151.08
(ii) Trade receivables	9	5,662.54	10,362.99
(iii) Cash and cash equivalents	10	2,617.85	2,893.28
(iv) Bank balances other than cash and cash equivalents	11	43.30	202.37
(v) Loans	12	2,641.98	550.39
(vi) Other financial assets	13	2,180.54	4,615.57
(b) Other current assets	14	6,646.46	15,392.96
Total current assets		23,901.02	39,168.64
TOTAL ASSETS		43,906.57	54,902.59
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	1.00	1.00
(b) Other Equity	16	9,082.62	9,644.99
Total Equity		9,083.62	9,645.99
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	900.00
(b) Other liabilities	18	2,741.93	-
(c) Employee benefit obligation	19	359.61	307.80
Total Non-current liabilities		3,101.54	1,207.80
(3) Current liabilities			
(a) Financial liabilities			
(i) Bank Overdraft	20	2,673.26	-
(ii) Trade payables			
Total outstanding dues of Micro, Small and Medium enterprises	21	-	-
Total outstanding dues of creditors other than Micro, Small and Medium enterprises	21	14,058.07	20,814.51
(iii) Other financial liabilities	22	1,867.14	2,097.26
(b) Income tax liabilities	23	-	221.18
(c) Employee benefit obligation	24	504.41	770.85
(d) Other current liabilities	25	12,618.53	20,145.00
Total Current Liabilities		31,721.41	44,048.80
TOTAL EQUITY AND LIABILITIES		43,906.57	54,902.59
Significant accounting policies	1B		
Notes to the financial statements	2-42		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai

8 JUNE 2020

For and on behalf of the Board of Directors of
SOTC Travel Limited
[CIN:U63040MH2001PLC131691]

Madhavan Menon
Chairman
[DIN: 00008542]

V. Suri

Vishal Suri
Managing Director
[DIN: 06413771]

Farroukh Kolah

Farroukh Kolah
Chief Financial Officer
Mumbai

28 MAY 2020

SOTC Travel Limited

Statement of Profit and Loss

for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
(1) Revenue			
(a) Revenue from operations	26	117,955.05	127,277.70
(b) Other income	27	489.19	631.87
Total income		118,444.24	127,909.57
(2) Expenses			
(a) Cost of services		99,754.09	108,028.21
(b) Employee benefits expense	28	8,874.38	9,723.51
(c) Finance costs	29	694.12	490.57
(d) Depreciation and amortization expenses	2	1,063.81	297.39
(e) Other expenses	30	9,476.08	11,010.69
Total expenses		119,862.48	129,550.37
(3) Loss before tax		(1,418.24)	(1,640.80)
(4) Tax expense:			
(a) Current tax	6	-	3.71
(b) Deferred tax credit (incl. MAT credit entitlement)	6	(531.03)	(511.41)
(5) Loss after tax		(887.21)	(1,133.10)
(6) Other comprehensive (Loss)/Income (OCI)			
Items that will not be reclassified to profit or (loss)			
(i) Remeasurements of defined benefit (liability) / asset		48.39	(43.56)
(ii) Income tax expense on remeasurements of defined benefit liability /(asset)		(16.91)	15.22
Other comprehensive (Loss)/Income (net of income tax) (i-ii)		31.48	(28.34)
(7) Total comprehensive Loss for the year		(855.73)	(1,161.44)
(8) Earnings per Equity share (Face value of Rs. 10 each)			
(i) Basic (Rs)	31	(8,872.11)	(11,330.96)

Significant accounting policies	1B
Notes to the financial statements	2-42

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai

8 JUNE 2020

For and on behalf of the Board of Directors of
SOTC Travel Limited
[CIN:U63040MH2001PLC131691]

Madhavan Menon
Chairman
[DIN: 00008542]

Vishal Suri
Managing Director
[DIN: 06413771]

Farroukh Kolah

Farroukh Kolah
Chief Financial Officer
Mumbai

28 MAY 2020

SOTC Travel Limited

Statement of Cash Flows
for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Loss before tax	(1,418.24)	(1,640.80)
Adjustments for:		
Depreciation of property, plant and equipment	190.58	203.01
Depreciation on Right of use assets	798.68	-
Amortisation of intangible assets	74.55	94.38
(Gain)/Loss on sale of property, plant and equipment	(3.98)	5.90
Share-based payment expense	293.37	205.45
Unclaimed credit balances no longer required, written back	(1,506.81)	(1,624.86)
Bad debts and advances written off	841.40	760.99
Provision for doubtful debts, advances and deposits (net)	(83.99)	59.37
Profit on redemption of units of mutual funds	(159.89)	(288.80)
Interest income - others	(16.13)	(4.99)
Interest income on Inter-Corporate Deposits	(128.06)	(7.17)
Interest income on fixed deposits and investments	(47.50)	(52.23)
Finance costs	694.12	490.57
	(471.90)	(1,799.18)
Working capital adjustments		
Decrease in trade and other receivables	3,943.04	3,246.43
Decrease in loans and advances	9,137.76	5,471.87
(Decrease)/ Increase in trade payables, other financial liabilities and current liabilities	(12,730.22)	764.39
Decrease in provisions and employee benefits	(218.06)	(54.12)
	(339.38)	7,629.39
Income tax paid	(1,143.75)	(1,324.08)
Net cash flows (used) in/generated from operating activities	(1,483.14)	6,305.31
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(184.43)	(138.23)
Payment for purchase of intangible assets	(83.37)	(4.51)
Proceeds from sale of property, plant and equipment & intangible	4.17	19.14
Interest received	190.45	58.77
Sale/(Purchase) of units of mutual funds, net	1,202.62	(2,656.57)
Repayment/ (Grant) of Loan	550.39	(1,651.16)
Redemption of Fixed deposits during the year (net)	22.60	18.42
Net cash flows generated from /(used) in investing activities	1,702.43	(4,354.14)
Cash flows from financing activities		
Repayments of borrowings	(1,800.00)	(1,800.00)
Redemption of Non-Cumulative Optionally Convertible Redeemable Preference Shares	-	(1,400.00)
Payment of Lease liabilities-Principal amount	(673.85)	-
Interest paid	(694.12)	(490.57)
Net cash flows used in financing activities	(3,167.97)	(3,690.57)
Net decrease in cash and cash equivalents	(2,948.68)	(1,739.40)
Cash and cash equivalents at the beginning of the year	2,893.28	4,632.68
Cash and cash equivalents at the end of the year	(55.40)	2,893.28

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Chartered Accountants

SOTC Travel Limited

SOTC Travel Limited

Statement of cash flows *(Continued)*

for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

	For the year ended 31 March 2020 Amount	For the year ended 31 March 2019 Amount
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	(55.40)	2,893.28
Cash and Cash equivalents as restated as at the year end	(55.40)	2,893.28
Note:		
Components of cash and cash equivalents consists of:		
Cash on hand	61.55	63.95
Balance with Banks		
Current Account	2,556.30	2,827.70
-- Deposit Account (with original maturity of 3 months of less)	-	1.63
Less: Bank Overdraft	(2,673.25)	-
	(55.40)	2,893.28
Reconciliation between opening and closing balances in the Balance Sheet for liabilities arising from financing activities		
Opening Term Loan from Bank	2,700.00	4,500.00
Proceeds from borrowings	-	-
Repayments of borrowings	(1,800.00)	(1,800.00)
Closing Term Loan from Bank	900.00	2,700.00

Notes:

1. The above statement of cash flow has been prepared under the 'Indirect method' as set out in the Indian Accounting Standard (IND AS) 7 - "Statement of cash flow".

	Note
Significant accounting policies	*1B*
Notes to the financial statements	*2-42*

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai

8 JUNE 2020

For and on behalf of the Board of Directors of SOTC Travel Limited
[CIN:U63040MH2001PLC131691]

Madhavan Menon
Chairman
[DIN: 00008542]

Vishal Suri
Managing Director
[DIN: 06413771]

Farroukh Kolah
Chief Financial Officer
Mumbai

28 MAY 2020

SOTC Travel Limited

Statement of changes in Equity (SOCIE)
for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

(a) Equity Share Capital

Particulars	For the year ended 31 March 2020 No. of Shares	For the year ended 31 March 2020 Amount	For the year ended 31 March 2019 No. of Shares	For the year ended 31 March 2019 Amount
At the commencement of the year	10,000	1	10,000	1
Changes in Equity Share Capital during the year	-	-	-	-
At the end of the year [refer Note 15]	10,000	1	10,000	1

(b) Other Equity

Particulars	Retained earnings	Optionally Convertible Non-Cumulative Redeemable Preference Shares	Employee share option outstanding [refer Note 39]	Capital reserves	Capital redemption reserve	Other comprehensive Income/(loss) (Remeasurements of the net defined benefit plans)	Total attributable to Equity Shareholders
Balance at 1 April 2018	1,120.50	10,000.00	226.82	638.04	-	15.61	12,000.97
Optionally Convertible Non-Cumulative Redeemable Preference Shares redeemed durir	-	(1,400.00)	-	-	-	-	(1,400.00)
Transfer from Retained Earnings to Capital redemption reserve	(1,400.00)	-	-	-	1,400.00	-	-
Loss for the year	(1,133.10)	-	-	-	-	-	(1,133.10)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(28.34)	(28.34)
Share-based payments [refer Note 39]	-	-	205.45	-	-	-	205.45
Balance at 31 March 2019	(1,412.60)	8,600.00	432.27	638.04	1,400.00	(12.73)	9,644.98
Loss for the year	(887.21)	-	-	-	-	-	(887.21)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	31.48	31.48
Share-based payments [refer Note 39]	-	-	293.37	-	-	-	293.37
Balance at 31 March 2020 [refer note 16]	(2,299.81)	8,600.00	725.64	638.04	1,400.00	18.75	9,082.62

Notes
The purpose and nature of each reserve within equity has been disclosed in the Note 16.

Significant accounting policies *1B*
Notes to the financial statements *2-42*
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai

8 JUNE 2020

For and on behalf of the Board of Directors of
SOTC Travel Limited
[CIN:U63040MH2001PLC131691]

Madhavan Menon
Chairman
[DIN: 00008542]

Farroukh Kolah
Chief Financial Officer
[DIN: 06413771]

Vishal Suri
Managing Director
[DIN: 06413771]

Mumbai

28 MAY 2020

SOTC Travel Limited

Notes to the financial statements
as at 31 March 2020

Note 1

1A Company overview

SOTC Travel Limited ('the Company') formerly known as SOTC Travel Private Limited is public limited Company incorporated and domiciled in India. The Company is engaged in diversified travel and travel related businesses, working as travel agent, tour operator and as fully fledged money changer.

The financial statements were approved and authorised to issue in accordance with the resolution passed by the Board of directors at its meeting held on 28 May, 2020.

1B Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these Ind AS financial statements except for the adoption of Ind AS 116 Lease.

1B.1 *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements has been prepared on accrual basis and under the historical cost convention, except for the following Assets and Liabilities which have been measured at fair value:

- Certain financial Assets and Liabilities (including mutual fund investments) that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value;
- Share-based payments measured at fair value

The financial statements are presented in Indian Rupees ('INR') which is also the Company's functional currency and all values are rounded off to nearest lakhs ('00,000), except otherwise indicated. wherever the amount is indicated as zero it construes a value less than 50,000,

1B.2 *Use of estimates*

The preparation of financial statements in accordance with generally accepted accounting principles ('GAAP') in India requires that management makes judgment, estimates and assumptions that affect the reported amounts of Assets and Liabilities, disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes

Note 26 - Determination of whether a particular service is rendered in the capacity of a principal or agent
Note 32 - Determining the amount of expected credit loss on financial assets (including trade receivables)
Note 2.2 - Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statement is included in the following notes:

Note 1C - Going Concern and Impact of COVID -19
Note 2 - Estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment and intangible assets.
Note 6 - Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 38 - Measurement of defined benefit obligations: key actuarial assumptions;
Note 5, 9, 13, 14 and 24 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
Note 33 - Impairment of financial assets
Note 2 - Impairment of non financial assets

1B.3 *Current / non-current classification*

All Assets and Liabilities are classified into Current and Non-current.

Assets

An Asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within 12 months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a Liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial Assets. All other Assets are classified as non-current.

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SOTC Travel Limited

SOTC Travel Limited

Notes to the financial statements
as at 31 March 2020

1B Significant accounting policies (Continued)

1B.3 Current / non-current classification (Continued)

Liabilities

A Liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of Equity instruments do not affect its classification.

Current Liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the above definition and the nature of services provided, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

1B.4 Property, Plant and Equipment's

Measurement at recognition:

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Losses arising from the retirement of, and gains or losses arising from disposal of assets which are carried at cost is recognised in the Statement of Profit and Loss.

Depreciation:

Depreciation is provided pro-rata to the period of use, under the straight line method, over the estimated useful lives of the assets. The estimate of the useful life of the Furniture and fixtures has been assessed based on its nature, usage, expected physical wear and tear, the operating conditions, manufacturers warranties and maintenance support, etc.

In respect of all other assets the Company believe that the existing useful life represents the best useful estimated lives of the assets and are at the rates which corresponds to the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets	Estimated useful life (in years)
Furniture and Fixtures	5
Office Equipment's (including air conditioners)	3
Vehicles	5
Computer hardware	5

Leasehold Improvements are amortised over the period of the lease or useful life of the asset whichever is lower.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

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SOTC Travel Limited

1B Significant accounting policies (Continued)

1B.5 *Intangible assets*

Measurement at recognition

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required.

(i) Goodwill

Goodwill acquired on business combination is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which Goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Other Intangible Assets

Intangible assets, including computer software are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortisation methods and periods:

Assets	Estimated useful Life (in years)
Software	5

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

1B.6 *Impairment of assets*

Non-financial Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, Goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which Goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an Asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the Asset in prior years.

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SOTC TRAVEL LIMITED

1B Significant accounting policies (Continued)

1B.7 *Financial instruments*

A financial instrument is any contract that gives rise to a financial Asset of one of the entity and a financial Liability or equity instrument of another entity. Financial Assets and Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument

Financial assets:
Classification and recognition

- *Financial assets at amortised cost*

Financial assets are measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from those financial asset is included as a part of the company's income in the Statement of Profit & Loss using the effective interest rate method.

- *Financial assets at fair value through profit or loss*

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

- *Financial assets at fair value through other comprehensive income*

Financial assets are measured at fair value through other comprehensive income if the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

- *Investment in subsidiary*

Investment in subsidiary(ies) are measured at cost less impairment.

De-recognition

A financial asset is derecognized when the right to receive the contractual cash flow is expired or cancelled or the nature of such assets changes that it is no longer a financial instrument

Impairment of financial assets :

The company assess at each date of Balance Sheet whether a financial assets or group of financial assets is impaired. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities:
Classification and recognition

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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

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

The Company's financial liabilities include trade and other payables, bank overdrafts and derivative financial instruments.

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1B Significant accounting policies (Continued)

1B.7 *Financial instruments (Continued)*

Financial liabilities *(Continued)*

Derecognition :

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss account.

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The financial instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

Equity instruments :

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

1B.8 *Provisions and Contingent liabilities :*

A provision is recognised if, as a result of a past event, the Company has a present 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 recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

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1B Significant accounting policies (Continued)

1B.8 *Provisions and Contingent liabilities (Continued)*

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed, unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1B.9 *Revenue recognition*

Revenue is measured based on transaction price, which is the consideration paid for services. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from rendering of services is net of Indirect taxes and discounts.

Effective April 1, 2018 the Company has applied Ind AS 115 which replaces Ind AS 18 revenue recognition.

Income from operation

The Company earns revenue from travel and related services, financial services.

- **Travel and related services** comprises of leisure tours packages within India and outside India along with travel related services viz travel insurance and visa services. Revenue on leisure tours / holiday's packages are recognized on the completion of the performance obligation which is on the date of departure of the tour.

It also includes income from the sale of airline tickets is recognized as an agent on the basis of net commission earned, at the time of issuance of tickets, as the Company does not assume any performance obligation post the confirmation of the issuance of an airline ticket to the customer. Performance linked bonuses from airlines are recognized as and when the performance obligations under the schemes are achieved.

- Financial Services comprise of income arising from the buying and selling of foreign currencies on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from MoneyGram and Xpressmoney on currency remittances. Revenue from financial services are recognized by reference to the time of services rendered.

Contract balances (effective from 1 April 2018)

a) **Contract assets**

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company performs by rendering services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

b) **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

1B.10 *Cost recognition*

Costs and expenses are recognised when incurred and have been classified according to their primary nature. The costs of the company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include sub-contractor charges, rent, recruitment and training expenses, travelling and conveyance, legal and professional fees and communication expenses.

1B.11 *Leases*

Effective 1 April 2019, the Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

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SOTC TRAVEL LIMITED

1B Significant accounting policies (Continued)

1B.11 *Leases (Continued)*

As a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(1) the contract involves the use of an identified asset

(2) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and

(3) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

Right-of-use asset are subsequently measured at cost less accumulated depreciation and impairment losses if any and adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rates in the country of domicile of the leases.

Lease payments included in the measurement of the lease liability comprise the following:

– Fixed payments;

– Variable lease payments;

– The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in terms of the contract, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company lease asset classes primarily consist of leasehold improvement.

As a lessor

A lease for which the Company is a lessor is classified as a finance or operating lease at the inception of lease. When the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 1,902 Lakhs and a lease liability of Rs. 1,902 Lakhs.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average incremental borrowing rate applied is 7.95%.

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1B ***Significant accounting policies (Continued)***

1B.12 *Business combination*

The acquisition method of accounting is used to account for all business combinations, regardless of whether Equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises of:

- fair values of the Assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable Assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is accumulated in Equity as capital reserve.

1B.13 *Cash and Cash Equivalents*

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

To be classified as cash and cash equivalents, the financial asset must:

- be readily convertible into cash;
- have an insignificant risk of changes in value; and
- have a maturity period of three months or less at acquisition.

In the cash flow statement, Cash and Cash Equivalents includes Cash on Hand, Cheques/Drafts on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1B.14 *Employee benefits :*

(a) Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, e.g. salaries, short term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount can be estimated reliably.

(b) Post-employment benefits:

Defined contribution plan :

The Company's provident fund contribution paid / payable under the recognised provident fund scheme and the employees' state insurance contribution is recognised as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan :

Gratuity :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. These benefits are discounted to determine its present value, and the fair value of any plan assets is deducted therefrom.

Contribution to Gratuity is based on the requirement of the trust with whom the Company maintains the fund balance. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or assets is charged or credited in the statement of profit and loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarail assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

1B ***Significant accounting policies (Continued)***

1B.14 *Employee benefits :(continued)*

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Re-measurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any) are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

(c) Compensated absences :
As per the leave policy of the company employees are entitled to avail 30 days of leave during a calendar year, any carry forward or encashment of the unutilized leave balance is not allowed. At reporting date, liability pertaining to compensated absences is calculated based on total leave balances of each employee.

(d) Employee stock options :
The grant-date fair value of share-based payment awards – i.e. stock options – granted to employees is recognised as personnel expenses, with a corresponding increase in Equity, over the period in which the employees become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

1B.15 *Foreign currency transactions :*

Foreign currency transactions are recorded into Indian rupee using the exchange rates prevailing on the date of the respective transactions. Exchange difference arising on foreign currency transactions, between the actual rate of settlement and the rate on the date of the transactions, is charged or credited to the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates prevailing on the balance sheet date and the overall net exchange gain or loss on such conversion, if any, is credited / charged to the Statement of profit and loss. Non monetary assets are recorded at the rates prevailing on the date of the transactions. Non-monetary foreign currency items are carried at historical cost. A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1B.16 *Income taxes:*

Income tax expense comprises current and deferred tax. It is recognised in Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current income tax:
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax Assets and Liabilities are offset only if, the Company:
a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax:
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company's is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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1B ***Significant accounting policies (Continued)***

1B.16 *Income taxes:(Continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company's expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with applicable tax laws, which is likely to give future economic benefit in th form of availability of set off against future income tax liability. Accordingly MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

1B.17 *Earnings per share ('EPS') :*

Basic EPS is computed by dividing the net Profit or Loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of Equity and dilutive Equity equivalent shares outstanding during the period except where the results would be anti-dilutive. The dilutive potential Equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

1B.18 ***Changes in significant accounting policies:***

Transition to Ind AS 116 "Leases"

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations with effect from April 1, 2019.

The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and the right of use asset as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies reported for year ended March 31, 2019

1B.19 ***Recent Accounting Pronouncements :***

The MCA notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

1C ***Going Concern and Impact of COVID-19:***

On 11 March 2020, the World Health Organization declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat of the pandemic, the Indian Government has taken a series of measures to contain the outbreak, which included imposing 'lock-downs' across the country which is extended up to 30 June 2020. The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to all the businesses of Company. Lockdown guidelines issued by Central/State governments mandated cessation of air traffic and other forms of public transport as well as closure of hotel operations. With the lifting of the partial lockdown restrictions, the Company has started re-opening it's branches and other establishments. The Company expects all the operations becoming normal in a phased manner after the lockdown is lifted and the confidence of corporates / travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted. The Company has assessed the impact of COVID-19 on the carrying amount of its assets and revenue recognition. In developing the assumptions relating to the possible future uncertainties, the Company, as on date of approval of these financial statements has used internal and external sources of information to the extent available. The Company, based on current estimates and information, expect the carrying amount of these assets to be recovered. Company has assessed the impact for existing and anticipated effects of COVID-19 on the future cash flow projections on the basis of significant assumptions as per the available information. The Company has comfortable liquidity position to meet its commitments and in addition the funds are expected to be generated from the operating activities. Company has undertaken various cost saving initiatives to maximise operating cash flows and conserve cash position in the given situation. Accordingly, the Board has not recommended any final dividend for the FY 2019-2020. Based on aforesaid assessment management believes that as per, estimates made conservatively, the Company will continue as a going concern. The Company continues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

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Notes to the financial statements (Continued)

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(All amount in Rs Lakhs, unless otherwise stated)

Note-2 Property, plant and equipment

	Computer hardware	Leasehold Improvements	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross Block						
As at 1 April 2019	491.21	68.23	60.11	-	108.74	728.29
Additions during the year	56.42	47.36	22.84	-	57.81	184.43
Disposals during the year	26.58	2.71	5.61	-	2.91	37.81
	-	-	-	-	-	
Gross carrying value as of 31 March 2020	521.05	112.88	77.34	-	163.64	874.91
Accumulated depreciation as of 1 April 2019	314.92	49.75	38.65	-	77.51	480.83
Depreciation charge during the year	133.80	12.09	10.26	-	34.43	190.58
Deduction on disposals during the year	26.40	2.71	5.61	-	2.90	37.62
Accumulated depreciation as of 31 March 2020	422.32	59.13	43.30	-	109.04	633.79
Carrying value as of 31 March 2020	98.73	53.75	34.04	-	54.60	241.12

	Amount	Amount	Amount	Amount	Amount	Amount
Gross carrying value as at 1 April 2018	405.89	66.62	61.02	-	94.21	627.74
Additions during the year	98.79	2.52	0.61	17.34	18.95	138.21
Disposals during the year	13.47	0.91	1.52	17.34	4.42	37.66
Gross carrying value as at 31 March 2019	491.21	68.23	60.11	-	108.74	728.29
Accumulated depreciation as at 1 April 2018	187.60	33.36	26.93	-	51.49	299.38
Depreciation charge during the year	140.49	17.30	12.56	2.92	29.74	203.01
Deduction on disposals during the year	13.17	0.91	0.84	2.92	3.72	21.56
Accumulated depreciation as at 31 March 2019	314.92	49.75	38.65	-	77.51	480.83
Net carrying value as at 31 March 2019	176.29	18.48	21.46	-	31.23	247.46

Note-2.1 Right of use Assets

	Amount in Rs
Gross carrying value as at 1 April 2019	-
Additions Ind AS116 Transition adjustment	1,901.72
Additions during the year	2,597.09
Disposals during the year	413.87
Gross carrying value as at 31 March 2020	4,084.94
Accumulated depreciation as at 1 April 2019	-
Depreciation charge during the year	798.68
Deduction on disposals during the year	6.66
Accumulated depreciation as at 31 March 2020	792.02
Net Carrying value as at 31 March 2020	3,292.92

SOTC Travel Limited

Notes to the financial statements (Continued)
as at 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

Note-2.2 Lease liabilites

The following is the movement in lease liabilities during the year ended March 31, 2020

	Amount in Rs
Balance as at 1April 2019	-
On account of Transition to Ind AS 116	1,901.72
Additions	2,597.09
Disposal	(407.21)
Interest on lease liabilities	185.73
Payment of lease liabilities	(859.58)
Balance as at 31 March, 2020	3,417.75

Classification as	31 March 2020
Non current	2,741.93
Current	675.82
	3,417.75

Note: - Below are the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

	31 March 2020
Less than one year	877.94
Between one and five years	2,915.68
More than five years	262.39
	4,056.01

31 March 2020

Amounts recognised in profit or loss	31 March 2020	31 March 2019
Lease under IND AS 116		
Interest on lease liabilities (Refer note 29)	185.73	-
Depreciation on right-of-use assets	798.68	-
	984.41	-
Lease under IND AS 17		
Lease expenses	543.86	1,397.67
	543.86	1,397.67

In the profit and loss account for the current year, the nature of the expenses in respect of operating leases has changed from lease rent in previous year to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of the standard has an impact of increase in total expense by Rs. 124.83 Lakh on the financial statement for the year ended 31 March 2020.

Amount recognized in Statement of Cash Flow	31 March 2020	31 March 2019
Repayment of Lease liabilities-Principal amount	673.85	
Repayment of Lease liabilities-Interest amount	185.73	-
	859.58	-

The lease payments have been classified as financing activities in the Statement of Cash Flow under Ind AS 116.The lease payments for operating leases as per Ind AS 17 -Leases, were earlier reported under cash flow from operating activities.

Extension options

The lease contracts of the company contain extension/renewal options which are exercisable only by the Company and not by the lessors. The Company includes in its lease term such extension/renewal options that the Company is reasonably certain to exercise. If the lease is extended beyond the renewal term, then the lease rentals will be mutually agreed between the parties based on the fair value of lease rent at the time of extension.

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Notes to the financial statements (Continued)

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(All amount in Rs Lakhs, unless otherwise stated)

Note-2.3 Intangibles

	Goodwill	Computer Software	Total
Gross carrying value as at 1 April 2019	268.50	389.66	658.16
Additions during the year	-	83.37	83.37
Disposals during the year		-	-
Gross carrying value as at 31 March 2020	268.50	473.03	741.53
Accumulated amortization as at 1 April 2019	-	330.82	330.82
Amortization charge during the year		74.55	74.55
Deduction on disposals during the year			-
Accumulated depreciation as at 31 March 2020	-	405.37	405.37
Net Carrying value as at 31 March 2020	268.50	67.66	336.16

	Amount	Amount	Amount
Gross carrying value as at 1 April 2018	268.50	404.96	673.46
Additions during the year	-	4.51	4.51
Disposals during the year	-	19.81	19.81
Gross carrying value as at 31 March 2019	268.50	389.66	658.16
Accumulated amortization as at 1 April 2018	-	247.31	247.31
Amortization charge during the year	-	94.38	94.38
Deduction on disposals of the assets	-	10.87	10.87
Accumulated depreciation as at 31 March 2019	-	330.82	330.82
Net Carrying value as at 31 March 2019	268.50	58.84	327.34

Intangible assets (software)
There are no internally generated / developed software.

Nature of Goodwill
Goodwill recognised on the acquisition of the residual business of Kuoni Business Travel.

Impairment testing of Goodwill
For the purposes of impairment testing, Goodwill has been allocated as follows:

	As at 31 March 2020	As at 31 March 2019
Acquisition of the business travel division	268.50	268.50
	268.50	268.50

The recoverable amount was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.
The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	As at 31 March 2020	As at 31 March 2019
Discount rate per annum	8.20%	8.90%
Terminal value growth rate per annum	5%	5%
Budgeted EBITDA growth rate (average of next 2 years) per annum	5%	5%

The discount rate is post tax measure estimated based on the historical industry average weighted-average cost of capital, with the possible no debt leveraging and internal rate of return of 8.2% approximately.

The recoverable amount of Goodwill has been calculated using the discounted cash flow method.

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	31 March 2020 Amount	31 March 2019 Amount
Note 3		
Investment		
A. Investments in subsidiary company		
I. Investments in Equity Shares (unquoted)		
2,108,000 (31 March 2018: 2,108,000) equity shares of USD 1 each, fully paid-up, of Travel Circle International (Mauritius) Limited.	1,360.83	1,360.83
	1,360.83	1,360.83
II. Investments in preference shares at amortised cost (unquoted)		
11,600,000 (31 March 2018: 11,600,000) 6% Optionally Convertible Redeemable Preference Shares of USD 1 each, fully paid-up, of Travel Circle International (Mauritius) Limited.	7,488.45	7,488.45
	7,488.45	7,488.45
	8,849.28	8,849.28
Less : Impairment loss	-	-
	8,849.28	8,849.28
Aggregate book value of unquoted non-current investments	8,849.28	8,849.28
Extent of equity interest in subsidiary:		
Travel Circle International (Mauritius) Limited	51%	51%
Note 4		
Loans (non-current)		
Unsecured, considered good unless otherwise stated		
Loan to related parties	550.39	1,100.78
Security deposits		
Considered good	460.77	507.34
Credit impaired	55.47	37.05
	516.24	544.39
Less : Impairment loss allowance	(55.47)	(37.05)
	460.77	507.34
	1,011.16	1,608.12
Note 5		
Other financial assets (non-current)		
(Unsecured)		
Fixed deposit accounts with original maturity more than twelve months	171.56	35.10
	171.56	35.10
Note 6		
Income taxes		
A. The major component of income tax expenses are as under:		
(i) Income tax recognised in statement of Profit and Loss		
Current tax		
In respect of current year	-	-
Changes in estimates related to previous year	-	3.71
Deferred tax		
Increase in deferred tax assets	(531.03)	(511.41)
Income Tax expense recognised in statement of profit and loss	(531.03)	(507.70)
(ii) Amounts recognised in other comprehensive income		
Deferred tax expense on remeasurements of defined benefit plans	(16.91)	15.22
Income tax expense recognised in OCI	(16.91)	15.22
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Loss before tax	(1,418.24)	(1,640.80)
Tax using the Company's domestic tax rate (current year 34.94% and previous Year 34.94%)	(495.59)	(573.36)
Tax effect of:		
Non-deductible tax expenses	-	(4.24)
Deferred Tax Rate difference	-	(7.66)
Reversal of Deferred tax on MAT credit entitlement	-	73.85
Others	(35.44)	(11.51)
Total	(531.03)	(522.92)
Deferred tax recognised in Other Comprehensive Income	(16.91)	15.22
Tax expense as per Statement of Profit and Loss	(547.94)	(507.70)

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Note 6
Income taxes (Continued)
C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

	Balance as on 31 March 2019	Recognised in profit or loss	Recognised in OCI	Net Balance as on 31 March 2020
Deferred tax Asset/(Liabilities)				
Property, plant and equipment	50.00	72.89		122.89
Employee benefits	363.11	(93.45)	(16.91)	252.75
Tax losses	520.11	603.23		1,123.34
Provisions	482.40	(29.35)		453.05
Other items	65.21	(22.28)		42.93
Deferred tax Assets /(Liabilities)	1,480.83	531.04	(16.91)	1,994.96

	Balance as on 31 March 2018	Recognised in profit or loss	Recognised in OCI	Net Balance as on 31 March 2019
Deferred tax Asset/(Liabilities)				
Property, plant and equipment	(12.48)	62.49	-	50.00
Employee benefits	305.23	42.65	15.22	363.11
MAT credit entitlement	160.35	(160.35)	-	-
Tax losses	-	520.11	-	520.11
Provisions	463.20	19.20	-	482.40
Other items	37.90	27.31	-	65.21
Deferred tax Assets /(Liabilities)	954.20	511.41	15.22	1,480.83

	31 March 2020 Amount	31 March 2019 Amount
D. Deferred tax reflected in balance sheet as follows:		
Deferred tax Assets	1,994.96	1,480.83
Deferred tax Liabilities	-	-
Deferred tax Assets (net)	1,994.96	1,480.83

Note 7
Income tax Asset

Advance tax	4,108.39	3,185.82
	4,108.39	3,185.82

Note 8
Current Investments
Investments in mutual funds (quoted)
(Carried at fair value through profit or loss)

93,921.78 (31 March 2019: Nil) units of Kotak Liquid Scheme-Growth Option-Direct Plan at Rs 1,065.86 each (31 March 2019: Nil)	1,001.08	-
30,768.45 (31 March 2019: 23,933.33) units of SBI Premier Liquid Fund - Growth Option - Direct Plan at Rs 3,253.72 each (31 March 2019: Rs 2,928.57)	1,001.12	700.92
13,511.3 (31 March 2019: 12,253.58) units of HDFC Liquid Fund - Growth Plan - Direct Plan at Rs 2,969.12 each (31 March 2019: Rs 3,678.29)	401.17	450.72
Nil (31 March 2019: 23,900.71) units of Invesco India Liquid Fund at Rs Nil each (31 March 2019: 2,572.44)	-	614.83
Nil (31 March 2019: 11,255.30) units of DSP BlackRock Liquidity Fund Direct Plan Growth at Rs Nil (31 March 2019: 2,673.39)	-	300.90
Nil (31 March 2019: 14,813.35) units of LIC mutual Fund-Direct growth at Rs Nil (31 March 2019: 3,388.86)	-	502.00
Nil (31 March 2019: 30620.77) units of Franklin India Liquid Fund– Direct Growth at Rs Nil (31 March 2019: 2798.53)	-	856.93
Nil (31 March 2019: 1,524,215.98) units of Sundaram Money Fund - Direct Plan Growth at Rs Nil (31 March 2019: 39.41)	-	600.72
929,141.78 (31 March 2019: 225,322.85) units of ICICI Prudential Liquid -Direct -Growth at Rs 107.75 (31 March 2019: 276.42)	1,001.14	622.83
Nil (31 March 2019: 96,301.26) units of ICICI Money Market Fund -Drt Growth at Rs Nil (31 March 2019: 260.16)	-	250.54
65,155.11 (31 March 2019: 99,592.43) units of ABSL Money Manager Fund - Growth-Direct Plan at Rs 1,080.2485 (31 March 2019: 251.70)	703.84	250.69
	4,108.35	5,151.08

Notes:

Aggregate amount of quoted investments and market value thereof	4,108.35	5,151.08

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	31 March 2020 Amount	31 March 2019 Amount
Note 9		
Trade receivables		
Trade receivables considered good	5,662.54	10,362.99
Trade receivables credit impaired	734.95	994.23
	6,397.49	11,357.22
Less :- Impairment loss allowance	(734.95)	(994.23)
	5,662.54	10,362.99
Trade and other receivables includes :		
Dues from related parties - considered good [refer Note 41]	1,540.32	1,207.39
Movement in expected credit loss allowance on trade receivables		
Balance at the beginning of the year	994.23	802.35
Addition during the period	-	-
Changes in loss allowance during the year	(259.28)	191.87
Balance at the end of the year	734.95	994.23

	31 March 2020 Amount	31 March 2019 Amount
Note 10		
Cash and cash equivalents		
Balance with banks :		
in current account	2,556.30	2,827.70
–in deposit accounts (with original maturity of three months or less)	-	1.63
Cash on hand	61.55	63.95
	2,617.85	2,893.28
Note 11		
Bank Balances other than cash and cash equivalents		
Short term deposits (Original maturity more than 3 months and less than 12 months)	43.30	202.37
	43.30	202.37

Deposit balances (including those disclosed under other financial assets (non-current) in Note 5) include fixed deposits under lien aggregating to Rs 214.87 (31 March 2019: Rs 202.44).

	31 March 2020	31 March 2019
Note 12		
Loans and Advances (current)		
Unsecured, considered good carried at amortised cost except otherwise stated		
Loan to related party [refer Note 41]	550.39	550.39
Security deposits		
Considered good	2,091.59	-
Credit impaired	300.22	-
	2,391.81	-
Less :- Impairment loss allowance	(300.22)	-
	2,091.59	-
	2,641.98	550.39
Note 13		
Other financial Assets (current)		
(Unsecured)		
Security deposits		
Considered good	-	2,283.41
Credit impaired	-	135.92
	-	2,419.33
Less :- Impairment loss allowance	-	(135.92)
	-	2,283.41
Other receivables		
Considered good	2,014.95	2,104.55
Credit impaired	61.63	97.92
	2,076.58	2,202.47
Less :- Impairment loss allowance	(61.63)	(97.92)
	2,014.95	2,104.55
Unbilled revenue	155.80	219.07
Interest accrued but not due on loan to related party	7.83	7.17
Interest accrued but not due on fixed deposits with banks	1.96	1.37
	2,180.54	4,615.57

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Note 14
Other current Assets

Prepaid expenses	119.32	143.91
Balances with government Authorities	694.78	616.21
(Net of provision of GST recoverable Rs. 2,210.63 for March 2020 and Rs. 1134. 97 for March 2019)		
Advance to vendors		
Considered good	5,587.84	14,314.13
Credit impaired	45.79	59.20
	5,633.63	14,373.33
Less :- Impairment loss allowance	(45.79)	(59.20)
	5,587.84	14,314.13
Staff advance		
Considered good	244.52	318.71
Credit impaired	98.45	56.20
	342.97	374.91
Less :- Impairment loss allowance	(98.45)	(56.20)
	244.52	318.71
	6,646.46	15,392.96
Advance to vendors includes :		
Advance to related party - Unsecured, Considered good [refer note 41]	17.80	-

Note 15
Equity Share Capital (continued)

Authorised :		
10,000 (31 March 2019: 10,000) Equity Shares of Rs 10 each.	1.00	1.00
Issued, subscribed and fully paid up:		
10,000 (31 March 2019: 10,000) Equity Shares of Rs 10 each, fully paid-up.	1.00	1.00
	1.00	1.00

A. Reconciliation of number of shares outstanding at the beginning and end of the year :

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of face value of Rs 10 each, fully paid-up				
At the commencement of the year	10,000	1.00	10,000	1.00
Addition during the year	-	-	-	-
Outstanding at the end of the year	10,000	1.00	10,000	1.00

B. Rights , preferences and restrictions attached to Equity Shares

Equity shares of face value of Rs 10 each fully paid-up

The Company has a single class of Equity Shares having face value of Rs 10 each. Accordingly, Equity Shares shall rank pari passu with regard to dividends and share in the Company's residual assets after distribution of all preferential amounts, if any. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an Equity Shareholder are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.
On winding up of the Company, the holders of Equity Shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of Equity Shares held by them.

C. Shares held by Holding Company / Ultimate Holding Company / Subsidiaries of Holding Company

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares of Rs 10 each fully paid-up held by:				
Thomas Cook (India) Limited ('Holding Company') including its nominees	10,000	1.00	10,000	1.00
	10,000	1.00	10,000	1.00

D. Particulars of shareholders holding more than 5% shares of a class of shares:

	31 March 2020		31 March 2019	
	No. of shares	% of total shares	No. of shares	% of total shares
Equity Shares of Rs 10 each, fully paid-up, held by:				
Thomas Cook (India) Limited ('Holding Company')	10,000	100	10,000	100

E. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

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	31 March 2020 Amount	31 March 2019 Amount
Note 16		
Other Equity		
Optionally Convertible Non -Cumulative Redeemable Preference Shares	8,600.00	8,600.00
Retained earnings	(2,299.81)	(1,412.60)
Capital reserve arising out of Amalgamation	638.04	638.04
Capital Redemption Reserve	1,400.00	1,400.00
Other Comprehensive Income	18.76	(12.72)
Employee share option outstanding account	725.63	432.27
	9,082.62	9,644.99

	31 March 2020 Amount	31 March 2019 Amount
Note 16		
Other Equity *(Continued)*		
Notes:-		
(i) Optionally Convertible Non -Cumulative Redeemable Preference Shares		
Authorised :		
100,000,000 (31 March 2019: 100,000,000) 0.01% Optionally Convertible Non - Cumulative Redeemable Preference Shares of Rs. 10 each.	10,000.00	10,000.00
Issued, subscribed and fully paid up:		
86,000,000 (31 March 2019: 100,000,000) 0.01% Optionally Convertible Non - Cumulative Redeemable Preference Shares of Rs. 10 each.	8,600.00	8,600.00
	8,600.00	8,600.00

A. Reconciliation of number of shares outstanding at the beginning and end of the year :

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid-up				
Opening	860.00	8,600.00	1,000.00	10,000.00
Redemption during the year	-	-	(140.00)	(1,400.00)
Outstanding at the end of the year	860.00	8,600.00	860.00	8,600.00

B. Rights , preferences and restrictions attached to equity and preference shares

0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid-up (Prefernce Shares)

The Company has a single class of preference shares having par value of Rs 10 per share. These preference shares are issued in consideration of the slump exchange of Outbound Business Division of SOTC Travel Services Private Limited to the Company as contemplated in the Composite Scheme of arrangement and amalgamation. The Company has issued 10,00,00,000 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs.10/- each to Travel Corporation (India) Limited, as the residual of SOTC Travel Services Private Limited (i.e. post segregation of Outbound Business Division) is amalgamated into Travel Corporation (India) Limited. Preference shares outstanding at the end of 20 years i.e. 31 July 2037, shall be converted into equity shares as per the conversion ratio of 1 preference shares of Rs. 10/- each into one equity share of Rs. 10/- each. The holders of these shares are entitled to Non-Cumulative dividend of 0.01%. Preference shares carry a preferential right as to dividend over equity shareholders. where dividend is not declared in respect of a financial year in the case of Non-Cumulative Preference Shares, the entitlement for that year lapses. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares. The Company has an option to convert the preference shares or redeem the preference shares at any time after the end of 1 year from the date of allotment.

C. Shares held by Holding Company / Ultimate Holding Company / Subsidiaries of Holding Company

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid-up by:				
*Travel Corporation (India) Limited (Amalgamation w.e.f. 25 November 2019)	-	-	860.00	8,600.00
*Thomas Cook (India) Limited (w.e.f. 25 November 2019)	860.00	8,600.00	-	-
	860.00	8,600.00	860.00	8,600.00

*Pursuant to the National Company Law Tribunal (NCLT) Order dated 10th October 2019, the Composite Scheme of Arrangement & Amalgamation amongst TC Forex Services Limited [TCF] and Travel Corporation (India) Limited [TCI] and TC Travel Services Limited [TCTSL] and SOTC Travel Management Private Limited [SOTC TRAVEL] and Thomas Cook (India) Limited [TCIL] and Quess Corp Limited and their respective shareholders (the Scheme) has become effective from 25th November, 2019. As part of the Scheme/arrangement, the Inbound Business of TCI has demerged into SOTC TRAVEL and the residual business of TCI has been merged, along with the other wholly owned subsidiaries viz TCTSL and TCF with TCIL. TCI ceased to exist w.e.f. 25th November, 2019 and residual business of TCI has been merged with TCIL.
Pursuant to above, 0.01% Non-Cumulative Optionally Convertible Redeemable Preference Shares (OCRPS) held by TCI in the Company are held by TCIL w.e.f. 25th November.

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D. Particulars of shareholders holding more than 5% shares of a class of shares:

	31 March 2020		31 March 2019	
	No. of shares	% of total shares	No. of shares	% of total shares
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid-up by:				
Travel Corporation (India) Limited (upto 25 November 2019)	-	-	860.00	100.00
Thomas Cook (India) Limited (w.e.f. 25 November 2019)	860.00	100.00	-	-

Note 16
Other Equity *(Continued)*
E. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:
During the year ended 31 March 2019:
100,000,000, 0.01% Non-Cumulative Optionally Convertible Redeemable Preference Shares of Rs. 10/- each, were issued by the Company pursuant to the composite scheme of arrangement and amalgamation in the Financial year ended 2017-2018

	31 March 2020 Amount	31 March 2019 Amount
ii. Capital Reserve		
Opening Balance	638.04	638.04
Closing Balance	638.04	638.04

Nature and Purpose of Reserves:-
The reserve created pursuant to Composite Scheme of Arrangement and Amalgamation.

iii. Capital Redemption Reserve		
Opening Balance	1,400.00	-
Transfer from Retained earnings	-	1,400.00
Closing Balance	1,400.00	1,400.00

Nature and Purpose of Reserves:-
The reserve created out of profits in event of redemption of Optionally Convertible Non-Cumulative Redeemable Preference Shares.

iv. Retained Earnings		
Opening Balance	(1,412.58)	1,120.52
Add : Net Loss for the year	(887.21)	(1,133.10)
Less :- Transfer to Capital Redemption Reserve	-	(1,400.00)
Closing Balance	(2,299.79)	(1,412.58)
v. Other comprehensive income		
Opening Balance	(12.73)	15.61
Add : Other Comprehensive Income/(loss) for the year, net of tax	31.48	(28.34)
Closing Balance	18.75	(12.73)
vi. Employee Share Option Outstanding Account [refer Note 39]		
Opening Balance	432.27	226.82
Add : Charge for the year [refer Note 39]	293.37	205.45
Closing Balance	725.64	432.27

Nature and Purpose of Reserves:-
The Company has established an equity-settled share-based payment plans for certain categories of employees of the Company. The shares of the holding Company are issued under the ESOP Scheme to the employees of the Company.

Note 17
Long term borrowings
(Unsecured)

Term Loan from bank	-	900.00
	-	900.00

During the year 2017 Rs 5,400.00 term loan was taken from HDFC Bank Ltd which carried interest charge at the bank's 6 months MCLR rate which is currently 8%, computed at monthly rest on the actual amount utilised. The term loan is repayable in 36 monthly installments commencing from 1 July 2017. The balance of the said loan as at 31 March 2020 is Rs 900.00, which has been disclosed as current under "Other financial liabilities (current)

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	31 March 2020 Amount	31 March 2019 Amount
Note 18		
Other liabilities		
Lease liability [refer Note 2.2]	2,741.93	-
	2,741.93	-

Note 19		
Employee Benefit Obligations		
Provision for employee benefits - (non current)		
Provision for Gratuity [refer Note 38]	359.61	307.80
	359.61	307.80

Note 20		
Bank Overdraft		
Bank Overdraft use for Cash Management purpose	2,673.26	-
	2,673.26	-

Note 21		
Trade payables		
Total outstanding dues of Micro, Small and Medium enterprises [refer Note 35]	-	-
Total outstanding dues of creditors other than Micro, Small and Medium enterprises (Includes book overdraft Rs 917)	14,058.07	20,814.51
	14,058.07	20,814.51

Note 22		
Other financial liabilities (current)		
Security deposits	271.13	269.37
Lease liability [refer Note 2.2]	675.82	-
Derivative liabilities	0.00	3.74
Current portion of long term borrowing	900.00	1,800.00
Others	20.19	24.15
	1,867.14	2,097.26

Note 23		
Income tax liabilities		
Provision for income tax	-	221.18
	-	221.18

Note 24		
Employee Benefit Obligations		
Provision for employee benefits - current		
Accrued salary and benefits	504.41	676.05
Compensated absences [refer Note 38]	-	94.80
	504.41	770.85

Note 25		
Other current liabilities		
Revenue received in advance	517.69	137.90
Advance collected from customers	11,765.87	18,943.41
Statutory due to government authorities	334.97	1,063.69
	12,618.53	20,145.00

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Notes to the financial statements (Continued)
for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

	31 March 2020 Amount	31 March 2019 Amount
Note 26		
Revenue from operations		
Travel and related Services	112,046.18	119,585.60
Total Revenue from operations	112,046.18	119,585.60
Other operating revenue		
Marketing fees and other incentive income	3,805.64	5,705.79
Unclaimed credit balances no longer required, written back	1,506.81	1,624.86
Other miscellaneous operating income	596.42	361.45
	5,908.87	7,692.10
	117,955.05	127,277.70

IND AS 115 'Revenue from Contracts with Customers'

With effect from last year, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer

The Company has opted for the cumulative effect method (modified retrospective application) permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied for the year ended March 31, 2019 only (i.e. the initial application period). This method requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at April 1, 2018 ('transition date') in equity and the comparative information continues to be reported under Ind AS 18. The impact of the adoption of the standard on the financial statements is not material

Also the Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months. (Also refer Credit Risk)

Prior to adoption of IND AS 115, the Company's revenue was primarily comprised of Revenue from travel and related services. The recognition of these revenue streams is largely unchanged by Ind AS 115

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss

	31 March 2020	31 March 2019
Revenue from operations		
Travel and related Services	112,009.78	119,585.60
Financial Services	36.40	-
Total Revenue from operations	112,046.18	119,585.60

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

	31 March 2020	31 March 2019
Revenue based on geography		
Revenue from contract with customers		
India	107,662.35	114,126.33
Overseas	4,383.83	5,459.27
	112,046.18	119,585.60
Revenue based on product and services		
Revenue from contract with customers		
Travel and related Services	112,009.78	119,585.60
Financial Services	36.40	-
Total Revenue from operations	112,046.18	119,585.60

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Note 26 Revenue from operations :*(Continued)*

iii) Contract Balances

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over / services delivered.

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards leisure tour / holiday's packages. Revenue on leisure tours / holiday's packages are recognized on the completion of the performance obligation which is on the date of departure of the tour.

	31 March 2020 Amount	31 March 2019 Amount
Advances collected from customers	11,765.87	18,943.41
Total	11,765.87	18,943.41

Note 27

Other income

	31 March 2020 Amount	31 March 2019 Amount
Interest Income from financial assets at amortised cost	47.50	52.23
Interest on loan to fellow subsidiary	128.06	7.17
Interest income - others	16.13	4.99
Net foreign Exchange difference	31.71	275.41
Net gain on sale of Mutual Funds	159.89	288.80
Profit on Sale of Fixed Assets	3.98	-
Compensated absences	94.80	0.83
Miscellaneous income	7.12	2.44
	489.19	631.87

Note 28

Employee benefits expense

	31 March 2020 Amount	31 March 2019 Amount
Salaries and other allowances	7,426.20	8,319.98
Contribution to provident fund and other funds	476.40	427.60
Share-based payment to employees (refer Note 39)	293.37	205.45
Staff welfare expense	678.41	770.48
	8,874.38	9,723.51

Note 29

Finance costs

	31 March 2020 Amount	31 March 2019 Amount
Interest and finance charges on Financial Liabilities		
– Interest on Term loan	147.19	290.80
– Interest on Right of use	185.73	-
– Interest on bank over draft	11.94	4.70
– Others Financials liabilities	181.54	195.07
– Bank charges	167.72	-
	694.12	490.57

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	31 March 2020 Amount	31 March 2019 Amount
Note 30		
Other expenses		
Legal and professional charges	3,769.53	3,364.48
Advertisement and publicity	1,959.60	2,316.29
Operational lease rentals	543.86	1,397.67
Repairs and maintenance – others	953.70	1,179.84
Communication expenses	490.01	646.26
Travelling expenses	411.98	574.22
Electricity charges	263.00	254.93
Bank charges	-	181.10
Rates and taxes	76.02	0.90
Vehicle expenses	1.60	2.12
Printing and stationery expenses	71.13	91.85
Directors commission and sitting fees	23.51	20.53
Insurance expenses	19.25	19.67
Subscription fees	22.29	30.28
Provision for doubtful debts and deposits	(83.99)	59.37
Bad debts and advance written off	841.40	760.99
Loss on sale of fixed assets (net)	-	5.90
Corporate social responsibility expense (refer Note below 29 (a))	-	12.95
Payment to auditors (refer Note below 29 (b))	63.72	70.54
Donation (Company contribution-Rs.10/-lakhs and balance recovered from staff in 2019)	-	11.33
Miscellaneous expenses	49.47	9.47
	9,476.08	11,010.69

Note 29 (a)
Corporate social responsibility expenditure

	31 March 2020	31 March 2019
(a) Gross amount required to be spent by the Company during the year	-	5.18
(b) Amount spent and paid during the year on		
(1) Promoting Health-care	-	12.95
(c) Out of above amount paid to related party	-	12.95

Note 29 (b)
Payment to Auditors

	31 March 2020	31 March 2019
Statutory Audit fee	53.10	53.10
Tax Audit fee	3.54	3.54
In other capacity		-
Taxation matters	-	5.90
Certification fee	3.19	4.56
Re-imbursement of expenses	3.89	3.44
	63.72	70.54

Note 31
Earnings per share (EPS)

	31 March 2020	31 March 2019
A. Net profit for the year attributable to Equity Shareholders	(887.21)	(1,133.10)
B. Weighted average number of Equity Shares outstanding during the year	10,000	10,000
C Basic earnings per share (A/B) (Rs)	(8,872.11)	(11,330.96)
D. Preference shares (numbers)	86,000,000	86,000,000

Note : Diluted earnings per share is not computed as the Company has incurred a loss during the year due to which the Optionally convertible non -cumulative redeemable preference shares would be anti-diluting.

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Chartered Accountants

SOTC TRAVEL LIMITED

SOTC Travel Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

Note 32
Financial instruments – Fair values and risk management

A. Accounting classification and fair values
Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below:

as at 31 March 2020

	Carrying amount				Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVTOCI	Financial instruments measured at amortized cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at fair value								
Investment in mutual funds	4,108.35	-	-	4,108.35	4,108.35	-	-	4,108.35
	4,108.35	-	-	4,108.35	4,108.35	-	-	4,108.35
Financial assets not measured at fair value								
Trade receivables	-	-	5,662.54	5,662.54	-	-	-	-
Cash and cash equivalents	-	-	2,617.85	2,617.85	-	-	-	-
Other bank balances	-	-	43.30	43.30	-	-	-	-
Loans								
- Non-current	-	-	1,011.16	1,011.16	-	-	-	-
- Current	-	-	2,641.98	2,641.98	-	-	-	-
Other financial assets								
- Non-current	-	-	171.56	171.56	-	-	-	-
- Current	-	-	2,180.54	2,180.54	-	-	-	-
	-	-	14,328.93	14,328.93	-	-	-	-
Financial liabilities not measured at fair value								
Borrowings	-	-	900.00	900.00	-	900.00	-	900.00
Bank Overdraft	-	-	2,673.26	2,673.26	-	-	-	-
Trade payables	-	-	14,058.07	14,058.07	-	-	-	-
Other financial liabilities								
- Non current	-	-	2,741.93	2,741.93	-	-	-	-
- Current	-	-	967.14	967.14	-	-	-	-
Total financial liabilities	-	-	21,340.40	21,340.40	-	900.00	-	900.00

as at 31 March 2019

	Carrying amount				Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVTOCI	Financial instruments measured at amortized cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at fair value								
Investment in mutual funds	5,151.08	-	-	5,151.08	5,151.08	-	-	5,151.08
	5,151.08	-	-	5,151.08	5,151.08	-	-	5,151.08
Financial assets not measured at fair value								
Trade receivables	-	-	10,362.99	10,362.99	-	-	-	-
Cash and cash equivalents	-	-	2,893.28	2,893.28	-	-	-	-
Other bank balances	-	-	202.37	202.37	-	-	-	-
Loans								
- Non-current	-	-	1,608.12	1,608.12	-	-	-	-
- Current	-	-	550.39	550.39	-	-	-	-
Other financial assets								
- Non-current	-	-	35.10	35.10	-	-	-	-
- Current	-	-	4,615.57	4,615.57	-	-	-	-
	-	-	20,267.82	20,267.82	-	-	-	-
Financial liabilities not measured at fair value								
Borrowings	-	-	2,700.00	2,700.00	-	2,700.00	-	2,700.00
Trade payables	-	-	20,814.51	20,814.51	-	-	-	-
Other financial liabilities								
- Non current	-	-	-	-	-	-	-	-
- Current	3.74	-	293.52	297.26	3.74	-	-	3.74
Total financial liabilities	3.74	-	23,808.03	23,811.77	3.74	2,700.00	-	2,703.74

The company has not disclosed the fair value of financials instrument such as trade receivables , trade payables, etc. because their carrying amount are a reasonable approximation of fair value.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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

(All amount in Rs Lakhs, unless otherwise stated)

Note 32 (Continued)
Financial instruments – Fair values and risk management ***(Continued)***

B. Measurement of fair values
Valuation techniques and significant unobservable inputs
The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contracts for foreign exchange contracts	The foreign exchange forward contracts are marked to market using forward FEDAI rates pertaining to the date of maturity of the contract at the Balance sheet date	Not applicable	Not applicable
Mutual funds	Market comparison technique:- The valuation model is based on market multiples derived from quoted prices of mutual fund securities.	Not applicable	Not applicable
Borrowings	Discount rate to fair value of financials assets and liabilities at amortised cost is based on general lending rate.	Not applicable	Not applicable

Transfers between Levels

- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. Credit risk primarily arises from financial assets such as trade receivables, Investment in mutual funds, derivative financials instruments , balance with banks and other receivables.

Credit risk arising from investment in mutual funds , derivative financials instruments and balance with banks is limited because the counterparties are bank and recognised financials institution with high credit ratings.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

The average credit period on sales of services is less than 30 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The concentration of credit risk in limited due to the fact that the customer base is large.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

	31 March 2020	31 March 2019
Movement in expected credit loss allowance on trade receivables		
Balance at the beginning of the year	994.22	802.35
Addition during the period	-	-
Changes in loss allowance during the year	(259.27)	191.87
Balance at the end of the year	734.95	994.22

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(All amount in Rs Lakhs, unless otherwise stated)

Note 32 (Continued)
Financial instruments – Fair values and risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company believes that the working capital is sufficient to meet its current requirements, accordingly no liquidity risk is perceived.

Financing arrangements	31 March 2020	31 March 2019
Particulars		
Floating rate - Term loan	900.00	2,700.00
	900.00	2,700.00

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

as at 31 March 2020	Contractual cash flows					
	Carrying amount	Total	0 to 180 days	180 to 360 days	1yr to 3 yrs.	more than 3 yrs.
Non-derivative financial liabilities						
Borrowings	900.00	900.00	900.00	-	-	-
Trade payables	14,058.07	14,058.07	14,058.07	-	-	-
Other financial liabilities	967.14	967.14	352.93	577.93	36.28	-
	15,925.21	15,925.21	15,311.00	577.93	36.28	-

as at 31 March 2019	Contractual cash flows					
	Carrying amount	Total	0 to 180 days	180 to 360 days	1yr to 3 yrs.	more than 3 yrs.
Non-derivative financial liabilities						
Borrowings	2,700.00	2,700.00	900.00	900.00	900.00	-
Trade payables	20,814.51	20,814.51	20,717.83	96.67	-	-
Other financial liabilities	297.26	297.26	30.69	224.19	42.38	
	23,811.77	23,811.77	21,648.52	1,220.86	942.38	-

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its payables to foreign vendors in various foreign currency. The functional currency of the Company is Indian Rupee. However the Company has natural hedge, the collection from its customer is in equivalent INR which converts in various required currency and park it in SPFC (Special Purpose Foreign Currency) account and release the payment to its vendor as and when payable.

There is also a cross currency exposure (collection in one foreign currency and payment in another foreign, currency). Tour prices are quoted in USD against which payments are quoted in EUR. This cross currency foreign exchange risk is for the FX component of European Tours till the same is settled with the supplier. There are also cases where tour prices are quoted in EUR and the payments are in local currencies of Europe, mainly GBP and CHF. This leads to EUR/GBP and EUR/CHF exposures. The payment obligations are thus exposed to the risk of the EUR appreciating against USD, and risk of GBP and CHF appreciating against the EUR.

Risk starts on the day of tour launch, when price is fixed in foreign currency. Tour price is collected around 15 days/ 1 month in advance and kept in SPFC account to meet payment obligations to Foreign Service providers.

Mitigating the risk
Based on the Company's experience, 50% of cross currency exposures are initially hedged using plain vanilla , forward exchange contracts, with time frame as per credit period from the supplier. The maturity of the contracts ,are all less than one year. The hedge price should always be lower than the ROE of the exposure that is initially fixed. On a fortnightly basis the exposures are revised based on current sales report and hedges are entered into in a phased manner. Once actual bookings start and sales targets are being met/exceeded, treasury hedges the balance open exposures, hedging more than 90% of total exposures.

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Note 32 (Continued)

Financial instruments – Fair values and risk management (continued)

Exposure to currency risk (Exposure in different currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at 31 March 2020 is as below:

as at 31 March 2020 — Amount in INR

	USD	EUR	GBP	Others
Financial Assets				
Cash and cash equivalents	1,059.40	632.05	15.72	772.55
Trade and other receivables including advances	1,537.51	659.60	7.74	533.31
	2,596.91	1,291.65	23.46	1,305.86
Financial Liabilities				
Trade and other payables	2,025.09	1,300.66	29.41	805.47
	2,025.09	1,300.66	29.41	805.47
Exchange Rates	75.42	83.16	93.05	
Net Exposure in Respective currencies	571.82	(9.01)	(5.95)	500.39

as at 31 March 2019 — Amount in INR

	USD	EUR	GBP	Others
Financial assets				
Cash and cash equivalents	1,610.29	1,340.19	69.42	944.08
Trade and other receivables including advances	1,932.33	486.89	23.87	2,848.27
	3,542.62	1,827.08	93.29	3,792.35
Financial liabilities				
Trade and other payables	2,452.65	1,223.36	71.70	3,540.32
	2,452.65	1,223.36	71.70	3,540.32
Exchange rate	69.02	77.53	90.24	
Net Exposure in Respective currencies	1,089.97	603.72	21.59	252.03

The following significant exchange rates have been applied during the year.

	Average rate		**Year-end spot rate**	
INR	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
USD	**72.22**	69.90	**75.67**	69.18
EUR	**80.35**	80.92	**82.77**	77.72
GBP	**91.65**	91.74	**93.50**	90.34

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various currencies as mentioned above at March 31 2020 and March 31 2019 would have affected the measurement of financial instruments denominated in the respective currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast transactions to be held in the foreign currencies.

March 31, 2020 — **Amount in INR**

	Profit or loss		**Equity, net of tax**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
1% movement				
USD	5.48	(5.48)	-	-
EUR	(0.09)	0.09	-	-
GBP	(0.06)	0.06	-	-

March 31, 2019 — Amount in INR

	Profit or Loss		Equity (net of tax)	
	Strengthening	Weakening	Strengthening	Weakening
1% movement				
USD	11.04	(11.04)	-	-
EUR	6.30	(6.30)	-	-
GBP	0.22	(0.22)	-	-

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Notes to the financial statements (Continued)
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Note 32 (Continued)

Financial instruments – Fair values and risk management (continued)

Interest rate risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 March 2020	31 March 2019
Variable rate of borrowings	8.00%	8.55%

As at the end of the reporting period, the company had the following variable rate borrowings:

	31 March 2020		31 March 2019	
	Balance	% of total loans	Balance	% of total loans
Variable rate of borrowings	900.00	17	2,700.00	50
Net exposure to cash flow due to interest rate risk	900.00	17	2,700.00	50

Sensitivity

Profit or Loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.
Changes in interest rate are based on historical movement.

	Impact on profit after tax	
	31 March 2020	31 March 2019
Interest rates - increase by 100 basis points *	(5.86)	(17.57)
Interest rates - decrease by 100 basis points *	5.86	17.57

* Holding all other variables constant

Note 33
Contingent Liabilities and Commitments (to the extent not provided for)

	31 March 2020	31 March 2019
Contingent liabilities		
Claims against the Company not acknowledged as debts		
a. Disputed claims made by clients	1,354.29	1,107.23
b. Disputed Service Tax Demands	4,794.75	4,749.18
c. Provident Fund Liability on account of pending Supreme court judgment.	35.73	35.73

(a) It is not practicable for the company to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The company does not expect any reimbursement in respect of the above contingent liabilities.

(c) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of provident fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Management has accounted for the liability for the period from date of the SC order to March 31, 2019. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

	31 March 2020	31 March 2019
Commitments (to the extent not provided for)		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	108.10	-

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Note 34
Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions (if applicable) entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international as well as specified domestic transactions (if any) are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 35
Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to dues to Micro and Small Enterprises. On the basis of the information and records available with the management, there are no parties registered as micro and small enterprises.

Particulars	31 March 2020	31 March 2019
The amounts remaining unpaid to Micro and Small Suppliers as at the end of the year.		
– Principal	-	-
– Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006') along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

Note 36
Segment reporting

The Company is in the business of providing travel and related services to its retail and corporate customers which is considered by the chief operating decision maker ('CODM') as the only reportable business segment taking into account the nature of the business, the risk and returns, the organisation structure and internal reporting system, the Company also provides financial services which is not a material reportable segment and is largely considered to be an integral part of travel and related services. The travel and related services includes tour operations and travel management services, arranging air tickets, hotels, sightseeing, visa and other related services.

Further, the Company provides services within similar economic environments considering the origin of services and risks and rewards being similar across the said markets / environments, there are no separate reportable geographical segments. Accordingly, these financial statements are reflective of the information required by the Ind AS 108.

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Note 37
Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:
Total equity – retained earnings, capital reserves, share capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

Note 38

Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:
The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Employee State Insurance Corporation, Labour Welfare Fund and National Pension Scheme which are defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss as they accrue.

Amount contributed to defined contribution plan and recognised as an expense in the Statement of Profit and Loss are as under:

Particulars	**31 March 2020**	31 March 2019
Employer's contribution to provident fund	**344.13**	326.16
Employee's State Insurance Corporation	**6.67**	7.12
National pension scheme	**14.29**	3.12
Labour welfare fund	**0.58**	0.40

(ii) Defined benefit plan:
Gratuity plan

The Company provides for Gratuity using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date, based on legislations as enacted up to the balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested.

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act,1972 or as per the Company's scheme, whichever is more beneficial.

Compensated absences and leave encashment
As per the leave policy, every employee will be allotted 30 days of leave in the first week of January. No leaves can be carried forward to the next year whereby, the leave balance left unutilized on 31 December shall lapse. During the year, a sum aggregating to Rs. 94.80 (previous year Rs. 0.83) has been credited to the Statement of Profit and Loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at Balance Sheet date:

	31 March 2020	31 March 2019
Gratuity		
Defined benefit asset-Gratuity plan	**277.94**	318.72
Defined benefit liability	**637.55**	626.52
Net defined benefit liability	**359.61**	307.80
Compensated absences		
Liability for compensated absences	**-**	94.80
Total employee benefit liabilities	**359.61**	402.60

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Notes to the financial statements (Continued)
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Note 38 (Continued)
Employee benefits (Continued)

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance as on 1 April 2019	626.52	582.99	318.72	405.15	307.80	177.84
Current service cost	90.53	75.57	-	-	90.53	75.57
Adjustment to opening fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Interest cost (income)	40.76	40.96	19.61	28.05	21.15	12.91
Settlements / benefits paid	-	-	-	-	-	-
	131.29	116.53	19.61	28.05	111.68	88.48
Included in OCI						
Remeasurement loss (gain):	-	-	-	-	-	-
Actuarial loss (gain)	(31.87)	64.94	-	-	(31.87)	64.94
Return on plan assets excluding interest income	-	-	16.83	21.38	(16.83)	(21.38)
	(31.87)	64.94	16.83	21.38	(48.70)	43.56

Represented by

	31 March 2020	31 March 2019
Defined benefit asset	277.94	318.72
Defined benefit liability	637.55	626.52
Net defined benefit liability	359.61	307.80

The major categories of plans assets for gratuity are as follows

Particulars	31 March 2020			31 March 2019		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Insurer Managed Funds	277.94	-	277.94	286.64	32.07	318.71

Defined benefit obligations
i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2020	31 March 2019
Discount rate	5.83%	7.00%
Salary escalation rate	6%	6%
Mortality rate	IALM (2012-14)	IALM (2012-14) Ult
Employee Attrition Rate		
Upto Age 30	29.00%	29.00%
Age 31-40	23.00%	23.00%
Age 41-50	15.00%	15.00%
Age 51-59	10.00%	10.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows

As at 31 March 2020, the weighted average duration of the defined benefit obligation was 4.57 years (31 March 2019 : 5.04 years)

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Note 38 (Continued)

Employee benefits (Continued)

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (2020 - 1% and 2019 :- 1% movement)	(30.11)	32.54	(15.34)	16.06
Future salary growth (2020 - 1% and 2019 :- 1% movement)	27.46	(26.34)	15.80	(15.25)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The following table shows expense recognised in Profit and Loss account and

	31 March 2020	31 March 2019
Current service cost	90.53	75.57
Past service cost	-	-
Interest income, net	21.15	12.91
	111.68	88.49

The following table shows remeasurement recognised in Other Comprehensive Income

	31 March 2020	31 March 2019
Actuarial loss (gain) /loss on deferred benefit obligation	(31.87)	64.94
Return on plan assets excluding interest income	(16.83)	(21.38)
	(48.70)	43.56

Risk Exposure for gratuity

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

a) Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.

b) Salary growth & Demographic assumptions: The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Note 39

Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programs (equity-settled)

Thomas Cook (India) Limited, the parent company has granted employee stock options to the Company's employees on the dates mentioned below. Under these plan, the holder of the vested options are entitled to purchase the shares of the holding company at exercise price as mentioned below.

The key terms and conditions related to the grants under these plans are as follows;

Plan	Method of Settlement	Grant date	No. of options	Exercise price	Vesting period
GT07NOV2016	Equity	7 November 2016	2.25	Rs. 1	100% of the options vest at the end of the 4 years i.e. 7-Nov-2020
ESOP 2018-MGMT	Equity	13 June 2018	4.22	Rs. 137.93	100% of the options vest at the end of the 3 years i.e. 13-June -2021
ESOP 2018-EXECOM	Equity	5 October 2018	0.97258	Rs. 1	100% of the options vest at the end of the 5 years i.e. 5-Oct-2023

Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant Date	Expiry date/ Expiry Year	Exercise price (Rs.)	March 31,2020 Share options	March 31,2019 Share options
7 November 2016	1 November 2040	1	2.25	2.25
13 June 2018	10 June 2031	137.93	4.22	4.22
5 October 2018	20 September 2043	1	0.97	0.97
Total			7.44	7.44
weighted average remaining contractual life of options outstanding at end of year			15.65 Years	16.65 Years

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SOTC TRAVEL LIMITED

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Notes to the financial statements (Continued)
for the year ended 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

Note 39 (Continued)
Share-based payment arrangements: (Continued)

B. Measurement of fair values

Equity-settled share-based payment arrangements

The fair value of the employee share options has been measured using the Black-Scholes formula. The Black- Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, etc. for the calculation of the fair value of the option. These variables significantly influence the fair value and any changes in these variables could significantly affect the fair value of the option.

Thomas Cook (India) Limited, the holding company ("TCIL") in a composite scheme of arrangement demerged its Human Resources Services Business and transferred it to Quess Corp Limited ("Quess"). The scheme was approved by the National Company Law Tribunal (NCLT) with the appointed date as April 1, 2019. The effective date of the scheme was November 25, 2019 when both TCIL and Quess filed the certified copies of the order with their respective jurisdictional Registrar of Companies.

As a part of the composite scheme, Employees whose ESOPs were outstanding on the effective date will be entitled to the additional shares of Quess on account of the demerger of Human Resource Business. Instead of altering the exercise price, TCIL provided additional award in form of Quess shares.

The employees are now entitled to shares of Quess along with those of TCIL in the same share entitlement ratio prescribed in the scheme for the other shareholders of TCIL.

In case of vested ESOPs, the employees will be granted shares of TCIL and Quess only on payment of the exercise price. In case of unvested ESOPs, the employees will be granted shares of TCIL and Quess on completion of the remaining vesting period and payment of the exercise price.

The options, to the extent, which are settled by shares of Quess do not meet the definition of a share-based payment arrangement because the value of shares of Quess is not based on the price or value of TCIL's equity instruments or any of its group entity's equity instruments.

The options to the extent which are settled by shares of Quess will be considered as an employee benefit within the scope of Ind AS 19.

The options settled by shares of TCIL continue to be considered as share based payments and are accounted as per IND AS 102.

	Key management personnel (March 2020)			Key management personnel (March 2019)		
	GT07NOV2016	ESOP 2018-MGMT	ESOP 2018-EXECOM	GT07NOV2016	ESOP 2018-MGMT	ESOP 2018-EXECOM
Fair value (Esop Expenses)	117.75	83.65	155.80	213.04	149.36	251.01
Fair value (Stock Expenses)	95.29	65.71	95.21	-	-	-
Number of options	2.25	4.22	0.97	2.25	4.22	0.97
Share price at grant date	218.55	248.63	256.20	218.55	248.63	256.20
Exercise price	1.00	137.93	1.00	1.00	137.93	1.00

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programs were as follows:

Particulars	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 March 2020	31 March 2020	31 March 2019	31 March 2019
Options outstanding as at the beginning of the year	7.44	78.64	2.81	1.00
Options granted during the year	-	-	5.19	112.28
Options lapsed/ forfeited during the year	-	-	0.56	1.00
Options outstanding as at the year end	7.44	78.64	7.44	78.64
Options vested and exercisable at the end of the year	-	-	-	-

D Expenses/share option outstanding account arising from share based payment transactions

Total expenses arising from share-based payment related transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	31 March 2020	31 March 2019
Employee ESOP expenses	249.05	205.44
Employee Stock Expenses	44.32	-

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Notes to the financial statements ***(Continued)***
as at 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

Note 40

Related party transactions

(A) Names of related parties by whom control exists

Name of the parties	Relationships
Fairfax Financial Holdings Limited, Canada	Ultimate Holding Company
Thomas Cook (India) Limited	Holding Company

(B) Parties over whom control exists

Relationships	Name of the parties
Subsidiary Company of SOTC Travel Limited	Travel Circle International (Mauritius) Limited (Holding 51% of total Equity,w.e.f 27 June 2017)

(C) Fellow Subsidiaries with whom transactions has taken place during the year

Relationships	Name of the parties
Fellow subsidiaries	TC Visa Services (India) Limited
	Travel Corporation (India) Limited (Amalgamated w.e.f 25th November, 2019)
	TCI-Go Vacation India Pvt Ltd
	Allied Tpro (w.e.f 29th June 2017)
	Luxe Asia Private Limited
	Sterling Holiday Resorts Limited
	Quess Corp Limited (upto 31 March 2019)
	Asian Trails SDN BHD (Malaysia)
	Asian Trails Ltd. (Thailand)
	PT Asian Trails Ltd
	Asian Trails (Vietnam) Co. Ltd
	Kuoni Private Safaris (Pty) Ltd
	Private Safaris EA Ltd
	TC Tours Limited (formerly known as 'Thomas Cook Tours Limited')
	Thomas Cook Tours Limited
	Australia Tours Management Pty Ltd.
	DEI Holdings Ltd
	Thomas Cook (Mauritius) Holidays Limited
	Horizon Travel Services LLC
	Desert Adventures Tourism LLC
	Co-Achieve Solutions Private Limited (upto 31 March 2019)
	Travel Circle International Ltd Hongkong
	Asian Trails Holding Ltd.
	Kuoni Australia Holding Pty Ltd
	Thomas Cook (Mauritius) Operations Co Ltd
	TC Travel Services Limited
	Fairfax India Charitable Foundation
	Travel Corporation (India) Limited (formerly known as SOTC Travel Management Limited)

(D) Key Management Personnel / Directors and Management Council

Particulars	Name of the key management personnel
Managing Director	Mr. Vishal Suri
Directors of the Company	Mr. Madhavan Menon
	Mr. Nilesh Vikamsey
	Mrs.Kishori Udeshi
	Mr. Rahul Bhagat
	Mr. Debasis Nandy
Chief Financial Officer	Mr. Farroukh Kolah
Company Secretary	Ms. Kiran Agarwal (upto 20 May 2020)
Members of Management Council	Mr. Vishal Suri
	Mr. Farroukh Kolah
	Mr. Indiver Rastogi
	Mr. S D Nandakumar
	Mr. Daniel Dsouza
	Mr. Nishant Kolgaonkar (upto 1 July 2019)
	Ms. Deepti Sheth (w.e.f. 15 April 2019)

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SOTC TRAVEL LIMITED

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Notes to the financial statements *(Continued)*
as at 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

Related party transactions *(Continued)*

(E) ***Related parties with whom transactions has taken place during the year***

Particulars	Year	Holding Company	Ultimate Holding Company	Subsidiaries	Fellow subsidiaries	Associates
Income from tours	**2020**	**0.07**	-	-	**1,686.46**	-
	2019	11.74	-	-	1,268.52	-
Cost of tours & related services	**2020**	**3,412.05**	-	-	**9,692.83**	-
	2019	4,215.58	-	-	11,429.17	-
Guarantee fees paid	**2020**	**15.22**	-	-	-	-
	2019	36.41	-	-	-	-
Expenses reimbursed	**2020**	**1,865.84**	-	-	**159.28**	-
	2019	1,538.10	-	-	457.52	-
Expenses recovered	**2020**	**229.67**	-	-	**60.47**	-
	2019	182.12	-	-	77.80	-
Incentive paid (Netted off from Revenue)	**2020**	-	-	-	**265.04**	-
	2019	-	-	-	-	-
Productivity linked bonus income	**2020**	-	-	-	**15.32**	-
	2019	-	-	-	29.15	-
Long term loan	**2020**	**1,100.78**	-	-	-	-
	2019	-	-	-	1,651.16	-
Interest income on long term loan	**2020**	**128.06**	-	-	-	-
	2019	-	-	-	7.17	-
Partial redemption of Preference Shares	**2020**	-	-	-	-	-
	2019	-	-	-	1,400.00	-
Receivables	**2020**	**88.64**	-	-	**1,451.68**	-
	2019	298.65	-	-	908.73	-
Advance to suppliers	**2020**	-	-	-	**17.80**	-
	2019	-	-	-	-	-
Payables	**2020**	**858.83**	-	-	**1,499.57**	-
	2019	508.51	-	-	2,244.21	-

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Notes to the financial statements *(Continued)*
as at 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

Related party transactions *(Continued)*

(F) Names of parties (subsidiaries and fellow subsidiaries) having related party transactions in excess of 10% in line transactions:

Particulars	Fellow subsidiaries	31 March 2020	31-Mar-19
Income from tours	TCI GO Vacation	-	183.59
	TC Tours Limited	930.04	153.66
	Travel Corporation (India) Limited	633.88	931.27
Cost of tours and related services *	TC Tours Limited	5,111.95	6,872.42
	Horizon Travel Services LLC	2,383.63	1,898.33
Expenses reimbursed	Travel Corporation (India) Limited	71.23	399.00
	Horizon Travel Services LLC	83.85	44.80
Expenses recovered	Travel Corporation (India) Limited	36.96	58.02
	TC Travel Services Limited	11.00	10.56
Incentive paid (Netted off from Revenue)	TC Tours Limited	265.04	-
Productivity linked bonus	TC Tours Limited	15.32	29.15
Partial Redemption of Preference Shares	Travel Corporation (India) Limited	-	1,400.00
Long term loan	Travel Corporation (India) Limited	-	1,651.16
Interest income on long term loan	Travel Corporation (India) Limited	101.21	7.17
Receivables	Travel Corporation (India) Limited	237.00	574.67
	TCI GO Vacation	-	95.38
	TC Tours Limited	1,157.04	182.81
Payables	Travel Corporation (India) Limited	-	246.81
	TC Tours Limited	1,239.05	1,802.13
Advance to suppliers	Luxe Asia Private Limited	17.80	-

(G) *Related parties with Holding and Ultimate Holding Company*

Particulars	Holding and Ultimate Holding Company	31 March 2020	31 March 2019
Income from tours	Thomas Cook (India) Limited	0.07	11.74
Cost of tours and related services	Thomas Cook (India) Limited	3,412.05	4,215.58
Expenses reimbursed	Thomas Cook (India) Limited	1,865.84	1,538.10
Expenses recovered	Thomas Cook (India) Limited	229.67	182.12
Guarantee Fees paid	Thomas Cook (India) Limited	15.22	36.41
Loan Receivable	Thomas Cook (India) Limited	1,100.78	-
Interest income on long term loan	Thomas Cook (India) Limited	26.85	-
Receivables	Thomas Cook (India) Limited	88.64	298.65
Payables	Thomas Cook (India) Limited	858.83	508.51

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Notes to the financial statements *(Continued)*
as at 31 March 2020

(All amount in Rs Lakhs, unless otherwise stated)

(H) Transactions with Key Management Personnel

Particulars	31 March 2020	31 March 2019
Salaries and other employee benefits to whole-time directors and executive officers		
Mr. Vishal Suri	206.75	239.28
Mr. Farroukh Kolah (w.e.f. 23rd January 2019)	56.32	13.02
Ms. Kiran Agarwal	21.71	21.94
Mr. S D Nandakumar	104.76	115.23
Mr. Daniel Dsouza	95.80	-
Mr. Nishant Kolgaonkar (upto 1 July 2019)	-	70.25
Mr. Manoj Chacko (upto 20th September 2018)	-	62.28
Mr. Nitin Menon (upto 19th December 2018)	-	54.24
Ms. Deepti Sheth (w.e.f. 15 April 2019)	40.33	-
Commission and other benefits to non-executive/independent directors	-	-

Note 41
Other information with regards other matters specified in schedule III of the Companies Act 2013 is either nil or not applicable to the company for the financial year ended 31 March 2020.

Note 42
Thomas Cook (India) Limited, the holding company, prepares consolidated financial statement under Ind AS, hence Company has availed the exemption for preparing consolidated financial statement under Ind AS 110.

The notes from 1 to 42 form an integral part of the financial statements.
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
8 JUNE 2020

For and on behalf of the Board of Directors of
SOTC Travel Limited
[CIN:U63040MH2001PLC131691]

Madhavan Menon
Chairman
[DIN: 00008542]

Vishal Suri
Managing Director
[DIN: 06413771]

Farroukh Kolah
Chief Financial Officer
Mumbai
28 MAY 2020

B S R & Co. LLP
Chartered Accountants

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Independent Auditors' Report

To the Members of SOTC Travel Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SOTC Travel Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 1C of the financial statements, the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management. Our opinion is not modified in respect of this matter.

B S R & Co. Chartered Accountants, Lodha Excelus, Apollo Mills, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India

Independent Auditors' Report *(Continued)*

SOTC Travel Limited

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

B S R & Co. LLP 5th Floor, Apollo Mills Compound, Mahalaxmi, Mumbai-400011. India Chartered Accountants

Independent Auditors' Report *(Continued)*

SOTC Travel Limited

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B S R & Co. LLP
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Chartered Accountants

Independent Auditors' Report *(Continued)*

SOTC Travel Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 33 to the financial statements;.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

B S R & Co. LLP
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Chartered Accountants

Independent Auditors' Report *(Continued)*

SOTC Travel Limited

Report on Other Legal and Regulatory Requirements *(Continued)*

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No. 042070
UDIN No. : 20042070AAAACF1011

Mumbai
08 June 2020

SOTC Travel Limited

Annexure A to the Independent Auditor's Report on the financial statements of SOTC Travel Limited for the year ended 31 March 2020.

(Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of two years. In accordance with this programme, a portion of the property, plant and equipment have been physically verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held by the Company. Accordingly, paragraph (3) (i) (c) of the Order is not applicable.

(ii) The Company is a service company and thus, it does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company

(iii) In our opinion and according to the information and explanations give to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to guarantees and loan given.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) As informed to us by the management, the Central Government has not prescribed the maintenance of cost records under section 148 of the Act for any of the goods sold and services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of the undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Professional tax, Goods and Service Tax, and other material statutory dues, as applicable, have been generally regularly deposited during the year by the Company with the appropriate authorities in all cases during the year.

B S R & Co. LLP 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India. Chartered Accountants

SOTC Travel Limited

Annexure A to the Independent Auditor's Report on the financial statements of SOTC Travel Limited for the year ended 31 March 2020 *(Continued)*

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, , Goods and Service Tax, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable except the following.

Name of the statute	Nature of the dues	Amount (Rs.)	Period for which the amount related	Due Date	Date of Payment
Professional Tax	Professional Tax	86,853	2019-2020	Multiple dates between April 19 to March 2020	Not paid

(b) According to the information and explanations given to us, there are no dues of Provident fund, Employees' State Insurance, Income tax, Service tax and Goods and Service Tax, which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Nature of Statute	Nature of Dues	Amount Demanded	Amount deposited under Disputes	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax demand including penalty	227,772,514	17,082,938	2006-2015	CESTAT
The Finance Act, 1994	Service tax demand including penalty	81,11,575	6,08,368	2008-2013	CESTAT
The Finance Act, 1994	Service tax demand including penalty	64,06,240	4,80,468	2006-2010	CESTAT
The Finance Act, 1994	Service tax demand including penalty	7,03,04,341	52,72,825	2006-2009	CESTAT
The Finance Act, 1994	Service tax demand including penalty	1,27,41,876	9,55,640	2006-2012	CESTAT
The Finance Act, 1994	Service tax demand including penalty	6,0559,936	45,44,995	2015-2016	CESTAT
The Finance Act, 1994	Service tax demand including penalty	2,99,37,382	0	2009-2011	Commissioner of Service Tax
The Finance Act, 1994	Service tax demand including penalty	84,45,459	0	2011-2015	Assistant Commissioner Service Tax
The Finance Act, 1994	Service tax demand including penalty	5,51,55,894	0	2016-2018	Commissioner of Service Tax

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to its banks and financial institutions. The Company did not have any loans or borrowings from government or dues to debenture holders during the year.

B S R & Co. 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India Chartered Accountants

SOTC Travel Limited

Annexure A to the Independent Auditor's Report on the financial statements of SOTC Travel Limited for the year ended 31 March 2020 *(Continued)*

(ix) In our opinion and according to the information and explanations give to us, the Company has utilized the money raised by way of term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

(x) According to the information and explanations given to us, there no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

R. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No. 042070
UDIN No. : 20042070AAAACF1011

Mumbai
08 June 2020

SOTC Travel Limited

Annexure B to the Independent Auditors' report on the financial statements of SOTC Travel Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of SOTC Travel Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

B S R & Co. Chartered Accountants Lodha Excelus Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai India

SOTC Travel Limited

Annexure B to the Independent Auditors' report on the financial statements of SOTC Travel Limited for the year ended 31 March 2020 *(Continued)*

Auditors' Responsibility *(Continued)*

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No. 042070
UDIN No. : 20042070AAAACF1011

Mumbai
08 June 2020

Travel Corporation (India) Limited
(Formerly known as SOTC Travel management private limited)
Balance sheet
as at 31 March 2020

(Currency : Indian rupees)

		Note	31 March 2020	31 March 2019
I.	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	2	19,45,70,686	18,67,14,297
	(b) Capital work-in-progress	2	-	-
	(c) Right Of Use Asset	2	14,41,28,878	-
	(d) Other intangible assets	3	88,04,635	1,22,60,216
	(e) Financial assets :			
	(i) Investments	4	3,21,41,776	1,49,69,133
	(ii) Loans	5	3,74,04,563	3,87,27,823
	(f) Deferred tax assets (net)	6	4,57,17,140	4,27,74,756
	(g) Other non-current assets	7	86,36,135	72,50,212
	Total non current assets		47,14,03,813	30,26,96,437
(2)	**Current assets**			
	(a) Financial assets :			
	(i) Investments	8	-	41,05,15,261
	(ii) Trade receivables	9	45,50,85,666	53,07,55,723
	(iii) Cash and cash equivalents	10 (a)	44,48,06,819	54,36,67,344
	(iv) Bank balances other than cash and cash equivalents above	10 (b)	40,18,64,543	17,38,233
	(v) Loans	11	85,69,388	1,19,18,113
	(vi) Other current financial assets	12	35,95,54,823	5,27,53,115
	(vii) Derivative assets	13	-	1,21,00,542
	(b) Other current assets	14	31,30,95,844	1,85,34,64,038
	Total current assets		1,98,29,77,083	3,41,69,12,369
	TOTAL ASSETS		2,45,43,80,896	3,71,96,08,806
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
	(a) Equity share capital	15	1,00,000	1,00,000
	(b) Share Capital Suspense	15	-	1,99,01,93,960
	(c) Other equity			
	(i) Instruments entirely equity in nature	16	1,99,01,93,960	-
	(ii) Reserves and surplus	16	(1,23,95,58,745)	(1,63,34,05,027)
	Total equity		75,07,35,215	35,68,88,933
(2)	**Non current liabilities**			
	(a) Financial liabilities:			
	(i) Lease Liability	17	9,79,23,762	41,35,084
	(b) Provisions	18	1,93,13,984	62,10,110
	Total non current liabilities		11,72,37,746	1,03,45,194
(3)	**Current liabilities**			
	(a) Financial liabilities :			
	(i) Short Term Borrowings	19	11,49,45,817	-
	(ii) Lease Liability	20	5,70,35,806	31,67,869
	(iii) Trade payables			
	1 Dues of micro enterprises and small enterprises	35	1,29,849	2,11,709
	2 Dues of creditors other than micro enterprises and small enterprises	21	1,14,20,00,590	2,97,12,45,958
	(iv) Other financial liabilities	22	1,78,37,919	7,52,99,302
	(v) Derivative liabilities	23	1,03,79,363	-
	(b) Other current liabilities	24	22,96,02,133	29,88,33,894
	(c) Short-term provisions	25	37,58,065	36,15,947
	(d) Current tax Liability	26	1,07,18,393	-
	Total current liabilities		1,58,64,07,935	3,35,23,74,679
	Total liabilities		1,70,36,45,681	3,36,27,19,873
	TOTAL EQUITY AND LIABILITIES		2,45,43,80,896	3,71,96,08,806

Significant accounting policies
The notes from 1 to 48 form an integral part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
2 June 2020

For and on behalf of the Board of Directors of
Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
Gurugram

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer

Gurugram
26 May 2020

Megha Sekharan
Company Secretary

Mumbai
26 May 2020

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management private limited)

Statement of profit and loss

for the year ended 31 March 2020

(Currency : Indian rupees)

		Note	For the year ended 31 March 2020	For the year ended 31 March 2019
(1)	**Revenue**			
	(a) Revenue from operations	27	**4,68,27,74,553**	5,90,71,69,222
	(b) Other income	28	**38,30,82,963**	45,34,89,535
	Total income		**5,06,58,57,516**	6,36,06,58,757
(2)	**Expenses**			
	(a) Cost of tours	29	**3,59,11,11,552**	4,68,42,23,243
	(b) Employee benefits expense	30	**57,55,46,349**	57,29,99,816
	(c) Finance costs	31	**1,83,46,057**	32,20,242
	(d) Depreciation and amortization expenses	2,3	**12,87,58,046**	5,41,48,429
	(e) Other expenses	32	**26,32,10,306**	34,32,98,453
	Total expenses		**4,57,69,72,310**	5,65,78,90,183
(3)	**Profit before tax**		**48,88,85,206**	70,27,68,574
(4)	**Tax expense:**			
	(a) Current tax	6	**12,37,45,330**	20,57,37,106
	(b) Short / (excess) tax provisions net for earlier years	6	**-**	41,89,788
	(c) Deferred tax	6	**(10,13,029)**	2,39,64,472
(5)	**Profit after tax**		**36,61,52,905**	46,88,77,208
(6)	**Other comprehensive income (OCI)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of defined benefit plan		**(76,65,904)**	6,61,434
	(ii) Income tax expense on remeasurement benefit of defined benefit plans		**19,29,355**	(2,31,105)
	Other comprehensive (loss)/income (net of tax)		**(57,36,549)**	4,30,329
(7)	**Total comprehensive income for the year**		**36,04,16,356**	46,93,07,537
(8)	**Earnings per equity share**			
	(i) Basic	33	**36,615.29**	46,887.72
	(ii) Diluted	33	**1.84**	2.36

Significant accounting policies

The notes from 1 to 48 form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B.H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
2 June 2020

For and on behalf of the Board of Directors of Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
Gurugram

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer
Gurugram
26 May 2020

Megha P.S.

Megha Sekharan
Company Secretary
Mumbai
26 May 2020

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management private limited)

Statement of cash flows

for the year ended 31 March 2020

(Currency : Indian rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flows from operating activities:		
Profit before tax	48,88,85,206	70,27,68,574
Adjustments for:		
Depreciation of Property, plant and equipment	5,93,84,705	5,07,30,611
Amortisation of intangible assets	46,13,704	34,17,818
Depreciation of ROU asset	6,47,59,637	-
(Gain)/loss on sale of property, plant and equipment and ROU Asset	(15,42,055)	47,44,535
Unclaimed credit balances no longer required, written back	(2,10,25,094)	(85,69,218)
Excess provision no longer requried, written back	(32,66,15,412)	(23,93,24,849)
Operational lease rentals - rent discounted	32,03,320	56,62,089
Bad debts and Provision for doubtful debts and advances	34,49,469	1,03,119
Net unrealised foreign exchange differences	1,77,83,710	(5,01,16,299)
Expenses on employees stock options schemes (net)	3,34,29,931	3,17,76,621
Dividend income on investment in associate	(1,37,20,000)	-
Interest on ROU Lease Liability	1,72,63,608	3,37,664
Interest income	(1,19,08,361)	(57,78,385)
Interest income - others	(30,73,684)	(34,29,996)
Gain on sale of investment in mutual fund	(1,74,14,754)	(1,77,67,457)
Remeasurements of defined benefit liability/(asset)	(76,65,904)	6,61,434
	28,98,08,026	47,52,16,261
Working capital Changes		
Decrease/(increase) in trade and other receivables	8,88,56,372	(4,56,48,153)
Decrease/(increase) in other assets	1,59,92,01,000	(52,05,66,821)
(Increase)/decrease in Loans & Advances	(56,58,752)	56,62,654
(Decrease)/increase in trade & other payables, other financial liabilities and current liabilities	(1,59,27,95,509)	36,80,91,721
Increase in provisions and employee benefits	1,32,45,992	12,23,380
Net cash flow from operations after working capiat adjustments	39,26,57,129	28,39,79,042
Income tax Refund/(paid)	(11,30,26,939)	-
Net cash flows from operating activities	27,96,30,190	28,39,79,042
Cash flows from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(8,41,70,254)	(11,69,40,861)
Acquisition of investment in mutual funds	(67,31,30,00,000)	(37,08,28,00,000)
Acquisition of investment in fixed deposit	(2,23,76,26,310)	(32,17,38,233)
Proceeds from disposal/redemption of investment in mutual fund	67,74,09,30,016	36,99,02,46,613
Proceeds from disposal/redemption of investment in fixed deposit	1,48,75,00,000	32,00,00,000
Proceeds from sale of property, plant and equipment	50,21,709	13,77,367
Interest received	52,26,832	45,87,453
Dividend received from investment in associate	1,37,20,000	-
Net cash flows from/(used in) investing activities	(38,23,98,007)	(20,52,67,661)
Cash flows from financing activities:		
Proceeds from lease liability	-	73,02,953
Repayment of lease liability	(5,31,90,942)	-
Finance charges paid	(1,72,63,608)	(3,37,664)
Net cash flows from/ (used in) financing activities	(7,04,54,550)	69,65,289
Net (decrease) in cash and cash equivalents	(17,32,22,367)	8,56,76,670
Cash and cash equivalents at the beginning of the period	51,79,77,290	65,73,33,414
Reserve transferred on account of Composite Scheme of Arrangement & Amalgamation	-	(24,17,03,513)
Exchange difference on translation of foreign currency cash and cash equivalents	(1,48,93,921)	1,66,70,719
Cash and cash equivalents at the end of the period	32,98,61,002	51,79,77,290

Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India

Chartered Accountants

Note:

(a) Components of cash and cash equivalents :

Cash on hand	**95,67,930**	1,98,36,607
Balances with scheduled banks		
-- Current Account	**5,90,97,158**	14,41,78,793
-- EEFC Account	**7,61,41,731**	37,96,51,944
-- Deposit Account (with original maturity of 3 months or less)	**30,00,00,000**	-
Less: Bank overdraft	**(11,49,45,817)**	(2,56,90,054)
	32,98,61,002	51,79,77,290

(b) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS) 7- " Cash Flow Statements".

(c) Reconciliation of movements of liabilities to cash flows arising from financing activities are as below :

Particulars	**ROU Lease (Including finance lease)**
Balance as on April 1, 2019	**73,02,953**
Cash flow: inflow / (outflow)	**(5,31,90,942)**
Due to transition to IND As 116	**-**
Balance as on March 31, 2019	**(4,58,87,989)**
Balance as on April 1, 2018	-
Cash flow: inflow / (outflow)	73,02,953
Shares issued on account of merger (Refer Note 42)	-
Balance as on March 31, 2019	73,02,953

Significant accounting policies

The notes from 1 to 48 form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
2 June 2020

Dipak Deva
Managing Director
[DIN:02030005]
Gurugram

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer

Gurugram
26 May 2020

Megha Sekharan
Company Secretary

Mumbai
26 May 2020

Travel Corporation (India) Limited
(Formerly known as SOTC Travel management private limited)
Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2020

(Currency : Indian rupees)

(a) Equity share capital

	31 March 2020 No. of Shares	Amount	31 March 2019 No. of Shares	Amount
At the commencement of the year	**10,000**	**1,00,000**	10,000	1,00,000
Changes in equity share capital during the year [refer Note 15]	-	-	-	-
At the end of the year	**10,000**	**1,00,000**	**10,000**	**1,00,000**

(b) Other equity

Particulars	Instruments entirely equity in nature: Preference shares	Reserves and surplus: Retained earning	Reserves and surplus: Employee share option outstanding	Reserves and surplus: Capital Reserve	Total other equity
Balance at 1 April 2018	-	(71,709)	-	-	(71,709)
Profit for the year	-	46,88,77,208	-	-	46,88,77,208
Other comprehensive income, net of tax	-	4,30,329	-	-	4,30,329
Share-based payments [Note 47]	-	-	3,17,76,621	-	3,17,76,621
Adjustment on account of merger [Note 42]	-	(46,93,51,710)	(3,17,76,621)	(1,63,32,89,144)	(2,13,44,17,475)
Balance at 1 April 2019	-	(1,15,882)	-	(1,63,32,89,144)	(1,63,34,05,026)

Particulars	Instruments entirely equity in nature: Preference shares	Reserves and surplus: Retained earning	Reserves and surplus: Employee share option outstanding	Reserves and surplus: Capital Reserve	Total other equity
Balance at 1 April 2019	-	**(1,15,882)**	-	**(1,63,32,89,144)**	**(1,63,34,05,026)**
Profit for the year	-	**36,61,52,905**	-	-	**36,61,52,905**
Other comprehensive income, net of tax	-	**(57,36,555)**	-	-	**(57,36,555)**
Share-based payments [Note 47]	-	-	**3,34,29,931**	-	**3,34,29,931**
Shares issued during the year [Note 42]	**1,99,01,93,960**	-	-	-	**1,99,01,93,960**
Balance at 31 March 2020	**1,99,01,93,960**	**36,03,00,468**	**3,34,29,931**	**(1,63,32,89,144)**	**75,06,35,215**

BSR & Co. LLP, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011, India, Chartered Accountants

Significant accounting policies
The notes from 1 to 48 form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B.H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
2 June 2020

For and on behalf of the Board of Directors of
Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
Gurugram

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Megha.P.S

Sanjay Shroff
Chief Financial Officer

Megha Sekharan
Company Secretary

Gurugram
26 May 2020

Mumbai
26 May 2020

1 Company overview

Travel Corporation (India) Limited is engaged in Travel and Tourism business and working as Travel agent and Tour operator. The Company mainly operates in Inbound Tours. During the year Composite scheme of Arrangement and Amalgamation has taken place pursuant to which inbound business of the company consisting of business of handling inward foreign tourist activity is transferred to SOTC Travel Management Private Limited. The name of SOTC Travel Management Private Limited was changed to SOTC Travel Management Limited and then further changed to Travel Corporation (India) Limited. The Company is held by Thomas Cook (India) Limited (100 %).

1B Significant accounting policies

1B.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost at the end of each reporting period, as explained in the accounting policies below.The financial statements were authorized for issue by the Company's Board of Directors on 26th May 2020.The financial statements are presented in Indian Rupees ('INR') or ('Rs') which is also the company's functional currency.

As per the Notification No. G.S.R. 742 (E) dated 27 July 2016, the company has availed exemption from preparing the Consolidated Financial Statement under Rules 6 of the Companies (Accounts) Rules 2014.

1B.2 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS required the management of the Company to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of facts and circumstances as at the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

1B Significant accounting policies *(Continued)*

1B.2 Use of estimates and judgements (Continued)

Note 6- Recognition of deferred tax assets

Note 45- Estimation of inputs for fair value of Share based payment instrument

Note 34C-Determining the amount of expected credit loss on financial assets (including trade receivables)

Note 39-Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statement is included in the following notes:

Note 2 and 3- Estimate of useful life used for the purposes of depreciation and amortization on property plant and equipment, investment property and intangible assets;

Note 18 & 38- Measurement of defined benefit obligations: key actuarial assumptions;

Note 40-Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 34 – Fair Value of financial instrument.

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

1B.3 Current / non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within 12 months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

1B Significant accounting policies *(Continued)*

1B.3 Current / non-current classification (Continued)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within 12 months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the above definition and the nature of services provided, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

1B.4 Property Plant and Equipment's

Measurement at recognition:

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance is charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation:

Depreciation is provided pro-rata to the period of use, under the straight line method, over the estimated useful lives of the assets. The Company believes that the existing useful lives represents the best useful estimated lives of the assets and are at the rates which corresponds to the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Assets	Estimated useful life (in years)
Office Building	60
Furniture & Fixtures	10
Office equipment's (including air conditioners)	5
Vehicles	8
Computers	3
Computer Servers/Network	6

1B Significant accounting policies *(Continued)*

1B.4 Property Plant and Equipment's (Continued)

Depreciation: *(Continued)*

Leasehold Improvements are amortized over the period of the lease or useful life of the asset whichever is lower.

Property, plant and equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

1B.5 Intangible assets

Measurement at recognition:

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required.

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits

1B Significant accounting policies *(Continued)*

1B.5 Intangible assets (Continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Amortisation:

Amortisation methods and periods:

Asset	Useful Life
Software	4 years

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

1B.6 Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

1B Significant accounting policies *(Continued)*

1B.7 Fair value measurement

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

- In the principle market for the asset or liability, or
- In the absence of a particular market, in the most advantageous market for the asset or liability

The principle or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above.

1B Significant accounting policies *(Continued)*

1B.8 Financial instruments

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

i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement , a financial asset is classified as measured at

- Amortized Cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

a. Equity investment

The Company subsequently measures all equity investments in companies other than equity investments in subsidiaries, joint ventures and associates at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Subsequent measurement

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

1B Significant accounting policies *(Continued)*

1B.8 Financial instruments (Continued)

i. Financial assets *(Continued)*

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., bank balance, deposits and loans

b) Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

1B Significant accounting policies *(Continued)*

1B.8 Financial instruments (Continued)

i. Financial assets *(Continued)*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

ii. Financial liabilities

Classification

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gain and losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

Derecognition

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss account. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1B significant accounting policies *(Continued)*

1B.9 Revenue recognition

Revenue is measured based on transaction price, which is the consideration paid for services. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue from rendering of services is net of Indirect taxes and discounts.

(a) Income from operations

The Company earns revenue primarily from Travel and Tourism business and working as Travel agent and Tour operator in In-bound tours. Revenue from inbound tour packages are recognized on the completion of the performance obligation which is on the date of arrival of the tour.

It also includes income from the sale of airline tickets which is recognized as an agent on the basis of net commission earned, at the time of issuance of tickets, as the Company does not assume any performance obligation post the confirmation of the issuance of an airline ticket to the customer. Performance linked bonuses from airlines are recognized as and when the performance obligations under the schemes are achieved.

Commission income (net) from hotel and other travel services such as, optional tours etc. are recognized at the time of providing the service.

Marketing fees and other incentive income are recognized when it's is confirmed.

Annual shopping commission revenue is recognized over the period of the contract.

Facility support income is recognized on accrual basis over the period of the agreement.

(b) Other Income

Dividend income is recorded when the right to receive payment is established.

Interest income is recognised using the effective interest method.

Export benefits, incentive & licenses are recognised as income when the application is made to receive the credit scrips as per terms of scheme and when there is no significant uncertainty regarding ultimate collection.

(c) Contract balances (effective from 1st April 2018)

(i) Contract assets

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company performs by rendering services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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1B significant accounting policies *(Continued)*

1B.9 Revenue recognition (Continued)

(c) Contract balances (effective from 1st April 2018) *(Continued)*

(ii) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

1B.10 Cost recognition

Costs and expenses are recognized when incurred and have been classified according to their primary nature. The costs of the company are broadly categorised in Cost of tour, employee benefit expenses, depreciation and amortization and other operating expenses. Cost of tour include guide cost, accommodation cost, transport cost etc. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include advertisement, repair & maintenance, rent, travelling and conveyance, legal and professional fees and communication expense.

1B.11 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

B.12 Employee benefits

(a) Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, e.g. salaries, short term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount can be estimated reliably.

(b) Post-employment benefits

Defined contribution plan

The Company's provident fund contribution paid / payable under the recognized provident fund scheme and the employees' state insurance contribution is recognized as an expense in the Statement of profit and loss during the period in which the employee renders the related service.

1B significant accounting policies *(Continued)*

B.12 Employee benefits (Continued)

(b) Post-employment benefits (Continued)

Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods. The benefits are discounted to determine its present value.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation by an independent actuary at each balance sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligations under the defined benefit plan are based on the market yields on government bonds as at the balance sheet date. When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

Provident Fund

The Company makes specified monthly contribution towards the employees' provident fund to the provident fund trust administered by the Company. The minimum interest payable by the provident fund trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on respective investments of the trust and the notified interest rate.

(c) Compensated absences

The accrual for unutilized leave balance is determined for the entire available leave balance standing to the credit of the employees at period-end. The leave balance eligible for carry – forward is valued at gross compensation cost.

1B Significant accounting policies *(Continued)*

1B.12 Employee benefits (Continued)

(d) Share based payments (Continued)

The grant-date fair value of share-based payment awards – i.e. stock options – granted to employees is recognized as personnel expenses, with a corresponding increase in equity, over the period in which the employees become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

1B.13 Foreign currency transactions

Foreign currency transactions are recorded into Indian rupees using the exchange rates prevailing on the date of the respective transactions. Exchange difference arising on foreign currency transactions, between the actual rate of settlement and the rate on the date of the transactions, is charged or credited to the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates prevailing on the balance sheet date and the overall net exchange gain or loss on such conversion, if any, is credited / charged to the Statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transactions. Non-monetary foreign currency items are carried at historical cost. A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

1B.14 Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1B Significant accounting policies *(Continued)*

1B.14 Taxation (Continued)

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company's is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company's expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognized. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognized.

1B.15 Earnings per share ('EPS')

Basic EPS is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

1B Significant accounting policies *(Continued)*

1B.16 Leases

"Changes in accounting policies"

Transition to Ind AS 116 "Leases"

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019, if any. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not been applied to comparative information.

Refer note 1B.17 – significant accounting policies – leases for the year ended 31 March 2019,for the policy as per Ind AS 17.

As a lessee

As a lessee, the Company leases mainly Buildings and Vehicles. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly the entire risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for these leases.

Leases classified as operating leases under Ind AS 17

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application.

The Company used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- excluded initial direct costs from the measurement of right-of-use assets at the date of initial application for majority of lease contracts.

1B Significant accounting policies *(Continued)*

1B.16 Leases (Continued)

Leases classified as operating leases under Ind AS 17 *(Continued)*

- relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company recognized additional right-of-use assets and additional lease liabilities, there is nil difference and therefore no amount has been recognized in retained earnings. The impact on transition [increase/(decrease)] is summarized below:

(₹ in lakhs)

	As at 1st Apr 2019
Right of Use Asset (A)	2163.07
Lease liabilities (B)	2162.05
Amount adjusted due to finance lease transition (C)	1.01
Retained Earnings (A-B+C)	Nil

For the impact of Ind AS 116 on profit or loss for the FY 19-20, refer Note 2 and Note 31. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets, and finance cost for interest accrued on lease liability.

When measuring the lease liabilities for leases that were classified as operating leases, the Company discounted the lease payments using its incremental borrowing rate at 1 April 2019.

The weighted average incremental borrowing rate of 9% Per annum has been applied to lease liabilities recognized in the Balance Sheet at the date of initial application. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, change in lease term and reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116.

(₹ in lakhs)

	As at 1st Apr 2019
Operating lease commitment at 31 March 2019 as disclosed in the Company's financial statements	2504.08
Discounted using incremental borrowing rate & extension and termination options reasonably certain to be exercised (A)	2089.04
Others* (B)	73.03
Lease liability recognised at 1 April 2019 (A+B)	
	2163.07

*Others refers to finance lease inclusion in ROU lease as at 1 April 2019.

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1B Significant accounting policies *(Continued)*

1B.16 Leases (Continued)

As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

1B.17 Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present 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 recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed, unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

1B.18 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

Travel Corporation (India) Limited

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as at 31 March 2020

(Currency : Indian rupees)

2 Property, plant and equipment

Particulars	Computer hardware	Furniture and fixtures	Vehicles (i)	Office equipment	Total
Gross carrying value as at 31 March 2018	-	-	-	-	-
Add: Assets acquired on account of Merger (Note 42)	3,50,69,077	5,99,63,218	6,82,36,720	2,24,22,336	18,56,91,352
Add:Additions during the year	71,92,267	2,32,44,994	6,92,51,358	76,95,843	10,73,84,462
Less:Deletion during the year	5,38,943	19,38,545	66,71,006	1,90,341	93,38,835
Gross carrying value as at 31 Mar 2019	4,17,22,401	8,12,69,668	13,08,17,072	2,99,27,837	28,37,36,978
Add:Additions during the year	**77,04,847**	**34,67,598**	**6,61,31,063**	**14,58,201**	**7,87,61,708**
Less:Deletion during the year	**11,17,912**	**1,08,974**	**98,76,904**	**50,814**	**1,11,54,603**
Less: On account of Transition to Ind AS 116 {refer Note (i)}	-	-	**79,13,647**	-	**79,13,647**
Gross carrying value as at 31 Mar 2020	**4,83,09,337**	**8,46,28,292**	**17,91,57,585**	**3,13,35,224**	**34,34,30,437**
Accumulated depreciation as at 31 March 2018	-	-	-	-	-
Add: Assets acquired on account of Merger (Note 42)	1,78,82,891	2,10,58,240	(86,90,660)	1,92,58,531	4,95,09,003
Add:Depreciation charge during the year	1,02,76,304	2,13,36,159	1,71,06,528	20,11,620	5,07,30,611
Less:Depreciation on Deletion during the year	5,38,943	17,48,905	7,39,566	1,89,519	32,16,933
Accumulated depreciation as at 31 March 2019	2,76,20,252	4,06,45,495	76,76,302	2,10,80,632	9,70,22,681
Add:Depreciation charge during the year	**97,60,804**	**2,45,99,377**	**2,26,06,073**	**24,18,451**	**5,93,84,705**
Less:Depreciation on Deletion during the year	**10,85,172**	**1,03,318**	**57,98,940**	**50,814**	**70,38,244**
Less: On account of Transition to Ind AS 116 {refer Note (i)}	-	-	**5,09,393**	-	**5,09,393**
Accumulated depreciation as at 31 March 2020	**3,62,95,884**	**6,51,41,554**	**2,39,74,043**	**2,34,48,270**	**14,88,59,750**
Carrying value as at 31 March 2019	1,41,02,149	4,06,24,173	12,31,40,770	88,47,205	18,67,14,297
Carrying value as at 31 March 2020	**1,20,13,453**	**1,94,86,738**	**15,51,83,542**	**78,86,954**	**19,45,70,686**

(i) Leased Assets:

Vehicles includes the following amounts for the year ended 31 march 2019 ,where the company is a lessee under a finance lease. From 1 April 2019 same has been transferred to ROU Asset on account of transition to IND As 116:

Particulars	March 31, 2020	March 31, 2019
Cost/Deemed Cost	79,13,646	79,13,646
Less: On account of Transition to Ind AS 116	79,13,646	-
Accumulated Depreciation	5,09,393	5,09,393
Less: On account of Transition to Ind AS 116	5,09,393	-
Net Carrying Amount	-	74,04,253

2 Capital work-in-progress

As at 31 March 2018	-
Add: Acquired on account of Merger	-
Add:Additions during the year	2,33,75,194
Less:Assets capitalised during the year	2,33,75,194
As at 31 March 2019	-
Add:Additions during the year	48,553
Less:Assets capitalised during the year	48,553
As at 31 March 2020	-

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2 Right of use Asset

Particulars	ROU Assets - Building	ROU Assets - Vehicles	Total
Gross carrying amount:			
Balance as at 31 March 2019	-	-	-
On account of Transition to Ind AS 116	20,89,02,355	79,13,647	21,68,16,002
Add:Additions during the year	58,22,167	-	58,22,167
Less:Deletion during the year	2,05,15,821	-	2,05,15,821
Closing gross carrying amount as at 31 March 2020	**19,42,08,700**	**79,13,647**	**20,21,22,347**
Gross Accumulated Depreciation :			
Balance as at 31 March 2019	-	-	-
On account of Transition to Ind AS 116	-	5,09,393	5,09,393
Add:Depreciation charge during the year	6,26,58,545	21,01,092	6,47,59,637
Less:Depreciation on Deletion during the year	72,75,561	-	72,75,561
Closing accumulated depreciation as at 31 March 2020	**5,53,82,984**	**26,10,485**	**5,79,93,469**
Net carrying amount as at 31 March 2020	**13,88,25,716**	**53,03,162**	**14,41,28,878**

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Travel Corporation (India) Limited

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as at 31 March 2020

(Currency : Indian rupees)

3 Other intangible assets

Particulars	Computer Software
Gross carrying value as at 31 March 2018	-
Add: Assets acquired on account of Merger (Note 42)	3,09,95,993
Add:Additions during the year	95,56,399
Less:Deletion during the year	1,47,58,203
Gross carrying value as at 31 Mar 2019	2,57,94,189
Add:Additions during the year	11,58,123
Less:Deletion during the year	-
Gross carrying value as at 31 Mar 2020	**2,69,52,312**
Accumulated depreciation as at 31 March 2018	-
Add: Assets acquired on account of Merger (Note 42)	2,48,74,358
Add:Amortisation charge during the year	34,17,818
Less:Amortisation on Deletion during the year	1,47,58,203
Accumulated depreciation as at 31 March 2019	1,35,33,973
Add:Amortisation charge during the year	46,13,704
Less:Amortisation on Deletion during the year	-
Accumulated depreciation as at 31 March 2020	**1,81,47,677**
Carrying value as at 31 March 2019	1,22,60,216
Carrying value as at 31 March 2020	**88,04,635**

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Notes to the financial statements *(Continued)*

as at 31 March 2020

(Currency : Indian rupees)

		31 March 2020	31 March 2019
4	**Investments**		
I.	**Investments in Equity instruments** Unquoted investments *		
	Investment in subsidiaries:		
	14,248 (31 March 2019: 14,248) equity shares of Nepali Rs 100, fully paid up, of SITA World Travel (Nepal) Private Limited (of these 3,720 equity shares were allotted as fully paid bonus shares)	**42,51,955**	42,51,955
	190,000 (31 March 2019: 190,000) equity shares of Sri Lankan Rs 10, fully paid up, of SITA World Travel Lanka (Pvt.) Limited (of these 40,000 equity shares were allotted for consideration other than cash)	**9,17,178**	9,17,178
	Investment in Joint Venture:		
	980,000 (31 March 2019: 980,000) Equity shares of Rs. 10 each,fully paid up, of TCI Go Vacation india Private Limited.	**98,00,000**	98,00,000
II.	**Investments in Preference Shares**		
	Investment in subsidiary:		
	43,09,894 (31 March 2019:Nil) Optionally Convertible Redeemable Preference share of Sri Lankan Rs 10 each, fully paid up, of SITA World Travel Lanka (Pvt.) Limited allotted for consideration other than cash (Read with Note 5)	**1,71,72,643**	-
	*** Carried at cost**		
		3,21,41,776	1,49,69,133
	Aggregate amount of unquoted investments	**3,21,41,776**	1,49,69,133
5	**Loans**		
	To related parties		
	Inter-Corporate Deposit (ICD)- (Unsecured, Considered Good -refer note below)	-	1,02,01,100
		-	1,02,01,100
	To Others		
	Security deposits- (Unsecured, Considered Good)	**3,74,04,563**	2,85,26,723
		3,74,04,563	3,87,27,823

* Financial asset carried at amortised cost

Note: Pertains to an unsecured USD denominated Inter-Corporate Deposit given to Sita World Travel Lanka (Pvt) Limited (a subsidiary of the company) to meet its capital expenditure and working capital requirements carrying interest at 6 Months LIBOR+2.24% w.e.f. Jan'2019 (31 March 2019 - 11%) The ICD related to Sita World Travel Lanka (Pvt) Limited is payable as mutually agreed between the parties. As on 31 March 2020 above mentioned ICD along with interest receivable on same has been converted into investment in Optionally Convertible redeemable Preference shares. (refer Note 4).

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for the year ended 31 March 2020

(Currency : Indian rupees)

6 Income taxes

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. The major component of Income tax expenses are as under:		
(i) Income tax recognised in Statement of profit and loss		
Current tax		
In respect of current year	**12,37,45,330**	20,99,26,894
Deferred tax		
In respect of current year	**(10,13,029)**	2,39,64,472
Income Tax expense recognised in Statement of profit and loss	**12,27,32,301**	23,38,91,366
(ii) Amounts recognised in other comprehensive income		
Deferred tax expense on remeasurements of defined benefit plans	**(19,29,355)**	2,31,105
Income tax expense recognised in OCI	**(19,29,355)**	2,31,105
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Profit before tax	**48,88,85,206**	70,27,68,574
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 34.94%)	**12,30,42,629**	24,55,47,340
Tax effect of:		
Exempt Income - Dividend from Subsidiary	**(34,53,324)**	-
Change in Tax Rate	**(25,68,136)**	-
Deferred tax on OCI	**19,29,355**	(2,31,105)
Impact of tax on return filed	**27,42,443**	21,32,777
Deffered tax transferred on account of merger	-	(60,25,880)
Change in effective tax on account of change in PBT due to Merger	-	(1,10,43,061)
Others	**10,39,334**	35,11,296
Tax expense as per Statement of profit and loss	**12,27,32,301**	23,38,91,366

(Currency : Indian rupees)

6 Income taxes *(Continued)*

C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

31 March 2020

	Balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset /(liability)
Deferred tax asset					
Property, plant and equipment	4,41,57,450	(1,07,64,367)	-	(1,07,64,367)	3,33,93,083
ROU Asset / Liability	-	40,60,568	-	40,60,568	40,60,568
Employee benefits	(13,16,259)	74,19,503	19,29,355	93,48,858	80,32,599
Provisions	(66,436)	10,54,750	-	10,54,750	9,88,314
Disallowances under IT Act	-	(7,57,424)	-	(7,57,424)	(7,57,424)
MAT Entitlement	-	-	-	-	-
Deferred tax assets / (Liabilities)	4,27,74,756	10,13,029	19,29,355	29,42,384	4,57,17,140
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-
Deferred tax assets / (Liabilities)	4,27,74,756	10,13,029	19,29,355	29,42,384	4,57,17,140

31 March 2019

	Balance 1 April 2018	Transferred on account of merger (refer note 42)	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset/(liability)
Deferred tax asset						
Property, plant and equipment	-	3,33,40,199	1,08,17,252	-	1,08,17,252	4,41,57,450
Employee benefits	-	75,80,162	(86,65,315)	(2,31,105)	(88,96,420)	(13,16,259)
Provisions	-	2,52,34,127	(2,53,00,562)	-	(2,53,00,562)	(66,436)
Disallowances under IT Act	-	8,15,845	(8,15,845)	-	(8,15,845)	-
MAT Entitlement	-	-	-	-	-	-
Deferred tax assets / (Liabilities)	-	6,69,70,332	(2,39,64,471)	(2,31,105)	(2,41,95,576)	4,27,74,756
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-	-
Deferred tax assets / (Liabilities)	-	6,69,70,332	(2,39,64,471)	(2,31,105)	(2,41,95,576)	4,27,74,756

(Currency : Indian rupees)

		31 March 2020	31 March 2019
7	**Other non-current assets**		
	Prepaid expenses	43,85,713	72,50,212
	Capital advances	42,50,422	-
		86,36,135	72,50,212
8	**Current investments**		
	Investments in mutual funds (quoted)		
	(carried at fair value through profit or loss)		
	Nil (31 march 2019-140,176) Units of Rs Nil (31 March 2019- Rs.2,929) each of SBI Liquid Fund Direct Growth	-	41,05,15,261
		-	41,05,15,261
	Aggregate amount of quoted investments and market value	-	41,05,15,261
9	**Trade receivables**		
	Trade receivables - (Unsecured, Considered Good)	45,50,85,666	53,07,55,723
	Trade receivables - credit impaired	39,26,869	4,77,399
		45,90,12,535	53,12,33,122
	Less: Allowance for doubtful trade receivable	(39,26,869)	(4,77,399)
		45,50,85,666	53,07,55,723
	Trade receivables includes :		
	Dues from related party	2,98,21,862	3,93,95,147
	For terms and conditions relating to related party receivables, referee Note 44.		
10(a)	**Cash & Cash Equivalents**		
	Balances with banks :		
	-In current Accounts	5,90,97,158	14,41,78,793
	-In EEFC Accounts	7,61,41,731	37,96,51,944
	-Deposit Accounts (with original maturity of 3 months or less)	30,00,00,000	-
	Cash on hand	95,67,930	1,98,36,607
		44,48,06,819	54,36,67,344
10(b)	**Bank balances other than cash and cash equivalents above**		
	Balances with banks other than cash and cash equivalents:		
	Bank deposit (with original maturity of more than 3 months but less than 12 months)	40,18,64,543	17,38,233
		40,18,64,543	17,38,233

(Currency : Indian rupees)

		31 March 2020	31 March 2019
11	**Loans**		
	Security deposits - (Unsecured, Considered Good)	85,69,388	1,19,18,113
		85,69,388	1,19,18,113
12	**Other current financial assets**		
	Unbilled revenue	-	3,96,45,871
	Bank deposit (with original maturity of more than 12 months)	35,00,00,000	-
	Interest accrued but not due on fixed deposits with banks	54,99,204	30,766
	Interest accrued on other deposits	-	47,98,965
	Other receivable - (Unsecured, Considered Good)	40,55,619	82,77,513
		35,95,54,823	5,27,53,115
13	**Derivative assets**		
	Derivative assets	-	1,21,00,542
		-	1,21,00,542
14	**Other current assets**		
	Export benefits receivable	-	33,58,20,000
	Prepaid expenses	1,60,93,690	1,32,82,758
	Balances with Government Authorities	2,12,82,456	1,62,24,240
	Advance to vendors - (Unsecured, Considered Good)	26,77,52,140	1,46,74,91,968
	Advance expenses	39,20,386	1,62,00,669
	Staff advances- (Unsecured, Considered Good)	26,34,174	27,45,370
	Other Assets	14,12,998	16,99,032
		31,30,95,844	1,85,34,64,037
	Advance to vendors includes :		
	Dues from related party	7,19,01,174	-
	For terms and conditions relating to related party receivables, refer Note 44.		
	Staff Advances includes :		
	Dues from related party	29,628	37,069
	For terms and conditions relating to related party receivables, refer Note 44.		

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	31 March 2020	31 March 2019
15 Share capital		
(a) Equity share capital		
Authorised :		
10,000 (31 March 2019: 10,000) equity Shares of Rs. 10 each	1,00,000	1,00,000
Issued, subscribed and paid up:		
10,000 (31 March 2019: 10,000) equity Shares of Rs. 10 each	1,00,000	1,00,000
	1,00,000	1,00,000

i Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Equity share :

	31 March 2020		31 March 2019	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
At the commencement of the year	10,000	1,00,000	10,000	1,00,000
Less: Changes during the year	-	-	-	-
Outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000

ii Rights attached to Equity shares

The Company has only one class of Equity Shares with voting rights having a par value of Rs 10/- each per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if any proposed by the Board will be paid subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the Equity shareholders 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 Equity Shares held by the shareholders.

iii Equity Shares held by holding company / ultimate holding company / subsidiaries of holding company

Equity share	31 March 2020		31 March 2019	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Equity shares of Rs 10 each fully paid-up held by:				
Thomas Cook (India) Limited ('Holding Company')	10,000	1,00,000	10,000	1,00,000
	10,000	1,00,000	10,000	1,00,000

iv Shareholders holding more than 5% shares in the company is set out below:

Equity share	31 March 2020		31 March 2019	
	No. of Shares	No of shares %	No. of Shares	No of shares %
Equity shares of Rs 10 each, fully paid-up, held by:				
Thomas Cook (India) Limited ('Holding Company')	10,000	100.00%	10,000	100.00%

(b) Share Capital Suspense

	31 March 2020	31 March 2019
Share Capital Suspense*	-	1,99,01,93,960

* 199,019,396 Non- Cumulative Optionally Convertible Redeemable Preference Shares of Rs 10 each to be issued to the shareholders of Thomas Cook India Limited pursuant to Composite Scheme of Arrangement and Amalgamation (refer Note 42).

(Currency : Indian rupees)

16 Other equity

(i) Instruments entirely equity in nature

	31 March 2020	31 March 2019
Preference shares	1,99,01,93,960	-

Preference shares :

	31 March 2020	31 March 2019
i Authorised :		
300,000,000 (31 March 2019:Nil) 0.01% Non-Cumulative, Optionally Convertible Redeemable Preference shares of Rs 10 each	3,00,00,00,000	-
Issued and subscribed and paid up:		
199,019,396 (31 March 2019 : Nil) 0.01% Non-Cumulative, Optionally Convertible Redeemable Preference shares of Rs 10 each, fully paid up	1,99,01,93,960	-
	1,99,01,93,960	-

ii Reconciliation of number of Preference shares outstanding at the beginning and end of the year :

	31 March 2020		31 March 2019	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
At the commencement of the year	-	-	-	-
Add: Shares issued to Thomas Cook (India) Limited (Refer Note 42)	19,90,19,396	1,99,01,93,960	-	-
Outstanding at the end of the year	19,90,19,396	1,99,01,93,960	-	-

iii Rights attached to Preference shares

Preference shares outstanding at the end of 20 years shall be converted into equity shares as per the conversion ratio of one preference shares of Rs. 10 each into one equity share of Rs. 10 each. Failing this, preference shares shall be converted into equity shares by the Company on 11-12-2039. The holders of these shares are entitled to non-cumulative dividend of 0.01%. Preference shares carry a preferential right as to dividend over equity shareholders. where dividend is not declared in respect of a financial year in the case of non-cumulative preference shares, the entitlement for that year lapses. In the event of winding up, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares. The Company has an option to convert the Preference shares or redeem the preference shares at any time after the end of 1 year from the date of allotment.

iv Preference Shares held by holding company

	31 March 2020		31 March 2019	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Preference shares of Rs 10 each fully paid-up held				
Thomas Cook (India) Limited ('Holding Company')	19,90,19,396	1,99,01,93,960	-	-
	19,90,19,396	1,99,01,93,960	-	-

v Shareholders holding more than 5% shares in the company is set out below:

	31 March 2020		31 March 2019	
	No. of Shares	No of shares %	No. of Shares	No of shares %
Preference shares of Rs 10 each, fully paid-up, held by:				
Thomas Cook (India) Limited ('Holding Company')	19,90,19,396	100.00%	-	-

(Currency : Indian rupees)

vi Aggregate Number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash:

	31 March 2020		31 March 2019	
	No. of Shares	**No of shares %**	No. of Shares	No of shares %
Preference shares of Rs 10 each, fully paid-up, held by:				
Thomas Cook (India) Limited ('Holding Company')	**19,90,19,396**	**100.00%**	-	-

vii Movement of instruments entirely equity in nature

	31 March 2020		31 March 2019	
	No. of Shares	**Amount in INR**	No. of Shares	Amount in INR
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year (Refer Note 42)	19,90,19,396	1,99,01,93,960	-	-
Less: Redeemed during the year	-	-	-	-
Closing Balance	**19,90,19,396**	**1,99,01,93,960**	-	-

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16 Other equity

	31 March 2020	31 March 2019
(ii) Reserves and surplus:		
Retained earnings		
At the commencement of the year	(1,15,882)	(71,709)
Add: profit/(Loss) for the year	36,61,52,905	46,93,07,537
Adjustment on account of merger	-	(46,93,51,710)
At the end of the year	36,60,37,023	(1,15,882)
Other comprehensive income:		
At the commencement of the year	-	-
Add:Other comprehensive income for the year	(57,36,555)	4,30,329
Adjustment on account of merger	-	(4,30,329)
At the end of the year	(57,36,555)	-
Employee share option outstanding		
At the commencement of the year	-	-
Add: share based payments	3,34,29,931	3,17,76,621
Adjustment on account of merger	-	(3,17,76,621)
At the end of the year	3,34,29,931	-
Capital reserve		
At the commencement and end of the year	(1,63,32,89,144)	-
Add:Adjustment on account of merger	-	(1,63,32,89,144)
At the end of the year	(1,63,32,89,144)	(1,63,32,89,144)
Total Reserve & Surplus	(1,23,95,58,745)	(1,63,34,05,026)

Nature and purpose of reserves

i.Retained earnings

Retained earnings are the profits ts of the Company earned till date net of appropriations.

ii.Employee share option outstanding

The share option outstanding account is used to recognised the grant date fair value of options issued to employees under the Employee stock option plan. This includes options issued to the employees of the company by Holding Company.

iii. Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the company's equity instruments to capital reserve. Capital reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserve.

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		31 March 2020	31 March 2019
17	**Lease Liability**		
	Long term maturities of right of use lease liability (including finance lease)	9,79,23,762	41,35,084
		9,79,23,762	41,35,084

Nature of security:
-Finance lease obligation is Secured by hypothecation of assets underlying the lease.

Terms of repayment:
-Finance lease obligation
Vehicle lease taken from Kotak Mahindra Prime Limited is repayable in 48 monthly instalments along with monthly interest which is 11.61% & 11.60% per annum.

		31 March 2020	31 March 2019
18	**Provisions**		
	Provision for employee benefits		
	Gratuity [refer Note 38]	1,93,13,984	62,10,110
		1,93,13,984	62,10,110
19	**Short Term Borrowings**		
	Unsecured		
	-Bank Overdraft*	11,49,45,817	-
		11,49,45,817	-

*Bank overdraft facility is backed by corporate guarantee of Thomas cook India Limited.

		31 March 2020	31 March 2019
20	**Lease Liability**		
	Current Maturities of Right Of Use Lease Liability (including finance lease)	5,70,35,806	31,67,869
		5,70,35,806	31,67,869
21	**Trade and other payables**		
	Due to micro, small and medium enterprises [refer Note 35]	1,29,849	2,11,709
	Due to others	1,14,20,00,590	2,97,12,45,958
		1,14,21,30,439	2,97,14,57,667
	Trade payables includes :		
	Dues to related party	6,53,25,388	11,40,47,421

For terms and conditions relating to related party payables, refer Note 44.

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as at 31 March 2020

(Currency : Indian rupees)

		31 March 2020	31 March 2019
22	**Current - other financial liabilities**		
	Book overdraft	-	2,56,90,054
	Accrued salary and benefits	1,12,46,705	4,26,01,986
	Directors commission payable	55,95,433	59,95,575
	Other financial liability	9,95,781	10,11,687
		1,78,37,919	7,52,99,302
	Current - other financial liabilities includes:		
	Dues to related party	57,89,102	61,29,701
	For terms and conditions relating to related party receivables, refer Note 44.		
23	**Derivative liabilities**		
	Derivative Liabilities	1,03,79,363	-
		1,03,79,363	-
24	**Other current liabilities**		
	Customers' advances	17,89,03,536	22,75,82,684
	Statutory dues	5,06,98,597	7,12,51,210
		22,96,02,133	29,88,33,894
25	**Short-term provisions**		
	Provision for employee benefits:		
	Compensated absences	37,58,065	36,15,947
		37,58,065	36,15,947
26	**Current tax Liability**		
	Provision for income tax [Net of advance tax Rs. 113,026,938 {31 March 2019 Rs. Nil }]	1,07,18,393	-
		1,07,18,393	-

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		For the year ended 31 March 2020	For the year ended 31 March 2019
27	**Revenue from operations**		
(A)	**Sales and services**		
	Income from tours	4,21,56,80,705	5,52,20,99,687
		4,21,56,80,705	5,52,20,99,687
(B)	**Other operating revenue**		
	Commission income	11,45,58,301	13,34,03,662
	Marketing fees and other incentive income	36,59,327	26,58,379
	Unclaimed credit balances no longer required, written back	2,10,25,094	85,69,218
	Excess provision written back	32,66,15,412	23,93,24,849
	Other miscellaneous operating income	12,35,714	11,13,427
		46,70,93,848	38,50,69,535
		4,68,27,74,553	5,90,71,69,222

(Refer Note 45 for IND AS 115 Disclosure)

28	**Other income**		
	Interest on deposits and investments	1,06,95,271	42,59,565
	Interest on Inter-Corporate deposits	12,13,090	15,18,821
	Interest income - others	30,73,684	34,29,996
	Bad debts recovered	31,98,147	-
	Dividend on equity shares - subsidiary	1,37,20,000	-
	Profit on sale of fixed assets (net)	15,42,055	-
	Management fees income	1,25,01,314	1,48,09,182
	Facility support income	1,25,98,284	1,10,26,924
	Royalty and other income	80,08,870	65,58,587
	Profit on sale of mutual fund units	1,74,14,754	1,77,67,463
	Exchange gain (net) (including forward exchange contract)	-	74,35,035
	Export incentives	29,82,98,882	38,24,18,567
	Sharing of group cost	8,18,612	42,65,397
		38,30,82,963	45,34,89,535

29	**Cost of tours**	3,59,11,11,552	4,68,42,23,243
		3,59,11,11,552	4,68,42,23,243

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(Currency : Indian rupees)

		For the year ended 31 March 2020	For the year ended 31 March 2019
30	**Employee benefits expense**		
	Salaries and other allowances	**49,34,41,515**	50,59,65,161
	Contribution to provident fund and other funds	**2,02,36,628**	1,78,21,859
	Compensated absences	**2,10,579**	(16,21,380)
	Gratuity	**56,44,640**	54,04,589
	Share-based payment to employees	**2,82,95,042**	3,17,76,621
	Employee stock expense	**51,34,889**	-
	Staff welfare	**2,25,83,056**	1,36,52,966
		57,55,46,349	57,29,99,816
31	**Finance costs**		
	Interest expense	**9,98,752**	27,58,204
	Interest expense on ROU lease liability including finance lease	**1,72,63,608**	3,37,664
	Other finance charges	**83,697**	1,24,374
		1,83,46,057	32,20,242
32	**Other expenses**		
	Legal and professional charges	**9,30,89,485**	11,53,97,451
	Operational lease rentals	**3,14,94,300**	10,15,84,783
	Travelling expenses	**2,33,23,412**	2,28,11,488
	Exchange loss (net) (including forward exchange contract)	**35,14,722**	-
	Advertisement and publicity	**1,88,87,392**	1,52,79,878
	Repairs and maintenance – others	**2,61,91,641**	1,98,93,988
	Electricity charges	**1,02,05,535**	96,06,784
	Communication	**87,58,751**	1,00,82,644
	Housekeeping charges	**77,53,003**	78,72,924
	Rates and taxes	**84,49,588**	46,49,740
	Insurance	**53,49,836**	32,48,566
	Sales promotion	**43,89,538**	46,99,389
	Director commission	**20,58,043**	39,62,476
	Auditors' remuneration	**45,13,921**	29,500
	Security services	**21,21,909**	27,43,403
	Printing and stationery	**24,84,160**	25,27,802
	Corporate social responsibility expenses	-	33,71,616
	Provision for doubtful debts	**34,49,469**	(6,57,33,162)
	Bad debts and advance written off	-	6,58,36,281
	Vehicle expenses	-	-
	Loss on sale of fixed assets (net)	-	47,44,535
	Donation	**29,000**	7,08,000
	Bank charges	**35,42,036**	68,13,099
	Miscellaneous expenses	**36,04,566**	31,67,268
		26,32,10,306	34,32,98,453

Auditor's remuneration (excluding taxes)		
As auditor		
- Statutory audit	33,00,000	29500*
- Tax Audit	2,00,000	-
-Others	-	-
In others Capacity		
-Certification	7,50,000	-
Out of pocket expenses	2,63,921	-
	45,13,921	29,500

* Numbers for FY 18-19 represents auditor remuneration paid to MGB & Co. before Merger as per Composite Scheme of Arrangement and Amalgamation approved by NCLT on 10 Oct 2019.

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33 Earnings per share (EPS)

	31 March 2020	31 March 2019
Profit after tax (A)	36,61,52,905	46,88,77,208
Number of equity shares		
Weighted average number of equity shares used as denominator in calculating Basic earning per share (B)	10,000	10,000
Add: Adjustment on account of Optionally Convertible Redeemable Non-Cumulative Preference shares #	19,90,19,396	
Add: Adjustment on account of shares in Share Capital Suspense account #	-	19,90,19,396
Weighted average number of equity shares used as denominator in calculating diluted earning per share (C)	19,90,29,396	19,90,29,396
Basic and diluted earnings per share		
D. Basic earnings per share (A/B)	36,615.29	46,887.72
E. Diluted earnings per share (A/C)	1.84	2.36

For the purpose of calculating equity shares outstanding and the weighted average number of equity shares for the year ended 31 March 2020 and 31 March 2019, the equity shares to be issued pursuant to the Scheme have been considered as outstanding from the beginning of the accounting year.

Travel Corporation (India) Limited
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(Currency : Indian rupees)

34 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

31 March 2020*	Carrying amount					Fair value			
	Financial instruments measured at fair value through profit or loss (FVTPL)	Financial instruments measured at fair value through comprehensive income (FVTOCI)	Financial instruments measured at amortized cost	Derivative instrument not in hedging relationship	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets not measured at fair value									
Trade receivables	-	-	45,50,85,666	-	45,50,85,666	-	-	-	-
Cash and cash equivalents	-	-	44,48,06,819	-	44,48,06,819	-	-	-	-
Bank balances other than cash and cash equivalents abo	-	-	40,18,64,543	-	40,18,64,543	-	-	-	-
Other financial assets									
- Non-current	-	-	3,74,04,563	-	3,74,04,563	-	3,74,04,563	-	3,74,04,563
- Current	-	-	36,81,24,211	-	36,81,24,211	-	85,69,388	-	85,69,388
	-	-	1,70,72,85,803	-	1,70,72,85,803	-	4,59,73,952	-	4,59,73,952
Financial liabilities measured at Fair value									
Derivative Liability	-	-	-	1,03,79,363	1,03,79,363	-	1,03,79,363	-	1,03,79,363
Financial liabilities not measured at fair value									
Trade payables	-	-	1,14,21,30,439	-	1,14,21,30,439	-	-	-	-
Short Term Borrowing	-	-	11,49,45,817	-	11,49,45,817	-	-	-	-
Other financial liabilities									
- Non-current	-	-	9,79,23,762	-	9,79,23,762	-	9,79,23,762	-	9,79,23,762
- Current	-	-	7,48,73,725	-	7,48,73,725	-	5,70,35,806	-	5,70,35,806
Total financial liabilities	-	-	1,42,98,73,743	1,03,79,363	1,44,02,53,106	-	16,53,38,931	-	16,53,38,931

*Excludes investment in subsidiaries and Joint Venture are being carried at cost amounting Rs. 3,21,41,776.

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Travel Corporation (India) Limited
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Notes to the financial statements *(Continued)*
for the year ended 31 March 2020

(Currency : Indian rupees)

34 Financial instruments – Fair values and risk management *(Continued)*

A. Accounting classification and fair values *(Continued)*

31 March 2019*	Carrying amount					Fair value			
	Financial instruments measured at fair value through profit or loss (FVTPL)	Financial instruments measured at fair value through comprehensive income (FVTOCI)	Financial instruments measured at amortized cost	Derivative instrument not in hedging relationship	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets measured at Fair value									
Investment in Mutual Funds	41,05,15,261	-	-	-	41,05,15,261	41,05,15,261	-	-	41,05,15,261
Derivative Assets	-	-	-	1,21,00,542	1,21,00,542	-	1,21,00,542	-	1,21,00,542
Financial assets not measured at fair value									
Trade receivables	-	-	53,07,55,723	-	53,07,55,723	-	-	-	-
Cash and cash equivalents	-	-	54,36,67,344	-	54,36,67,344	-	-	-	-
Bank balances other than cash and cash equivalents abo	-	-	17,38,233	-	17,38,233	-	-	-	-
Other financial assets									-
- Non-current	-	-	3,87,27,823	-	3,87,27,823	-	3,87,27,823	-	3,87,27,823
- Current	-	-	6,46,71,228	-	6,46,71,228	-	1,19,18,113	-	1,19,18,113
	41,05,15,261	-	1,17,95,60,351	1,21,00,542	1,60,21,76,155	41,05,15,261	6,27,46,478	-	47,32,61,739
Financial liabilities not measured at fair value									
Trade payables	-	-	2,97,14,57,667	-	2,97,14,57,667	-	-	-	-
Other financial liabilities									
- Non-current	-	-	41,35,084	-	41,35,084	-	41,35,084	-	41,35,084
- Current	-	-	7,84,67,171	-	7,84,67,171	-	31,67,869	-	31,67,869
Total financial liabilities	-	-	3,05,40,59,922	-	3,05,40,59,922	-	73,02,953	-	73,02,953

*Excludes investment in subsidiaries and Joint Venture are being carried at cost amounting Rs. 1,49,69,133.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at 31 March 2020 and 31 March 2019 approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

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

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

(Currency : Indian rupees)

34 Financial instruments – Fair values and risk management *(Continued)*

B. Measurement of fair values

Valuation techniques and significant unobservable inputs
The following tables show the valuation techniques used in measuring Level 1,Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Mutual Funds	The mutual funds are valued by the use of quoted market prices
Leases & Security Deposit	Discount rates to fair value of financial assets and liabilities at amortised cost is based on general lending rate.
Forward contracts for foreign exchange contracts	The foreign exchange forward contracts are marked to market using forward FEDAI rates pertaining to the date of maturity of the contract at the balance sheet date
Remaining financial instruments	the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Transfers between Levels

There were no transfers in either direction in any of the reporting periods.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(Currency : Indian rupees)

34 Financial instruments – Fair values and risk management *(Continued)*

C. Financial risk management *(Continued)*

ii. 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 company is exposed to credit risk from its operating activities(primarily trade receivables).

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness . Credit limits are established for each customer on annual basis. Any sales exceeding those limits require approval from the Risk Management Committee .

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The concentration of credit risk is limited due to the fact that the customer base is large.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Movement in impairment on trade receivables	31 March 2020	31 March 2019
Balance at the beginning of the year	4,77,399	6,62,10,562
Changes in loss allowance	34,49,470	(6,57,33,163)
Balance at the end of the year	39,26,869	4,77,399

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34 Financial instruments – Fair values and risk management *(Continued)*

C. Financial risk management *(Continued)*

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company's principal source of liquidity are cash and cash equivalents; bank overdraft and the cash flow that is generated from operations. The company has an outstanding bank overdraft of Rs. 11,49,45,817. As of 31 March 2020 the company have working capital of Rs 39,65,69,148 including cash and cash equivalents of Rs. 44,48,06,819, other bank balance of Rs. 40,18,64,534 and current investments of Rs Nil. As of 31 March 2019 company had working capital of Rs 6,45,37,690 including cash and cash equivalent of Rs 54,36,67,344, other bank balance of Rs. 17,38,233 and current investment of Rs 41,05,15,261. The company has approved line of credit (fund based) of Rs. 28,00,00,000 as on balance sheet date and this line of credit can be drawn down to meet short term financing needs. The Company does not perceive any liquidity risk.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

			Contractual cash flows				
31 March 2020	**Carrying amount**	**Total**	**Less than 6 months**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
ROU Lease Obligation (including finance lease)	15,49,59,568	15,49,59,568	2,70,55,547	2,99,80,259	6,39,82,198	3,39,41,565	-
Short Term Borrowing	11,49,45,817	11,49,45,817	11,49,45,817				
Trade and other payables	1,14,20,00,590	1,14,20,00,590	1,14,20,00,590	-	-	-	-
Trade payables due to micro, small and medium enterprises	1,29,849	1,29,849	1,29,849	-	-	-	-
Other financial liabilities	1,78,37,919	1,78,37,919	1,78,37,919	-	-	-	-

			Contractual cash flows				
31 March 2019	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
ROU Lease Obligation (including finance lease)	73,02,953	73,02,953	15,83,934	15,83,934	31,67,869	9,67,216	-
Trade and other payables	2,97,12,45,958	2,97,12,45,958	2,97,12,45,958	-	-	-	-
Trade payables due to micro, small and medium enterprises	2,11,709	2,11,709	2,11,709	-	-	-	-
Other financial liabilities	7,52,99,302	7,52,99,302	7,52,99,302	-	-	-	-

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34 Financial instruments – Fair values and risk management *(Continued)*

C. Financial risk management *(Continued)*

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of other payables in foreign currency. The functional currency of the Company is Indian Rupee.

Exposure to currency risk (Exposure in dfferent currencies converted to functional currency)

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

(Amount in INR)

	31 March 2020 USD	31 March 2020 EUR	31 March 2020 JPY	31 March 2020 GBP
Financial assets				
Cash and cash equivalents	5,75,01,424	1,69,87,117	10,22,259	91,87,892
Trade and other receivables	7,92,40,429	3,62,67,503	-	1,45,09,719
Forward Contract	-	-	-	4,20,76,125
	13,67,41,853	5,32,54,620	10,22,259	6,57,73,736
Financial liabilities				
Trade and other payables	1,71,10,119	12,09,246	-	-
Forward Contract	16,83,54,625	13,24,32,000	-	3,50,63,438
	18,54,64,744	13,36,41,246	-	3,50,63,438
Net exposure in Rs.	(4,87,22,891)	(8,03,86,625)	10,22,259	3,07,10,298

(Amount in INR)

	31 March 2019 USD	31 March 2019 EUR	31 March 2019 JPY	31 March 2019 GBP
Financial assets				
Cash and cash equivalents	27,16,78,082	11,37,25,811	19,71,211	82,86,136
Trade and other receivables	9,51,58,542	2,87,75,811	-	4,00,18,707
Forward Contract	6,91,55,000	7,96,14,313	-	4,97,88,750
	43,59,91,624	22,21,15,935	19,71,211	9,80,93,593
Financial liabilities				
Forward Contract	5,18,66,250	-	-	-
Trade and other payables	7,66,00,114	1,15,13,036	-	4,92,882
	12,84,66,364	1,15,13,036	-	4,92,882
Net exposure in Rs	30,75,25,260	21,06,02,899	19,71,211	9,76,00,711

(Currency : Indian rupees)

34 Financial instruments – Fair values and risk management *(Continued)*

C. Financial risk management *(Continued)*

iv. Market risk *(Continued)*

Exposure to currency risk (Exposure in different currencies converted to functional currency) *(Continued)*

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
USD	**72.41**	67.00	**75.67**	69.16
EUR	**80.22**	79.12	**82.77**	77.67
JPY	**66.03**	61.95	**69.63**	62.42
GBP	**92.01**	91.28	**93.50**	90.53

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various currencies as mentioned above at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in the respective currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast transactions to be held in the foreign currencies.

	Profit or loss		**Equity, net of tax**	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 March 2020				
1% movement				
USD	**(4,87,229)**	**4,87,229**	-	-
EUR	**(8,03,866)**	**8,03,866**	-	-
JPY	**10,223**	**(10,223)**	-	-
GBP	**3,07,103**	**(3,07,103)**	-	-
	(9,73,770)	**9,73,770**	-	-

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
1% movement				
USD	30,75,253	(30,75,253)	-	-
EUR	21,06,029	(21,06,029)	-	-
JPY	19,712	(19,712)	-	-
GBP	9,76,008	(9,76,008)	-	-
	61,77,001	(61,77,001)	-	-

Interest rate risk

The Company's investments are primarily in fixed rate interest bearing investments/Loans. Hence, the company is not significantly exposed to interest rate risk.

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(Currency : Indian rupees)

35 Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to dues to Micro and Small Enterprises. On the basis of the information and records available with the management, following are the details of dues to Micro and Small Enterprises:

Particulars	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year.		
-- Principal	1,29,849	2,11,709
-- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006') along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

36 Segment reporting

The Company is in the business of providing travel and related services to its corporate customers which is considered by management as the only reportable business segment taking into account the nature of the business, the risk and returns, the organisation structure and internal reporting system. The travel and related services includes tour operations and travel management services, arranging air tickets, hotels, sightseeing, visa and other related services.

37 Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:
Total equity – retained profit, other reserves, share capital, share premium

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to return excess liquidity to shareholders by distributing dividends in future periods.

(Currency : Indian rupees)

38 Employee benefits

A. The Company contributes to the following post-employment benefit plans in India.

(i) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, Employee State Insurance Corporation, Labour Welfare Fund and National Pension Scheme which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss as they accrue.

Amount contributed to defined contribution plan and recognised as an expense in the Statement of profit and loss are as under:

Particulars	31 March 2020	31 March 2019
Employer's contribution to provident fund	1,95,10,326	1,65,96,492
Employee's State Insurance Corporation	1,96,307	5,33,403
Labour welfare fund	1,40,015	80,946
NPS Contribution	3,89,980	3,48,515

(ii) Short Term Employee Benefits:
Leave obligations - compensated absences

Effective 1 January 2017 there has been a change in the Leave Policy as a part of a Group alignment initiative. As per the new leave policy, every employee will be allotted 30 days of leave in the first week of January. No leaves can be carried forward to the next year whereby, the leave balance left unutilized on 31 December shall lapse. During the year, a sum aggregating to Rs 2,10,579 [31 March 2019: Rs. (16,21,380)] has been recognised as an expense in the Statement of profit and loss.

(iii) Defined Benefit Plan:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.
Contribution to Gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement.The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited in the statement of profit and loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act,1972 or as per the Company's scheme, whichever is more beneficial.

In respect of certain employees, the Company has defined benefit plan for other long-term employee benefit in the form of provident fund. Provident fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2020	31 March 2019
Gratuity		
Net defined benefit asset	4,80,75,157	5,16,19,742
Net defined benefit liability	6,75,95,811	5,78,29,852
Net defined benefit (asset) / liability	1,95,20,654	62,10,110

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Notes to the financial statements *(Continued)*

for the year ended 31 March 2020

(Currency : Indian rupees)

38 Employee benefits *(Continued)*

B. Movement in net defined benefit (asset)/ liability- Gratuity

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Opening balance	**5,78,29,852**	5,70,19,618	**5,16,19,742**	5,41,80,239	**62,10,110**	28,39,379
Included in profit or loss					-	-
Current service cost	**53,14,932**	53,06,144	-	-	53,14,932	53,06,144
Adjustment to opening fair value of plan assets	-		-	-	-	-
Expected return on plan assets	-		-	-	-	-
Past service cost	-		-	-	-	-
Interest cost (income)	**35,85,068**	38,30,480	**32,55,360**	37,32,035	3,29,708	98,445
Settlements / benefits paid			-	-	-	-
	6,67,29,852	6,61,56,242	**5,48,75,102**	5,79,12,274	**1,18,54,750**	82,43,968

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	-	-	-	-	-	-
Amount not recognised due to asset limit	-	-	-	-	-	-
Demographic assumptions	-	(4,833)	-	-	-	(4,833)
Financial assumptions	**49,89,015**	9,60,456	-	-	49,89,015	9,60,456
Experience adjustment	**30,29,633**	(17,33,701)	-	-	30,29,633	(17,33,701)
Effect of Interest on Opening Balance of asset ceiling			-	-	-	-
Effect of asset ceiling	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	3,52,744	(1,16,644)	(3,52,744)	1,16,644
	80,18,648	(7,78,078)	3,52,744	(1,16,644)	**76,65,904**	(6,61,434)
Other						
Contributions paid by the employer	-	-	-	13,72,424	-	(13,72,424)
Liabilities assumed / (settled)	-	-	-	-	-	-
Benefits paid	**(71,52,689)**	(75,48,312)	(71,52,689)	(75,48,312)	-	-
Closing balance	**6,75,95,811**	5,78,29,852	**4,80,75,157**	5,16,19,742	**1,95,20,654**	62,10,110
Represented by						
Net defined benefit asset					4,80,75,157	5,16,19,742
Net defined benefit liability					6,75,95,811	5,78,29,852
					1,95,20,654	62,10,110

(Currency : Indian rupees)

38 Employee benefits *(Continued)*

C. Plan assets- Gratuity

Plan assets comprise the following

	31-Mar-20	31-Mar-19
Investment in Gratuity Fund	4,80,75,157	5,16,19,742
	4,80,75,157	5,16,19,742

The major categories of plans assets for gratuity are as follows:

	March 31, 2020				March 31, 2019			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Insurer (LIC) Managed Funds	-	4,80,75,157	4,80,75,157	100%	-	5,16,19,742	5,16,19,742	100%

D. Defined benefit obligations- Gratuity

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	31 March 2020	31 March 2019
Discount rate	5.70%	7.00%
Salary escalation rate	6.00%	6.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Employee Attrition Rate		
Age 21-30	29.00%	29.00%
Age 31-34	23.00%	23.00%
Age 35-44	15.00%	15.00%
Age 45 and above	10.00%	10.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as above.

ii. Sensitivity analysis- Gratuity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-20	
	Increase	Decrease
Discount rate (0.5% movement)	(20,00,836)	21,08,989
Future salary growth (0.5% movement)	20,88,711	(20,00,836)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(Currency : Indian rupees)

iii. **Risk exposure for gratuity**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

a) **Asset volatility** - The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.

b) **Salary growth & Demographic assumptions** - The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

c) Majority of the plan assets consist of Insurer (LIC) managed funds which offers the best return over the long term with an acceptable level of risk. The plan asset mix is in compliance with the requirements of the respective local regulations.

Defined benefit liability and employer contributions for gratuity

Expected contribution to post employment benefit plans for the year ending March 31, 2021 is Rs. 30 lakhs. The weighted average duration of the defined benefit obligation is 6.12 years (Previous year 4.82 years).The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2020 - Post Employment Obligations	**94,57,382**	**74,10,452**	**2,99,20,607**	**5,35,79,244**	**10,03,67,685**
March 31, 2019 - Post Employment Obligations	1,32,29,197	83,70,814	2,08,53,189	4,34,96,344	8,59,49,544

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Notes to the financial statements *(Continued)*

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(Currency : Indian rupees)

38 Employee benefits *(Continued)*

E. Movement in net defined benefit (asset) liability - Provident fund

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Opening balance	2,82,42,379	2,99,69,694	2,82,42,379	2,99,69,694	-	-
Included in profit or loss						
Current service cost	77,601	1,40,071	-	-	77,601	1,40,071
Adjustment to opening fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Interest cost (income)	19,82,399	22,12,993	19,82,399	22,12,993	-	-
Settlements / benefits paid		-		-	-	-
	3,03,02,379	3,23,22,758	3,02,24,778	3,21,82,687	77,601	1,40,071
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	10,22,359	(5,41,227)	10,22,359	(5,41,227)	-	-
Amount not recognised due to asset limit	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	-	-	-	-	-	-
Experience adjustment	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	-	-	-	-
	10,22,359	(5,41,227)	10,22,359	(5,41,227)	-	-
Other						
Contributions paid by the employees	97,601	2,23,283	97,601	2,23,283	-	-
Contributions paid by the employer	-	-	77,601	1,40,071	(77,601)	(1,40,071)
Liabilities settled	-	-	-	-	-	-
Benefits paid	-	(37,62,435)	-	(37,62,435)	-	-
Closing balance	3,14,22,339	2,82,42,379	3,14,22,339	2,82,42,379	-	-
Represented by						
Net defined benefit asset					3,14,22,339	2,82,42,379
Net defined benefit liability					3,14,22,339	2,82,42,379
					-	-

F. Plan assets - Provident Fund

Plan assets comprise the following:

	31 March 2020	31 March 2019
Investment in Provident Fund	3,14,22,339	2,82,42,379
	3,14,22,339	2,82,42,379

The major categories of plans assets for provident fund are as follows:

	March 31, 2020				March 31, 2019			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India Securities	39,15,150	-	39,15,150	12%	39,15,150	-	39,15,150	14%
Other debt instruments	30,64,000	1,99,74,286	2,30,38,286	73%	30,64,000	1,99,74,286	2,30,38,286	82%
Others	-	44,68,903	44,68,903	14%	-	12,88,943	12,88,943	5%

(Currency : Indian rupees)

G. Defined benefit obligations - Provident Fund

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date .

	31 March 2020	31 March 2019
Discount rate	5.70%	7.00%
Expected rate of return on assets (p.a.)	8.48%	8.85%
Discount rate for remaining term to maturity of investment (p.a.)	5.75%	7.10%
Average historic yield on the investment (p.a.)	8.53%	8.95%
Guaranteed rate of return (p.a.)	8.50%	8.65%

ii. Sensitivity analysis- Provident Fund

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-20	
	Increase	Decrease
Discount rate (1% movement)	Nil	Nil
Future salary growth (1% movement)	Nil	Nil

iii. Risk exposure for Provident Fund

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

a) **Asset volatility** - The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities.

A large portion of plan assets consist of government of India securities and other debt instruments which offers the best return over the long term with an acceptable level of risk. The plan asset mix is in compliance with the requirements of the respective local regulations.

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Notes to the financial statements *(Continued)*

for the year ended 31 March 2020

(Currency : Indian rupees)

39 Leases

a. *As Lessee:*

'Property, plant and equipment' comprises owned and leased assets that do not meet the definition of investment property.

i) Right-of-use assets

Balance as at 1 April 2019 (A)	21,63,06,609
Additions to right-of-use assets (B)	58,22,167
Deletion of right-of-use assets (C)	1,32,40,260
Depreciation charge for the year (D)	6,47,59,637
Balance as at 31 March 2020 (A+B-C-D)	14,41,28,878

Right-of-use assets are mainly branch office premises and vehicles taken on lease.

ii) Lease liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	6,86,12,107
One to five year	10,57,58,893
More than five years	-
Total undiscounted lease liabilities as at 31March 2020	17,43,71,000

Lease liabilities included in the statement of financial position at 31 March 2020

Current	5,70,35,806
Non Current	9,79,23,762
Total	15,49,59,568

iii) Amount recognized in Statement of Profit and Loss

FY 2019-2020 Lease under Ind AS 116

Interest on lease liabilities (Refer note 31)	1,72,63,608
Depreciation on right-of-use assets	6,47,59,637
short-term leases and low value leases (Refer note 32)	3,14,94,300
	11,35,17,545

FY 2018-2019 Operating leases under Ind AS 17

Lease Expense (Refer note 32)	10,15,84,783

iv) Amount recognized in Statement of Cash Flow

Repayment of lease liabilities	5,31,90,943
Finance cost paid towards lease liabilities	1,72,63,608
Total	7,04,54,550

The lease payments have been classified as financing activities in the Statement of Cash Flow under Ind AS 116.The lease payments for operating leases as per Ind AS 17 -Leases, were earlier reported under cash flow from operating activities.

39 Leases *(Continued)*

v) Extension options

The lease contracts of the company contain extension/renewal options which are exercisable only by the Company and not by the lessors. The Company includes in its lease term such extension/renewal options that the Company is reasonably certain to exercise. If the lease is extended beyond the renewal term, then the lease rentals will be mutually agreed between the parties based on the fair value of lease rent at the time of extension.

vi) Impact on current year profit

Due to adoption of Ind 116 from 1 April 2019 the Company recognized right-of-use assets of ₹ 21,63,06,608 and lease liabilities of ₹ 21,62,05,308 lakhs (Refer note 17 & 21) which resulted in recognition of additional depreciation and interest cost with corresponding de-recognition of lease expenses (For the details of accounting policies under Ind AS 116, see note *(1B.16)*. The branch offices of the Company are primarily on leased properties. The leases that the Company has entered are long term in nature.

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(Currency : Indian rupees)

40 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2020	31 March 2019
Contingent liabilities		
a. Service tax that may arise in respect of which the Service Tax Department is in appeal (in respect of some earlier years, appeals covering the same issues have been decided in favor of the Company by the appellate authorities)	10,08,029	5,27,339
b. The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.	Amount unacertainable	Amount unacertainable
Management has accounted for the liability for the period from date of the SC order to 31 March 2019. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.		

41 Corporate social responsibility

Particulars	31 March 2020	31 March 2019
Amount required to be spent as per section 135 of the Act:	-	33,71,616
Fairfax Foundation - Health and sanitisation	-	32,71,616
Board For Research Education And Development (BREAD India)	-	1,00,000
Total	-	33,71,616

Note: As the Travel Corporation (India) Limited (Formerly known as SOTC Travel Management Private Limited) (New TCI) does not have the networth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crores or more in any previous financial year, hence CSR provision are not applicable to the Company for FY 19-20.

During FY 19-20 Composite scheme of merger has take place between Travel Corporation (India) Limited (Old TCI) and SOTC Travel Management private limited {Now known as Travel Corporation (India) limited- New TCI} , due to which above mentioned provisions of CSR are not applicable on New TCI, Previous year figure represents CSR done by Old TCI before merger in FY 18-19.

42 Scheme of Amalgamation/ Demerger

The Board, at its meeting held on 23 April 2018 and which was further amended on 19 December 2018, approved the Composite Scheme of Arrangement and Amalgamation amongst Thomas Cook (India) Limited ('TCIL'), Quess Corp Limited ('QCL'), Travel Corporation (India) Limited ('TCI'), TC Forex Services Limited (formerly known as Tata Capital Forex Limited) ('TCF'), TC Travel Services Limited (formerly known as TC Travel and Services Limited) ('TCTSL') and SOTC Travel Management Private Limited (formerly known as SITA Travels and Tours Private Limited) ('SOTCM') (later on changed the name to SOTC Travel Management Limited) and their respective shareholders ('the Scheme') in accordance with the provisions of Section 230 to 232 read with Section 52, 55 and 66 of the Companies Act, 2013.

The Scheme inter alia provides: (i). Demerger of the inbound business of TCI consisting of business of handling inward foreign tourist activity from TCI into SOTC Travel Management Private Limited (later on changed the name to SOTC Travel Management Limited); and (ii). Amalgamation of residual TCI, TCF and TCTSL with TCIL.

The said Composite Scheme pertaining to TCI has been approved by The National Company Law Tribunal (Mumbai Branch) on 10 October 2019 and NCLT (Bangalore) on 07 November 2019. The said scheme is effective on 25th November 2019 from the appointment date 01 April 2019.

(Currency : Indian rupees)

The Scheme has been accounted as specified by NCLT order. The appointed date of the scheme is 1 April 2019. However, TCI and SOTC are under common control of TCIL, the merger shall be accounted using pooling of interest method as per Ind AS 103. As a result, prior period will be restated from 1 April 2018. The book values of the assets, liabilities and reserves of the transferor company as of 1 April 2018 have been recorded and the identity of the reserves have been maintained. The consideration for such merger was Rs. 19,901.93 lakhs in the form of preference shares to be issued by the transferee company. Such equity shares are issued during the year ended 31 March 2020 and accordingly has been presented as share capital suspense account in the financial statements for the year ended 31 March 2019. Further, the effect of share capital suspense has been appropriately considered for computation of basic and diluted earnings per share from 1 April 2018.

Particulars	1-April-18
Assets	
Non-Current Asset	
Property, plant and equipment	13,61,82,349
Other intangible assets	61,21,635
Investments in subsidiaries and associates	1,49,69,133
Loans	5,10,08,301
Deferred tax assets (net)	6,69,70,332
Other non-current assets	17,31,902
Total Non Current Asset	**27,69,83,652**
Assets	
Current Asset	
Investments	30,01,94,416
Trade receivables	47,70,57,316
Cash and cash equivalents	65,72,91,324
Loans	69,31,001
Other current financial assets	5,06,68,528
Other current assets	1,33,93,09,184
Total Current Asset	**2,83,14,51,769**
Total Assets	**3,10,84,35,421**
Equity and Liabilities	
Equity	-
Total Equity	-
Provisions	32,65,642
Total Non Current Liabilities	**32,65,642**
Current Liabilities	
Trade payables	
Dues of creditors other than micro enterprises and small enterprises	2,89,84,18,022
Other financial liabilities	3,55,38,270
Derivative liabilities	2,40,16,347
Other current liabilities	25,43,07,001
Short-term provisions	53,37,035
Total Current Liabilities	**3,21,76,16,675**
Total Equity and Liabilities	**3,22,08,82,317**
Net Assets/(Liabilities) as on 1 April 2018	**(11,24,46,896)**

The capital reserve pursuant to this scheme of amalgamation has been arrived at as follows:

Particulars	Amount
Net (Liabilities) as on 1 April 2018	(11,24,46,896)
Profit from April-Mar'19 Pertaining to inbound business	46,93,51,710
Net Assets/(Liabilities) as on 1 April 2019	**35,69,04,814**
Purchase consideration	
19,90,19,396 Non- Cumulative Optionally Convertible Redeemable Preference Shares of Rs 10 each, fully paid up	(1,99,01,93,960)
Capital Reserve accounted pursuant to composite scheme (Refer Note 16)	**1,63,32,89,145**

As per the scheme, the Company has issued 19,90,19,396 Non- Cumulative Optionally Convertible Redeemable Preference Shares of Rs 10 each to the shareholders of Travel Corporation (India) Ltd. in the ratio of 3 preference shares of 10 each for every 4 shares of Rs.10 each on date of allotment 12th December 2019 without payment being received in cash.

The excess of purchase consideration over the book value of the net assets and reserves of the transferor company taken over, amounting to Rs 16,332.89 lakhs over the face value of the shares issued by the transferee company has been debited to the Capital Reserve as per the Scheme.

(Currency : Indian rupees)

43 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions (if applicable) entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international as well as specified domestic transactions (if any) are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

(Currency : Indian rupees)

44 Related party transactions

(A) Names of related parties by whom control exists

Name of the parties	Relationships
Thomas Cook (India) Limited	Holding Company of Travel Cororation (India) Limited
Fairfax Financial Holdings Limited	Ultimate Holding Company, Canada

(B) Subsidiaries with whom transactions have taken place during the year

Name of the parties	Relationships
SITA World Travel Lanka (Pvt) Limited	Subsidiaries of the Company
SITA World Travel Nepal Private Limited	Subsidiaries of the Company

(C) Fellow Subsidiaries with whom transactions have taken place during the year

Name of the parties	Relationships
SOTC Travel Limited	Fellow subsidiaries of the Company
Sterling Group	Fellow subsidiaries of the Company

(D) Associate with whom transactions have taken place during the year

Name of the parties	Relationships
TCI Go Vacation Private Limited	Associate of the Company

(E) Other related parties with whom transactions have taken place during the year

Name of the parties	Relationships
Luxe Asia Private Limited	Other related party
Quess Corp Limited	Other related party
National Collateral Management Services Limited	Other related party

(F) Key Management Personnel

Name of the parties	Name of the key management personnel
Managing Director of the Company	Mr. Dipak Deva
Chief Financial Officer	Mr. Sanjay Shroff
Chief Operating Officer	Mr. Vineet Mahendru
Chief Operating Officer	Mr. Ernest Dias (retired w.e.f. 30th November 2019)
Company Secretary	Mrs. Ritu Verma (last working date 28th June 2019)
Company Secretary	Ms. Megha Sekharan (Joined w.e.f. 1st December 2019)

Chartered Accountants

Mumbai-400011.

India

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management private limited)

Notes to the financial statements *(Continued)*

for the year ended 31 March 2020

(Currency : Indian rupees)

44 Related party transactions *(Continued)*

(G) Related parties with whom transactions have taken place during the year

Particulars	Year	Holding Company	Subsidiary	Fellow subsidiaries	Associate	Other Related Party	Key Management Personnel	Total
Sale of services	2020	8,77,86,353	-	-	1,68,43,596	-	-	10,46,29,949
	2019	10,70,10,609	-	15,83,600	77,83,882	-	-	11,63,78,091
Purchase of services	2020	53,79,202	21,66,52,592	11,09,12,510	-	1,29,74,583	-	34,59,18,887
	2019	97,19,836	21,25,22,903	7,79,99,027	-	8,51,24,585	-	38,53,66,352
Facility Support Income & Management Fees	2020	-	-	-	2,50,99,598	-		2,50,99,598
	2019	-	-	-	2,58,36,106	-		2,58,36,106
ESOP and Stock Expense Charge	2020	3,34,29,931	-	-	-	-	-	3,34,29,931
	2019	3,17,76,621	-	-	-	-	-	3,17,76,621
Gurantee Taken	2020	-	-	-	-	-	-	-
	2019	12,00,00,000	-	-	-	-	-	12,00,00,000
Rent charges	2020	33,11,029		-		-	-	33,11,029
	2019	79,25,650		-		-		79,25,650
Interest Income on Loan Given	2020	-	12,13,090	-	-	-	-	12,13,090
	2019	-	15,18,821	-	-	-	-	15,18,821
Corporate guarantee fees	2020	83,697	-	-	-	-	-	83,697
	2019	1,24,374	-	-	-	-	-	1,24,374
Investment in Preference Instrument (ICD converted into investment)	2020	-	1,71,72,643	-	-	-	-	1,71,72,643
	2019	-	-	-	-	-	-	-
Dividend Income	2020	-	-	-	1,37,20,000	-	-	1,37,20,000
	2019	-	-	-	-	-	-	-
Royalty Income	2020	-	80,08,870	-	-	-	-	80,08,870
	2019	-	65,58,587	-	-	-	-	65,58,587
Expenses reimbursed	2020	5,14,95,367	-	95,39,540	1,07,557	-	-	6,11,42,464
	2019	3,89,84,619	-	2,83,95,609	19,63,646	-	-	6,93,43,874
Expenses recovered	2020	1,70,842	-	7,62,177	1,98,828	3,41,684	-	14,73,531
	2019	-	-	-	1,56,011	-	-	1,56,011
Salaries and other employee benefits to KMP's	2020	-	-	-	-	-	7,88,89,492	7,88,89,492
	2019	-	-	-	-	-	7,89,41,119	7,89,41,119
Commission and other benefits to non-executive/independent directors	2020	-	-	-	-	-	39,98,043	39,98,043
	2019	-	-	-	-	-	63,02,476	63,02,476

44 Related party transactions *(Continued)*

(H) Related party transactions

Particulars	Year	Holding Company	Subsidiary	Fellow Subsidiaries	Associate	Other Related Party	Key Management Personnel	Total
Balance as at 31 March								
Receivable	2020	1,32,89,153	2,07,40,654	3,41,684	6,70,09,861	3,41,684	29,628	10,17,52,664
	2019	-	2,77,11,200	-	1,16,83,948	-	37,069	3,94,32,216
Payables	2020	-	3,59,85,139	2,23,66,647	-	11,84,501	57,89,102	6,53,25,388
	2019	1,55,66,547	5,43,39,512	3,51,36,875	-	28,74,786	61,29,701	11,40,47,421

(I) Related party transactions:

Particulars	Fellow Subsidiaries	2020	2019
Sale of services	SOTC Travel Limited	-	15,83,600
Purchases of services	Sterling Group Companies	43,93,696	52,35,438
	SOTC Travel Limited	10,65,18,814	7,27,63,589
Expenses reimbursed	SOTC Travel Limited	95,39,540	2,83,95,609
Expenses recovered	SOTC Travel Limited	5,91,335	-
	Sterling Group Companies	1,70,842	-
Payable:			
Trade Payable	Sterling Group Companies	1,44,100	12,41,041
	SOTC Travel Limited	2,22,22,547	3,38,95,834
Receivable:			
Trade Receivable	SOTC Travel Limited	1,70,842	-
	Sterling Group Companies	1,70,842	-

(Currency : Indian rupees)

44 Related party transactions *(Continued)*

(J) Related party transactions:

Particulars	Subsidiaries	2020	2019
Purchases of services	SITA World Travel Nepal Private Limited	21,66,52,592	20,41,64,967
	SITA World Travel Lanka (Pvt) Limited	-	83,57,936
Interest Income on Loan Given	SITA World Travel Lanka (Pvt) Limited	12,13,090	15,18,821
Royalty Income	SITA World Travel Nepal Private Limited	80,08,870	65,58,587
Investment in Preference Instrument (ICD converted into investment)	SITA World Travel Lanka (Pvt) Limited	1,71,72,643	-
Receivable:			
Loan receivable	SITA World Travel Lanka (Pvt) Limited	-	1,01,80,450
Interest Receivable on Loan	SITA World Travel Lanka (Pvt) Limited	-	47,98,965
Royalty income Receivable	SITA World Travel Nepal Private Limited	2,07,40,654	1,27,31,785
Payable:			
Trade Payable	SITA World Travel Nepal Private Limited	3,59,85,139	5,43,39,512

(K) Related party transactions:

Particulars	Holding Company	2020	2019
Sale of Services	Thomas Cook (India) Limited	7,74,95,033	8,50,46,315
	Fairfax Financial Holdings Limited	1,02,91,320	2,19,64,293
Purchases of services	Thomas Cook (India) Limited	53,79,202	97,19,836
ESOP and Stock Expense Charge	Thomas Cook (India) Limited	3,34,29,931	3,17,76,621
Guarantee Taken	Thomas Cook (India) Limited	-	12,00,00,000
Rent Charges	Thomas Cook (India) Limited	33,11,029	79,25,650
Purchases of Equity Shares	Thomas Cook (India) Limited	-	-
Corporate guarantee fees	Thomas Cook (India) Limited	83,697	1,24,374
Expenses reimbursed	Thomas Cook (India) Limited	5,14,95,367	3,89,84,619
Expenses recovered	Thomas Cook (India) Limited	1,70,842	-
Receivable:			
Advance to Vendor	Thomas Cook (India) Limited	1,31,18,311	-
Trade Receivable	Thomas Cook (India) Limited	1,70,842	-
Payables:			
Rent Payable	Thomas Cook (India) Limited	-	1,21,22,790
Trade Payable	Thomas Cook (India) Limited	-	34,43,757

44 Related party transactions *(Continued)*

(L) Related party transactions

Particulars	Associate	2020	2019
Sale of Services	TCI Go Vacation Private Limited	1,68,43,596	77,83,882
Facility Support Income & Management Fees	TCI Go Vacation Private Limited	2,50,99,598	2,58,36,106
Dividend Income	TCI Go Vacation Private Limited	1,37,20,000	-
Expenses reimbursed	TCI Go Vacation Private Limited	1,07,557	19,63,646
Expenses recovered	TCI Go Vacation Private Limited	1,98,828	1,56,011
Receivables:			
Advance to Vendor	TCI Go Vacation Private Limited	5,87,82,863	-
Trade Receivable	TCI Go Vacation Private Limited	82,26,998	1,16,83,948

Chartered Accountants
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Travel Corporation (India) Limited

(Formerly known as SOTC Travel management private limited)

Notes to the financial statements *(Continued)*

for the year ended 31 March 2020

(Currency : Indian rupees)

(M) **Related party transactions**

Particulars	Other related party	2020	2019
Purchases of services	Luxe Asia Private Limited	1,21,23,240	8,14,91,677
	Quess Corp Limited	8,51,343	24,50,392
	Desert Adventures Tourism LLC	-	11,82,516
Expenses recovered	National Collateral Management Services Limited	1,70,842	-
	Quess Corp Limited	1,70,842	-
Receivables:			
Trade Receivable	National Collateral Management Services Limited	1,70,842	-
	Quess Corp Limited	1,70,842	-
Payables:			
Trade Payable	Luxe Asia Private Limited	7,29,259	20,91,735
	Quess Corp Limited	4,55,242	7,83,051

(N) **Transactions with key management personnel**

Particulars	2020	2019
Salaries and other employee benefits to KMP's	7,88,89,492	7,89,41,119
Commission and other benefits to non-executive/independent directors	39,98,043	63,02,476
Receivables:		
Employee Advance Receivable	29,628	37,069
Payables:		
Commission Payable	55,95,433	59,95,575
Employee Payable	1,93,669	1,34,127

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(Currency : Indian rupees)

45 Ind AS 115 'Revenue from Contracts with Customers'

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss

Revenue from operations:
Revenue from contract with customers

Particulars	31 Mar 2020	31 Mar 2019
-Travel and tour related services	4,33,51,34,047	5,65,92,75,155
	4,33,51,34,047	5,65,92,75,155

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by reportable segment:

Revenue based on product and services:
Revenue from contract with customers

Particulars	31 Mar 2020	31 Mar 2019
-Travel and tour related services	4,33,51,34,047	5,65,92,75,155
	4,33,51,34,047	5,65,92,75,155

iii) Contract balance

(a)Contract Assets :

A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company performs by rendering services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The contract liabilities primarily relate to the unbilled revenue from customers for which revenue has been recognized based on the performance obligation / services delivered, however billing of same is yet to be done.

Changes in contract assets are as follows

Particulars	31 Mar 2020	31 Mar 2019
Balance at the beginning of the year	3,96,45,871	2,59,88,591
Revenue recognised during the year	4,21,56,80,705	5,52,20,99,687
Invoices raised during the year	(4,25,53,26,576)	(5,52,68,35,323)
Balance at the end of the year	-	2,12,52,955

(b)Contract liabilities :

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/ services delivered.

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards In-bound tour packages. Revenue from inbound tour packages are recognized on the completion of the performance obligation which is on the date of arrival of the tour.

Advance from contract with customers

Particulars	31 Mar 2020	31 Mar 2019
-Advance collected from customers	17,89,03,536	22,75,82,684
	17,89,03,536	22,75,82,684

46 Impact of COVID-19 (Global pandemic)

On 11 March 2020, the World Health Organization declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat of the pandemic, the Indian Government has taken a series of measures to contain the outbreak, which included prohibition on international travel of passengers to India and imposing 'lock-downs' across the country. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the businesses of the company. Lockdown guidelines issued by Central/State governments mandated cessation of air traffic and other forms of public transport as well as closure of hotel operations.

With the lifting of the partial lockdown restrictions, the Company has started re-opening it's branches and other establishments. However, the operations of the Company are yet to start as the prohibition on international travel of passengers to India still continues

The Company expects that the operations shall be becoming normal in a phased manner after the prohibition on international travel of passengers to India (by the Indian government and governments of other global countries) ceases and the confidence of travellers is restored globally. The Company expects the demand for its services to pick up albeit at a slower pace once the above travel restriction is lifted. The Company has assessed the impact of COVID-19 on the carrying amount of its assets / liabilities and revenue recognition. In developing the assumptions relating to the possible future uncertainties, the Company, as on date of approval of these financial statements has used internal and external sources of information to the extent available. The Company has undertaken various cost saving initiatives to maximise operating cash flows and conserve cash position in the given situation.

The Directors of the Company are of the opinion that the Company shall be able to meet its obligations as and when they fall due and expects recovery of the carrying amount of the assets. The Directors have also carried out review of the cash flow forecasts of the Company based on the significant assumptions as per the available information. Based on the current financial position and the forecasts, the Company shall have adequate liquidity to finance its future requirements. The Directors are of the opinion that the assumptions included in the cash flow forecasts are reasonable.

The Company has cash and bank balance (including deposits) of Rs 1,19,66,71,362 as on 31 March 2020. The Company has net worth of Rs 75,07,35,215 and net working capital of Rs 39,65,69,148 as at the balance sheet date.

Based on aforesaid assessment management believes that as per, estimates made conservatively, the Company will continue as a going concern. The Company continues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

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Chartered Accountants

(Currency : Indian rupees)

47 Share-based payment arrangements:

A. Description of share-based payment arrangements

i. Share option programmes (equity-settled)

Thomas Cook India Limited, the parent company has granted Employee Stock Options to the Company's employees under various plans. Under these plans, the holder of the vested options are entitled to purchase the shares of the holding company at exercise price prescribed in the plans at the respective date of grant of the options.

The key terms and conditions related to the grants under these plans are as follows; All options are to be settled by the delivery of shares after completion of vesting period.

Plan	Grant date	No. of options	Exercise price	Vesting period
GT25AUG2015	25-Aug-15	62,000	165.92	3 years
GT07NOV2016	7-Nov-16	4,65,594	1.00	4 years
GT13JUN2018	13-Jun-18	2,18,900	137.93	3 years
GT05OCT2018	5-Oct-18	39,989	1.00	5 years

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value at grant date is determined using the Black-Scholes Model which takes into account the exercise price, expected volatility, option's life, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

ii. Modification of share based payment schemes:

The Thomas Cook India Limited (TCIL) in a composite scheme of arrangement demerged its Human Resources Services Business and transferred it to Quess Corp Limited (Quess). The scheme was approved by the National Company Law Tribunal (NCLT) with the appointed date as April 1, 2019. The effective date of the scheme was November 25, 2019 when both TCIL and Quess filed the certified copies of the order with their respective jurisdictional Registrar of Companies.
As a part of the composite scheme, Employees whose ESOPs were outstanding on the effective date will be entitled to the additional shares of Quess on account of the demerger of Human Resource Business. Instead of altering the exercise price, TCIL provided additional award in form of Quess shares.
The employees are now entitled to shares of Quess along with those of TCIL in the same share entitlement ratio prescribed in the scheme for the other shareholders of TCIL
In case of vested ESOPs, the employees will be granted shares of TCIL and Quess only on payment of the exercise price. In case of unvested ESOPs, the employees will be granted shares of TCIL and Quess on completion of the remaining vesting period and payment of the exercise price.
The options, to the extent, which are settled by shares of Quess do not meet the definition of a share-based payment arrangement because the value of shares of Quess is not based on the price or value of TCIL's equity instruments or any of its group entity's equity instruments.
The options to the extent which are settled by shares of Quess will be considered as an employee benefit within the scope of Ind AS 19.
The options settled by shares of TCIL continue to be considered as share based payments and are accounted as per IND AS 102.

47 Share-based payment arrangements: *(Continued)*

C. Reconciliation of outstanding share options

The number of share options under the share option programmes were as follows.

Thomas Cook ESOP Sch	GT25AUG2015	Number of options	Number of options
		31 Mar 2020	31 Mar 2019
Options outstanding as at the beginning of the year		10,000	20,000
Add: Options granted during the year		-	-
Less: Options lapsed during the year			10,000
Less: Options exercised during the year		3,200	-
Options outstanding as at the year end		6,800	10,000

Thomas Cook ESOP Sch	GT07NOV2016	Number of options	Number of options
		31 Mar 2020	31 Mar 2019
Options outstanding as at the beginning of the year		4,65,594	4,65,594
Add: Options granted during the year		-	-
Less: Options lapsed during the year		-	-
Less: Options exercised during the year			-
Options outstanding as at the year end		4,65,594	4,65,594

Thomas Cook ESOP Sch	GT13JUN2018	Number of options	Number of options
		31 Mar 2020	31 Mar 2019
Options outstanding as at the beginning of the year		2,18,900	-
Add: Options granted during the year			2,18,900
Less: Options lapsed during the year		10,000	-
Less: Options exercised during the year		-	-
Options outstanding as at the year end		2,08,900	2,18,900

Thomas Cook ESOP Sch	GT05OCT2018	Number of options	Number of options
		31 Mar 2020	31 Mar 2019
Options outstanding as at the beginning of the year		39,989	-
Add: Options granted during the year			39,989
Less: Options lapsed during the year		-	-
Less: Options exercised during the year		-	-
Options outstanding as at the year end		39,989	39,989

D. Expenses/shares option outstanding account arising from share based payment transactions

Total expenses arising from share-based payment related transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2020	March 31, 2019
Employee ESOP expenses	2,82,95,042	3,17,76,621
Employee Stock Expenses	51,34,889	-

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48 Subsequent events:

On May 26, 2020, the Board of Directors of the Company have proposed a final dividend of Rs.20,000 per share in respect of the year ending March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of Rs. 20,00,00,000.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Significant accounting policies

The notes from 1 to 48 form an integral part of the financial statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

B.H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
2 June 2020

For and on behalf of the Board of Directors of Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
Gurugram

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer
Gurugram
26 May 2020

Megha.P.S

Megha Sekharan
Company Secretary
Mumbai
26 May 2020

G. . APA IA CO.
(REGISTERED)
CHARTERED ACCOUNTANTS
1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021. INDIA
PHONE : (91-22) 6611 6611 FAX : (91-22) 6611 6600

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TC VISA SERVICES (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of TC **Visa Services (India) Limited** (the Company), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information (the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Management of the Company is responsible for the other information. The other

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

information obtained at the date of this report is report of the board of directors, but does not include the standalone financial statements and our report thereon.

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

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

If, based on our work, we conclude that there is a material misstatement therein, we are required to communicate to those charged with governance and take appropriate actions in accordance with the SAs. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 generally accepted in India, including Ind AS, read with the rules made thereunder and the relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Auditor's Responsibility 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.

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

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

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

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

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

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the rules made thereunder and the relevant provisions of the Act;

(e) On the basis of written representations received from the Directors as on March 31, 2020 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2020 from being appointed as a Director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any remuneration to its directors during the year and hence, the provisions of section 197 of the Act are not applicable; and

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

(i) The Company does not have any pending litigations, which would impact the financial position of the Company;

(ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contracts; and

(iii) There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

Place: Mumbai
Dated: June 12, 2020

UDIN:20039569AAAAEM9625

Annexure A- referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report on even date to the members of the Company on the standalone financial statements for the year ended March 31, 2020

i. The Company does not have any property, plant and equipment and hence provision of paragraph 3(i) of the Order is not applicable.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, paragraph 3(ii) of the Order regarding physical verification of inventories and maintenance of records is not applicable.

iii. The Company has not granted any unsecured loans to parties covered in the register maintained under section 189 of the Act during the year. Hence, paragraph 3(iii) of the Order is not applicable.

iv. Based on audit process applied by us and according to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made and loans, guarantees and securities granted, as applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable to the Company.

We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

vi. The provisions of section 148(1) of the Act, relating to maintenance of cost records are not applicable.

vii. (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities applicable undisputed statutory dues such as provident fund, employees' state insurance, income tax, profession tax, service tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. There are no arrears as at March 31, 2020 which were due for more than six months from the date they became payable.

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed dues of income-tax, service tax, goods and services tax and profession tax which have not been deposited on account of any dispute.

viii. The Company has neither raised loans from banks and financial institutions nor issued any debentures, therefore the provisions of paragraph 3(viii) of the Order regarding default in repayment of dues to banks and financial institutions and debenture holders is not applicable to the Company.

ix. The Company has not raised any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans. Hence, the provisions of paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or on the Company by its officers and employees have been noticed or reported during the year.

xi. The Company has not paid or provided for any managerial remuneration. Hence, reporting requirements under this paragraph 3(xi) of the Order are not applicable.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. In respect of transactions with related parties, the Company has complied with provisions of sections 177 and 188 of the Act where applicable. Necessary disclosures relating to related party transactions have been made in the standalone financial statements as required by the applicable accounting standard.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xv. The Company has not entered into any non-cash transaction with directors. We have been informed that no such transactions have been entered into with persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order is

G. M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

not applicable.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAEM9625

Mumbai
Dated: June 12, 2020

Annexure B referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's report of even date, to the members of TC Visa Services (India) Limited (the Company) on the standalone financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013 (the Act)

Opinion

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial

G. M. KAPADIA & CO.
MUMBAI
Chartered Accountants

statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No. 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 039569

UDIN:20039569AAAAEM9625

Mumbai
Dated: June 12, 2020

TC VISA SERVICES (INDIA) LIMITED
Balance Sheet as at March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Deferred Tax Assets (Net)	3	12.1	18.6
Total Non-Current Assets		**12.1**	**18.6**
Current Assets			
Financial Assets			
- Investment	5(a)	-	300.0
- Trade Receivables	5(b)	1,383.5	1,090.2
- Cash & Cash Equivalents	5(c)	208.6	197.2
- Other Financial Assets	5(d)	15.4	8.8
Other Current Assets	6	12.2	87.3
Total Current Assets		**1,619.7**	**1,683.5**
TOTAL ASSETS		**1,631.8**	**1,702.1**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	7	5.0	5.0
Other Equity - Reserve & Surplus	8	1,183.3	895.9
Total Equity		**1,188.3**	**900.9**
LIABILITIES			
Non-Current Liabilities			
Employee Benefit Obligations	9	14.3	8.7
Total Non-Current Liabilities		**14.3**	**8.7**
Current Liabilities			
Financial Liabilities - Trade Payables	10(a)	319.7	570.4
Employee Benefit Obligations	9	10.1	14.1
Current Tax Liabilities	4	7.3	30.8
Other Current Liabilities	11	92.1	177.2
Total Current Liabilities		**429.2**	**792.5**
TOTAL LIABILITIES		**443.5**	**801.2**
TOTAL EQUITY AND LIABILITIES		**1,631.8**	**1,702.1**

The above balance sheet should be read in conjunction with the accompanying notes.

For TC Visa Services (India) Limited

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC VISA SERVICES (INDIA) LIMITED
Statement of Profit And Loss for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Income			
Revenue from operations	12	1,070.9	1,134.4
Other income	13	229.5	94.1
Total income		**1,300.4**	**1,228.5**
Expenses			
Employee benefits expense	14	511.8	443.1
Finance Cost	15	17.5	4.2
	16	384.4	374.5
Total expenses		**913.7**	**821.8**
Profit before tax		**386.7**	**406.7**
Less: Tax expense	17		
Current tax		92.5	111.8
Deferred tax		6.6	6.5
Total tax expenses		**99.1**	**118.3**
Profit for the year (A)		**287.6**	**288.4**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		(0.4)	(0.5)
Income tax relating to items that will not be reclassified to profit or loss		0.2	0.1
Total other comprehensive income for the year, net of taxes (B)		**(0.2)**	**(0.4)**
Total comprehensive income for the year (A+B)		**287.4**	**288.0**
Earnings per equity share (Face value of INR 10 each)	22		
- Basic earnings per share (In INR)		575.2	576.8
- Diluted earnings per share (In INR)		575.2	576.8

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For TC Visa Services (India) Limited

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC VISA SERVICES (INDIA) LIMITED
Statement of Changes in Equity for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

Equity share capital

Particulars	Amount
Balance as at April 1, 2018	**5.0**
changes in equity share capital during the year	-
Balance as at March 31, 2019	**5.0**
changes in equity share capital during the year	-
Balance as at March 31, 2020	**5.0**

	Reserves and Surplus		
Particulars	Capital Contribution	Retained Earnings	Total Other Equity
Balance as at April 1, 2018	**6.2**	**598.0**	**604.2**
Profit for the year	-	288.4	288.4
Other Comprehensive Income	-	(0.4)	(0.4)
Transaction with owners in their capacity as owners			
Employee Stock Option Expense	3.7	-	3.7
Balance as at March 31, 2019	**9.9**	**886.0**	**895.9**
Profit for the year	-	287.6	287.6
Other Comprehensive Income	-	(0.2)	(0.2)
Balance as at March 31, 2020	**9.9**	**1,173.4**	**1,183.3**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For TC Visa Services (India) Limited

As per our report of even date.
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

TC VISA SERVICES (INDIA) LIMITED
Statement of Cash Flows for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
A) Cash flow from operating activities		
Profit before income tax	**386.7**	**406.7**
Adjustments for:		
Provision for Doubtful Debts and Advances (Net)	(18.5)	3.0
Employee share-based payment expense	-	3.7
Interest income on bank deposit	(0.4)	-
Gain from Mutual Fund	(16.1)	(13.7)
Operating profit before changes in operating assets and liabilities	**351.7**	**399.7**
Change in operating assets and liabilities:		
	(274.8)	154.0
(Increase)/Decrease in other financial assets	(6.6)	(8.8)
(Increase)/Decrease in other current assets	75.1	(29.2)
Increase/(Decrease) in non current employee benefit obligations	5.2	4.6
Increase/(Decrease) in trade payables	(250.7)	(92.3)
Increase/(Decrease) in current employee benefit obligations	(3.9)	(18.9)
Increase/(Decrease) in other current liabilities	(85.1)	65.8
Cash generated from operations	**(189.1)**	**474.9**
Income taxes paid	(116.1)	(124.2)
Net cash inflow from operating activities	**(305.2)**	**350.7**
B) Cash flow from investing activities:		
Purchase of Units of Mutual funds	-	(41,031.3)
Sale of Units of Mutual funds	316.1	40,731.0
Investment in FD	-	-
Interest on bank deposits	0.4	-
Net cash inflow/(outflow) from investing activities	**316.5**	**(300.3)**
Net increase in cash and cash equivalents	11.3	50.4
Add: Cash and cash equivalents at the beginning of the financial year	197.2	146.8
Cash and cash equivalents at the end of the year	**208.5**	**197.2**
Reconciliation of Cash Flow statements as per the cash flow statement	**31 March 2020**	**31 March 2019**
Cash Flow statement as per above comprises of the following		
Cash and cash equivalents	208.6	197.2
Bank Overdrafts	-	-
Balances as per statement of cash flows	208.6	197.2

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS-7) on Statement of Cash Flow as notified under Companies (Acounts) Rules, 2015.
2. The above statement of Cash flow should be read in conjunction with the accompanying notes.

For TC Visa Services (India) Limited

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai

General Information

TC Visa Services (India) Limited (the "Company") was incorporated on August 30, 2011 with main object to render consultancy and / or advisory services in connection with obtaining / arranging visas. The Company is a 100% subsidiary of Travel Corporation (India) Limited. The Company commenced operations from February 1, 2013.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

(a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') In accordance with proviso of the Rule 4A of Companies Accounting Rules, 2014, the terms used in these financial statements are in accordance with the definitions and other requirements specified in the applicable Accounting standards as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act as amended from time to time that are notified and effective as at 31st March, 2019.
Financial for the Year ended March 31, 2020 is prepared based on IND AS.

Current V/s Non-Current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-noncurrent classification of assets and liabilities.

(b) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following:
• Investments, and
• Defined benefit plans

(c) Use of estimates and judgments

The preparation of Standalone Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Information. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving critical estimates and judgments are:
(i) Estimation of defined benefit obligation
(ii) Impairment of Trade Receivables

1.2 Revenue Recognition

To recognize revenues, the Company applies the following five step approach:
1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenues when a performance obligation is satisfied.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.
Revenue comprises of consultancy and / or advisory services in connection with obtaining / arranging visas. The revenue arising from providing consultancy and/or advisory services in connection with obtaining Visa clearance services is included on the basis of margins earned, since inclusion on the basis of their gross value would not be meaningful and potentially misleading as an indicator of the level of the Company's business.

Revenue is recognised when services towards obtaining /arranging Visa clearance(s) are rendered i.e. submission of relevant documents to the Consulate.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue in excess of billing is classified as Accrued Revenue and is classified as a financial asset because, in these cases, right to consideration is unconditional upon passage of time. While invoicing in excess of revenue is classified as Income received in Advance.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

1.3 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive dividend is established.

1.4 Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income Tax:

Income tax for the period comprises of current tax and deferred tax. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in 'Other comprehensive income or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred Tax:

Deferred tax is recognised using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the Balance Sheet of the Company.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Certain temporary differences arising on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not recognised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

1.5 Leases

Company has adopted Ind AS 116 "Leases" (which replaces Ind AS 17 "Leases") effective April 1, 2019 and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

Determining whether an arrangement contains a lease:

Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use asset are subsequently measured at cost less accumulated depreciation and impairment losses if any and adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rates in the country of domicile of the leases.

Lease payments included in the measurement of the lease liability comprise the following:
i) Fixed payments;
ii) Variable lease payments;
iii) Amounts expected to be payable under a residual value guarantee; and
iv) The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in terms of the contract, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Till March 31, 2019, all lease arrangements were classified as operating or finance leases. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments under leases are charged or credited to the Statement of Profit and Loss on a straight-line basis over the term of the lease. Lease arrangements where Company has substantially all the risks and rewards of ownership were classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As a lessee:

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

1.6 Employee Benefits

(a) Long-term Employee Benefits

The Company operates the following post-employment schemes:

(i) Defined benefit plans such as gratuity
(ii) Defined contribution plans such as provident fund

(i) Defined Contribution Plans

Contribution towards Provident Fund for all employees are made to the regulatory authorities,where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Company's contributions to the above funds are charged to the Statement of Profit and Loss for the year for which the contributions are due for payment.

(ii) Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Contribution to Gratuity is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an arrangement. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited in the statement of profit and loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

(b) Short-term Employee Benefit

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

1.7 Impairment of Assets

Financial Assets

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The entity considers evidence of impairment for receivables for each specific asset. All individually significant receivables are assessed for specific impairment.

1.8 Provisions and contingent liabilities

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are not recognised for future operating losses. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure require to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

1.9 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Cash and cash equivalents include cash on hand, term deposits with banks and other short-term highly liquid investments. To be classified as cash and cash equivalents, the financial asset must:

- be readily convertible into cash;
- have an insignificant risk of changes in value; and
- have a maturity period of three months or less at acquisition.

In the cash flow statement, Cash and Cash Equivalents includes Cash on Hand, Cheques/Drafts on Hand, Remittances in Transit, Balances with Bank held in Current Account and Demand Deposits with maturities of three months or less. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management, and are included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.0 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Although the Company recognises the revenue relating to commission on net and agent basis, the trade receivables and trade payables are recognised on the gross value of services rendered and services received respectively.

2.1 Financial Instruments

(a) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value. Transaction costs are expensed in the Statement of Profit and Loss, expect for financial instruments carried at amortised cost, where transaction costs are adjusted in the amortised cost of the asset.

(ii) Subsequent Measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of:
- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(a) **Measured at amortised cost** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model with the objective of holding the assets to collect contractual cash flows, are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised in the Statement of Profit and Loss.

(b)**Measured at fair value through other comprehensive income** : Financial assets which have contractual cash flows that are solely payments of principal and interest on the principal outstanding and is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, is measured at fair value through other comprehensive income. It is subsequently measured at fair value with unrealised gains or losses recognised in the other comprehensive income ('OCI'), except for interest income which is recognised as 'other income' in the Statement of Profit and Loss using the EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

('c) **Measured at fair value through profit or loss**: A financial asset not measured at either amortised cost or FVOCI, is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL. For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

(iii) Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset On transfer of the financial asset, the Company evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(b) Financial liabilities

(i) Initial recognition and measurement:
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

(ii) Subsequent measurement:
Financial liabilities are subsequently measured at amortised cost using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition:
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

2.2 Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.3 Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.4 Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs or decimals thereof as per the requirement of schedule III (division II), unless otherwise stated.

2.5 Previous year's figures have been regrouped/rearranged wherever necessary to confirm with current year's figures.

2 Critical Accounting Estimates and Judgements:
The preparation of Standalone Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Information. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 3: Deferred Tax Assets (Net)

The balance comprises of temporary differences attributable to:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities	-	-
Deferred Tax Assets		
On provisions allowable for tax purpose when paid	4.3	4.8
On Provision for Doubtful Advances	7.8	13.8
Net Deferred Tax Assets	**12.1**	**18.6**

Movement in Deferred Tax Assets

Particulars	On provisions allowable for tax purpose when paid	On Provision for Doubtful Advances	Total
As at April 1, 2018	9.0	15.9	24.9
charged/(credited)			
-to profit or loss	(4.4)	(2.1)	(6.5)
-to other comprehensive income	0.1	-	0.1
As at March 31, 2019	**4.8**	**13.8**	**18.6**
charged/(credited)			
-to profit or loss	(0.7)	(6.0)	(6.6)
-to other comprehensive income	0.2	-	0.2
As at March 31, 2020	**4.3**	**7.8**	**12.1**

Note 4: Current Tax Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance - Current Tax Asset/(Liability)	(30.8)	(43.0)
Less: Current Tax payable for the year	92.5	111.8
Add: Taxes Paid	116.1	124.0
Closing Balances - Current Tax Asset/(Liabilities)	**(7.3)**	**(30.8)**

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 5: Financial Assets

5(a) Investment

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Fixed Deposits	-	-
Investment in Mutual Funds	-	300.0
Total Investment	**-**	**300.0**

5(b)Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
	1,414.7	1,139.9
Less: Allowance for doubtful debts	(31.2)	(49.7)
Total recievables	**1,383.5**	**1,090.2**
Break up of Security Details		
Unsecured, considered good	1,383.5	1,090.2
Unsecured, considered Doubtful	31.2	49.7
Total	**1,414.7**	**1,139.9**
Less : Allowance for doubtful debts	(31.2)	(49.7)
Total Trade Recievables	**1,383.5**	**1,090.2**

5(c) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks :		
In current accounts	102.6	94.6
Fixed Deposits with original maturity of less than three months	40.0	-
Cash in hand	44.2	80.1
Cheques on hand	21.8	22.4
Total Cash and cash equivalents	**208.6**	**197.2**

5(d) Other Financial Assets

Particulars	Non-current	Current	Non-current	Current
	As at March 31, 2020		As at March 31, 2019	
Accrued Revenue	-	15.4	-	0.4
Other Receivables from Related Parties	-	-	-	8.5
Other Receivables from Mutual Fund Companies	-	-	-	-
Total Other Financial Assets	**-**	**15.4**	**-**	**8.8**

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 6: Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to Suppliers		
Considered good	4.4	1.2
Considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
	4.4	**1.2**
Advance to Employees		
Considered good	-	67.8
	-	-
Less: Allowance for doubtful debts	-	-
	-	**67.8**
Prepaid expenses	-	5.3
Receivable with Government authorities- GST	7.8	13.0
Total	**12.2**	**87.3**

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 7: Equity Share Capital

Equity Share capital

Particulars	No of Shares (In lakhs)	Amount
AUTHORISED		
As at April 1, 2018	**5.0**	**50.0**
Increase during the Year Ended March 31, 2019	-	-
As at March 31, 2019	**5.0**	**50.0**
Increase during the Year ended March 31, 2020	-	-
As at March 31, 2020	**5.0**	**50.0**

(i) Movement in Equity Share Capital during the Year

Particulars	No of Shares (In lakhs)	Amount
As at April 1, 2018	**0.5**	**5.0**
Increase during the Year Ended March 31, 2019	-	-
As at March 31, 2019	**0.5**	**5.0**
Increase during the Year ended March 31, 2020	-	-
As at March 31, 2020	**0.5**	**5.0**

(ii) Terms and rights attached to shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution to all secured creditors, if any, of all preferential amounts, in proportion to their dues.

(iii) Shares of the company held by Holding Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares (In lakhs)	Amount	No of Shares (In lakhs)	Amount
Equity Shares				
Travel Corporation (India) Limited and its nominees	0.5	5.0	0.5	5.0

(iv) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)

Category of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares (In lakhs)	% of Holding	No of shares (In lakhs)	% of Holding
Equity Shares				
Travel Corporation (India) Limited and its nominees	0.5	100.0%	0.5	100.0%

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 8: Reserves and surplus

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Capital Contribution	9.9	9.9
Retained Earnings	1,173.4	886.0
Total reserves and surplus	**1,183.3**	**895.9**

(a) Retained Earnings

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Opening Balance	**886.0**	**598.0**
	287.6	288.4
Items of other Comprehensive income recognised directly in retained earnings	(0.2)	(0.4)
Closing Balance	**1,173.4**	**886.0**

(b) Capital Contribution

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Opening Balance	**9.9**	**6.2**
Capital Contribution towards ESOP Expenses	-	3.7
Closing Balance	**9.9**	**9.9**

Nature and Purpose of Reserves-

Capital Contribution
The company has created capital contribution reserve in relation to push-down ESOP's from its parent company- Thomas Cook (India) Limited due to Ind AS requirement.

Note 9: Employee Benefit Obligations

Particulars	As at March 31, 2020			As at March 31, 2019		
	Non Current	Current	Total	Non Current	Current	Total
Leave Entitlement	-	(0.0)	(0.0)	-	4.9	4.9
Gratuity	14.3	-	14.3	8.7	-	8.7
Employee Benefit Payables	-	10.1	10.1	-	9.2	9.2
Total	**14.3**	**10.1**	**24.4**	**8.7**	**14.1**	**22.8**

(i)Leave Obligations - Leave Entitlement

The leave obligations cover the Company's liability for earned leave.

Particulars	As at March 31, 2020	As at March 31, 2019
Current leave obligations expected to be settled within next 12 months	(0.0)	4.9

(ii) Post Employment Obligations

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

(iii) Defined contribution Plans

The company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 22.5 Lakhs (March 31, 2019 - INR 17.8 Lakhs).

Balance Sheet Amounts - Gratuity

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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2018	27.7	23.6	4.0
Current service cost	4.4	-	4.4
Interest expense/(income)	1.8	1.7	0.1
Total amount recognised in profit and loss	**6.2**	**1.7**	**4.5**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(0.2)	(0.2)
(Gain)/loss from change in demographic assumptions	(0.0)	-	(0.0)
(Gain)/loss from change in financial assumptions	0.6	-	0.6
Experience (gains)/losses	(0.2)	-	(0.2)
Total amount recognised in other comprehensive income	**0.4**	**(0.2)**	**0.2**
Employer contributions	-	0.4	(0.4)
Benefit payments	(1.9)	(1.9)	-
March 31, 2019	**32.4**	**23.7**	**8.7**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2019	**32.4**	**23.7**	**8.7**
Current service cost	4.9	-	4.9
Interest expense/(income)	2.1	1.6	0.5
Total amount recognised in profit and loss	**7.0**	**1.6**	**5.4**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	0.1	(0.1)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	3.0	-	3.0
Experience (gains)/losses	(2.5)	-	(2.5)
Total amount recognised in other comprehensive income	**0.5**	**0.1**	**0.4**
Employer contributions	-	0.1	(0.1)
Benefit payments	-	-	-
March 31, 2020	**39.8**	**25.5**	**14.5**

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	39.8	32.4
Fair value of plan assets	25.5	23.7
Deficit of funded plan	14.3	8.7
Unfunded plans	-	-
Deficit of gratuity plan	**14.3**	**8.7**

(All amounts in INR Lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	5.70%	7.00%
Salary growth rate	6.00%	6.00%

(iv) Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	March 31,2020	March 31,2019	March 31,2020	March 31,2019	March 31,2020	March 31,2019
Discount rate	50 basis point	50 basis point	-3.06%	-2.54%	3.24%	2.67%
Salary growth rate	50 basis point	50 basis point	3.21%	2.69%	-3.07%	-2.58%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The major categories of plans assets for gratuity are as follows:

Particulars	As at March 31, 2020			As at March 31, 2019		
	Unquoted	Total	In %	Unquoted	Total	In %
Insurer (LIC) Managed Funds	25.5	25.5	100.00%	23.7	23.7	100.00%

(v) Risk Exposure for Gratuity

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

a) **Asset volatility**- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.

b) **Salary growth & Demographic assumptions-** The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 6.35 years (2019 - 5.21 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Post Employment Obligations as at March 31, 2020	6.9	5.6	12.0	36.1	60.6
Post Employment Obligations as at March 31, 2019	6.3	5.5	11.8	26.5	50.1
Post Employment Obligations as at March 31, 2018	5.5	4.9	10.8	22.4	43.5

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 10: Financial Liabilities

Note 10(a): Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
-Dues of micro enterprises and small enterprises	-	-
-Dues of creditors other than micro enterprises and small enterprises	319.7	570.4
Total Trade Payables	**319.7**	**570.4**

Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding as at the Balance Sheet date. This information has been determined on the basis of information available with the company. This has been relied upon by the auditors.

Particulars	As at March 31, 2020	As at March 31, 2019
Employee Benefit Payables	-	-
Total Other Financial Liablities	-	-

Note 11: Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance received from Customers	70.6	147.5
Advance to Employees	0.5	-
Statutory Dues	21.0	29.7
Total	**92.1**	**177.2**

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 12: Revenue from Operations

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Income From Operations	1,070.9	1,134.4
Total	**1,070.9**	**1,134.4**

Note 13: Other Income

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Interest Income on Bank Deposits	0.4	-
Gains from Mutual Fund	16.1	13.7
	(0.0)	-
Miscellaneous Income	213.0	80.4
Total	**229.5**	**94.1**

Note 14: Employee Benefit Expense

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Salaries Wages and Bonus	463.5	407.2
Contribution to Provident and Other Funds	22.5	17.8
Gratuity (Refer note 9)	5.3	4.5
Employees Stock Option Scheme	-	3.7
Staff Welfare Expenses	4.7	9.9
Staff Training Expenses	15.8	-
Total	**511.8**	**443.1**

Note 15: Finance Costs

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Other Finance Charges	17.5	4.2
Total	**17.5**	**4.2**

* Amount is below the rounding off norm adopted by the Company.

Note 16: Other Expenses

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Rent (Refer note 24)	36.6	6.0
Electricity	-	7.7
Repairs and Maintenance	0.7	7.4
Rates and Taxes	0.0	-
Security Services	-	1.4
Travelling Expenses	24.4	28.6
Legal and Professional Charges #(Refer note below "a")	18.8	13.3
Printing, Stationery and Communication Cost	0.8	4.6
Courier Charges	26.7	28.5
Brokerage	31.6	35.5
Provisions for doubtful debts and Advances (net off bad debt w/off)	(18.5)	3.0
Advertisment Expenses	4.7	3.3
Outsourced Staff	253.1	225.2
Miscellaneous Expenses	5.5	10.2
Total	**384.4**	**374.5**

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Payment to auditors		
As auditor:		
-Statutory Audit	5.7	4.5
-Tax Audit	(1.1)	1.1
In other capacities		
-Re-imbursement of expenses	-	-
Total payments to auditors	**4.6**	**5.6**

(All amounts in INR Lakhs, unless otherwise stated)

Note 17: Income Tax Expense

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	92.5	111.8
Adjustments for current tax of prior periods	-	-
Total current tax expense	**92.5**	**111.8**
Deferred tax		
Decrease (increase) in deferred tax assets	6.6	6.5
Total deferred tax credit	**6.6**	**6.5**
Income tax expense	**99.2**	**118.3**

(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Profit from continuing operations before income tax expense	386.7	406.7
Tax at the Indian tax rate of 25.17% (PY - 27.55%)	**97.3**	**112.0**
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Interest on shortfall of advance tax	-	2.1
Dividend income	-	0.0
Sec 14A Disallowance	-	-
On account of rate difference as compared to previous year	1.7	-
Other items	0.1	4.1
Income tax expense	**99.2**	**118.3**

Note 18: Fair value measurements

Financial instruments by category

	As at 31 March 2020			As at 31 March 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Trade receivable	-	-	1,383.5	-	-	1,090.2
Cash and cash equivalents	-	-	208.6	-	-	197.2
Others	-	-	-	-	-	-
Total financial assets	-	-	**1,592.0**	-	-	**1,287.3**
Financial liabilities						
Trade Payable	-	-	319.7	-	-	570.4
Total financial liabilities	-	-	319.7	-	-	570.4

The carrying amounts of trade receivable, cash and cash equivalents, other financial assets, trade payables, other financial liabilities are considered to be the same as their fair values due to their short-term nature.

Note 19: Financial risk management

(i) Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the policies and processes. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for payments that are 365 days past due as it represents its estimate of expected credit loss in respect of trade and other receivables. The Company does not have any financial assets, other than receivables from group entities, that are 365 days past due but not impaired.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers including group entities is as follows:

	As at March 31, 2020	As at March 31, 2019
Neither past due nor impaired	-	-
Past due but not impaired	-	-
Past due 1–90 days	1,147.3	975.1
Past due 91–180 days	75.7	49.6
Past due 180–365 days	68.6	66.1
Past due > 365 days	123.1	49.1
	1,414.7	**1,139.9**

Reconciliation of loss allowance provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on March 31, 2018	**49.2**
Changes in loss allowance	0.5
Loss allowance on March 31, 2019	**49.7**
Changes in loss allowance	(18.5)
Loss allowance on March 31, 2020	**31.2**

Expected credit loss assessment for customers as at March 31, 2020 and March 31, 2019
Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. As company's customer is mainly its group company and few corporate customers (for whom based on information available in the public domain about their credibility/financial performance no impairment indicator exist) hence impairment of trade receivables do not reflect any significant credit losses.

Cash and cash equivalents
The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs 208.6 Lakhs and Rs 197.2 Lakhs as at March 31, 2020 and March 31, 2019 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company had working capital of INR 1,190.4 Lacs as at March 31, 2020 and INR 890.98 Lacs as at March 31, 2019.

(iv) Market risk

(a) Foreign currency risk
The Company does not deal in foreign currency and hence there is no foreign currency risk exposure.

(b) Cash flow and interest rate risk
The entity does not have any borrowings with fluctuating interest rates and hence it is not exposed to interest rate risk.

(c) Price risk
The entity does not have investsment which are exposed to market fluctuations and hence it is not exposed to price risk.

Note 20: Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 21: Related Party Transactions
(a) Parent Entities
The Company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest (%)	
			As at March 31, 2020	As at March 31, 2019
Travel Corporation (India) Limited ("TCI") and its nominees, India holds 100% of Equity Shares of the Company.	Holding Company	India	100%	100%
Thomas Cook (India) Limited, India ("TCIL") which holds 100%shares in TCI .	Holding Company	India		
Fairbridge Capital (Mauritius) Limited, Mauritius ("FCML") holds 66.94% of Equity Shares of TCIL. FCML is wholly owned and controlled by Fairfax Financial Holding Limited, Canada the ultimate Holding Company.	Ultimate Holding Company	Canada		

(b) Name of the related party and related party relationship

	Place of Business/ country of incorporation	Relationship
Quess Corp Limited (was fellow subsidiary upill February 28, 2018.)	India	Fellow Associate

(c) Key Management personnel

Particulars
R.R. Kenkare
Rajeev Kale
Abraham Alapatt

(d) Transactions with related parties
The following transactions occurred with related parties:

Nature of transaction	For the year ended 31 March 2020	For the year ended 31 March 2019
Reimbursement of Expenses (Net)		
Thomas Cook (India) Limited	-	-
Travel Corporation (India) Limited	-	8.8
Sale of services		
Thomas Cook (India) Limited	11,072.0	9,990.5
services Aviled		
Desert Adventures Tourism LLC	227.5	-
Facilities and Support Services Availed		
Thomas Cook (India) Limited	36.6	14.7
Travel Corporation (India) Limited	-	-
Employee share-based payments push down charge		
Thomas Cook (India) Limited	-	3.7
Facilities and Support Services Provided		
Thomas Cook (India) Limited	10.4	10.4
Other professional charges (Outsourced staff)		
Quess Corp Limited	253.3	226.4
Balances as at the year end	**As at 31 March 2019**	**As at 31 March 2018**
Outstanding Receivable		
Thomas Cook (India) Limited	993.9	720.4
Travel Corporation (India) Limited	-	8.5
Outstanding payables		
Thomas Cook (India) Limited	-	-
Travel Corporation (India) Limited	-	-
Quess Corp Limited	0.2	3.8
Desert Adventures Tourism LLC	49.6	-

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
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Note 22: Earnings Per Share

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Net Profit attributable to equity shareholders	287.6	288.4
Weighted average number of outstanding shares	0.5	0.5
(a) Basic earnings per share		
Attributable to the equity holder of the company	575.2	576.8
(b) Diluted earnings per share		
Attributable to the equity holder of the company	575.2	576.8

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	**March 31, 2020**	**March 31, 2019**
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	287.6	288.4
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	**287.6**	**288.4**

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

Particulars	**March 31, 2020**	**March 31, 2019**
Weighted average number of equity shares used as the denominator in calculating basic earning per share	0.5	0.5
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	0.5	0.5

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 23: Operating Leases
Disclosures in respect of cancellable agreements for office premises taken on lease

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Lease payments recognised in the Statement of Profit and Loss	36.6	6.0

Significant leasing arrangements
-The lease agreements are for a period of eleven months to nine years.
-The lease agreements are cancellable at the option of either party by giving one month to six months' notice.
-Certain agreements provide for increase in rent.

Note 24: Segment Information
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has only one operating segment, which is 'Visa related services'. The Company earns it's entire revenue from its operations in India. There is no single customer which contributes more than 10% of the Company's total revenues.

Note 25: Micro, Small and Medium Enterprises
There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 26: Provision of PF based on SC Decision
The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of provident fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.
Management has accounted for the liability for the period from date of the SC order to 31 March 2020. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

Note 27 - IND AS 115 'Revenue from Contracts with Customers
As per Ind AS 115 'Revenue from Contracts with Customers' revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Company's revenue was primarily comprised of Revenue from render consultancy and / or advisory services in connection with obtaining / arranging visas.

i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes, in its Statement of Profit and Loss

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Visa and Related Services	1,070.9	1,134.4
	1,070.9	1,134.4

ii) Disaggregate Revenue
The following table presents Company revenue disaggregated by type of revenue stream and by geography:
Revenue based on geography

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
India	1,070.9	1,134.4
Overseas	-	-
	1,070.9	1,134.4

Revenue based on product and services

Particulars	For the Year ended March 31, 2020	For the Year Ended March 31, 2019
Visa and Related Services	1,070.9	1,134.4
	1,070.9	1,134.4

iii) Contract balance
The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized when the performance obligation is over/service is delivered.

Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from global distribution systems towards performance linked bonuses. Revenue from Performance linked bonuses from global distribution systems ('GDSs') is recognized as and when the performance obligations under the schemes are achieved.

Revenue from contract with customers

Particulars	As at March 31, 2020	As at March 31, 2019
Advance received from Customers	70.6	147.5
	70.6	147.5

TC VISA SERVICES (INDIA) LIMITED
Notes to Financial Statements for the Year ended March 31, 2020
(All amounts in INR Lakhs, unless otherwise stated)

Note 28: Impact of COVID-19 (Global pandemic)
COVID-19 is an unprecedented situation and is expected to have an adverse economic impact. The Company has identifed below key areas that may be impacted due to COVID 19 ,However,the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

Key areas	Impact on Company
Going Concern	Company has assessed various possible scenarios and projected future cash flow on basis of same. Company is able to survive for upcoming year even in worst case scenario based on projected cash flows. Company has assessed that COVID -19 has moderate impact on going concern of the company.The Company continues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.
Revenue and cost of visa	The company is engaged in rendering consultancy and / or advisory services in connection with obtaining / arranging visas. The impact on future revenue streams could come from: • The inability of our customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers • Prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility • Customers postponing their discretionary spend due to change in priorities The Company being in tourism has assessed that customers in Travel and tourism industry are more prone to immediate impact due to disruption in supply chain and severe drop in demand. With the lifting of lockdown demostically, Company has projected some demand on account of corporate travel from July and MICE and Domestic business from October. Comapny is also expected to regain some business post launching of various initiatives like touchless bookings, virtual branches, video KYC in the new COVID 19 normal for the safety and health of its customers by the Group. Therefore company has projected Revenue will start flowing in September quarter of FY 20-21 in cash flows. The Company has taken steps to reassess the cost budgets along with cash flows. Company has revised budget due to COVID 19 impact. Further company has also assessed the impact of likely delays / increased cost in meeting its future obligations such as provision for onerous contracts or inability to meet contractual commitments etc. The impact of the same is not material.
Impairment losses	The Company Post March 2020 has been able to recover major part of outstanding balance till date and company do not see any challenge in recovery of remaining balance receivable. The Company do not see any major impact of COVID -19 on outstanding receivables from Debtors.
Employee benefits	The Company have decided to moderate the employee benefit cost for FY 2020-2021 to conserve resources in view of the economic conditions impacted by the COVID-19 pandemic. The same has been considered in future cash flow projection by the company for going concern assessment.
Income taxes	Company has assessed deferred tax position. Company feels financials position is temporary affected due to low business, however expected to earn profits in future. The Company continues to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Signatures to Notes 1 to 29 form an integral part of the financial statements.

For TC Visa Services (India) Limited

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants
Firm Registration Number 104767W

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

Atul Shah
Partner
Membership No. 39569

Date: June 12, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: June 12, 2020
Place: Mumbai

Abraham Alapatt
Director
DIN No. 6809421

Date: June 12, 2020
Place: Mumbai