G. M. KAPADIA & 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, 2021, 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, 2021 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 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.

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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.

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.

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

- 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.
- 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.

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

(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 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, 2021 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 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: 21039569AAAAIC8902

Place: Mumbai
Dated: 25/05/2021

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, 2021

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, 2021 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.

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

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 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: 21039569AAAAIC8902

Place: Mumbai
Dated: 25/05/2021

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, 2021

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, 2021 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, 2021, 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 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

G.M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants 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 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: 21039569AAAAIC8902

Place: Mumbai
Dated: 25/05/2021

Borderless Travel Services Limited
Balance Sheet as at March 31, 2021

(Amount in Rupees)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Deferred Tax Assets	3	18,84,270	3,297
Total Non-Current Assets		**18,84,270**	**3,297**
Current assets			
Financial Assets			
Cash & Cash Equivalents	4.1	15,93,412	5,01,705
Other Financial Assets	4.2	26,25,075	-
Other current assets	5	81,924	-
Total Current Assets		**43,00,411**	**5,01,705**
TOTAL ASSETS		**61,84,681**	**5,05,002**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	6	50,000	50,000
Other equity			
-Reserve & surplus	7	(64,40,419)	(5,74,095)
Total Equity		**(63,90,419)**	**(5,24,095)**
LIABILITIES			
Non-Current liabilites			
Employee Benefit Obligations	10	24,06,321	-
Current liabilities			
Financial liabilities			
- Loans	8	12,00,000	-
- Other financial liabilities	8	69,48,399	10,28,797
Employee Benefit Obligations	10	18,20,141	-
Other current liabilities	9	2,00,239	300
Total current liabilities		**1,01,68,779**	**10,29,097**
TOTAL LIABILITIES		**1,25,75,100**	**10,29,097**
TOTAL EQUITY AND LIABILITIES		**61,84,681**	**5,05,002**

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN: 06646076

Date: May 25, 2021
Place: Mumbai

Borderless Travel Services Limited
Statement of Profit And Loss for the period ended March 31, 2021

(Amount in Rupees)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from Operations		-	-
Total income		-	-
Expenses			
Employee benefits expense	11	74,80,704	-
Finance Cost	12	9,663	-
Other expenses	13	2,56,930	40,180
Total expenses		**77,47,297**	**40,180**
Profit before tax		**(77,47,297)**	**(40,180)**
Less : Tax expense			
Current tax	14	-	-
Deferred tax	14	(18,80,972)	(3,297)
Total tax expenses		**(18,80,972)**	**(3,297)**
Profit for the year (A)		**(58,66,325)**	**(36,883)**
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)		**(58,66,325)**	**(36,883)**
Earnings per equity share (Face value of INR 10 each)			
- Basic earnings per share (In INR)	19	(1,173)	(7)
- Diluted earnings per share (In INR)		(1,173)	(7)

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN: 06646076

Date: May 25, 2021
Place: Mumbai

Borderless Travel Services Limited
Notes to financial statements for the period ended March 31, 2021

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital (Amount in Rupees)

Particulars	Amount
Balance as at April 1, 2019	50,000
changes in equity share capital during the year	-
Balance as at March 31, 2020	50,000
changes in equity share capital during the year	-
Balance as at March 31, 2021	50,000

(B) Other Equity

	Reserves & Surplus	
Particulars	**Retained Earnings**	**Total Reserve & Surplus**
Balance as at April 1, 2019	(5,37,211)	(5,37,211)
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 at the March 31, 2020	(5,74,094)	(5,74,094)
Profit for the year	(58,66,325)	(58,66,325)
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	-	-
Transaction with owners in their capacity as owners		
Balance as at March 31, 2021	(64,40,419)	(64,40,419)

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN: 06646076

Date: May 25, 2021
Place: Mumbai

Borderless Travel Services Limited
Statement of Cash Flows for the period ended March 31, 2021

(Amount in Rupees)

Particulars	Note	Period ended March 31,2021	Year ended March 31, 2020
A) Cash flow from operating activities			
Profit before income tax		(77,47,297)	(40,180)
Operating profit before changes in operating assets and liabilities		(77,47,297)	(40,180)
Change in operating assets and liabilities:			
Increase/(Decrease) in Other financial Liabilities		1,01,46,064	1,500
Increase/(Decrease) in Other Liabilities		1,99,939	(1,096)
(Increase)/ Decrease in Other Assets		(26,25,075)	-
(Increase)/ Decrease in Other Financial Assets		(81,924)	-
Cash generated from operations		(1,08,293)	(39,776)
Income taxes paid		-	-
Net cash inflow from operating activities		(1,08,293)	(39,776)
B) Cash flow from investing activities:			
Loan received		12,00,000	-
Net cash inflow / (outflow) from investing activities		**12,00,000**	-
Net increase in cash and cash equivalents		10,91,707	(39,776)
Add: Cash and cash equivalents at the beginning of the financial year		5,01,705	5,41,481
Cash and cash equivalents at the end of the year		**15,93,412**	**5,01,705**
Reconciliation of Cash Flow statements as per the cash flow statement		**31 March 2021**	**31 March 2020**
Cash Flow statement as per above comprises of the following			
Cash and cash equivalents		15,93,412	5,01,705
Balances as per statement of cash flows		15,93,412	5,01,705

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. 39569

Date: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN: 06646076

Date: May 25, 2021
Place: Mumbai

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the period ended March 31, 2021

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, 2021 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.

Borderless Travel Services Limited

Significant Accounting Policies *(continued)*

1.5 **Empolyee 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.

1.6 **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.

1.7 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 88,872/-, 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

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the period ended March 31, 2021

Note 3: Deferred Tax Assets:

~~The balance comprises of temporary differences attributable to:~~

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax on Business Losses	18,84,270	3,297
Total Deferred Tax Assets	**18,84,270**	**3,297**

Note 4.1: Financial Assets - Cash and cash equivalents

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks :		
In current accounts	15,93,412	5,01,705
Cash in hand	-	-
Cheques on hand	-	-
Total Cash and cash equivalents	**15,93,412**	**5,01,705**

Note 4.2: Other financials assets

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Receivables from Related Parties	26,25,075	-
Total Cash and cash equivalents	**26,25,075**	**-**

Note 5: Other current assets

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to Vendor	4,800	-
SLA bank Balance	73,110	
Balance with Govt Authorities	4,014	-
Total Cash and cash equivalents	**81,924**	**-**

Borderless Travel Services Limited

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the period ended March 31, 2021

Note 6: Equity Share Capital

Equity Share capital (Amount in Rupees)

Particulars	No of Shares	Amount
AUTHORISED		
As at April 1, 2019	10,00,000	1,00,00,000
Increase during the year	-	-
As at March 31, 2020	10,00,000	1,00,00,000
Increase during the year	-	-
As at March 31, 2021	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, 2019	5,000	50,000
Add: No of Shares issued during the year	-	-
As at March 31, 2020	5,000	50,000
Add: No of Shares issued during the year	-	-
As at March 31, 2021	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the period ended March 31, 2021

Note 7: Reserves and surplus (Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(64,40,419)	(5,74,095)
Total reserves and surplus	**(64,40,419)**	**(5,74,095)**

Retained Earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**(5,74,095)**	**(5,37,212)**
Net Profit for the year	(58,66,325)	(36,883)
Items of other Comprehensive income recognised directly in retained earnings		
Closing Balance	**(64,40,419)**	**(5,74,095)**

Note 8: Other Financial Liablities (Amount in Rupees)

Particulars	As at March 31,2021	As at March 31,2020
Loan from Related Party	12,00,000	
Advance from Related Party	65,73,872	10,15,297
Liabilities against expense	3,74,527	13,500
Total Other Financial Liablities	**81,48,399**	**10,28,797**

Note 9: Other Current Liabilities

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	2,00,239	300
Total	**2,00,239**	**300**

Borderless Travel Services Limited

Borderless Travel Services Limited

Notes forming part of the Financial Statements as at and for the 12 months ended 31st March, 2021

Note 10 : Employee Benefit Obligations

(Amount in Rupees)

Particulars	31st March, 2021			31st March, 2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Leave Entitlement	-	1,34,750	1,34,750	-		-
Gratuity	24,06,321	4,99,060	29,05,381	-		-
Employee Benefit Payables	-	11,86,331	11,86,331			
Total	24,06,321	18,20,141	42,26,462	-	-	-

(i)Leave Obligations - Leave Entitlement

The leave obligations cover the Company's liability for earned leave.
The amount of the provision of Rs 134,750 (Previous Period - Nil) 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.

(Amount in Rupees)

Particulars	31st March, 2021	31st March, 2020
Current leave obligations expected to be settled within next 12 months	1,34,750	-

(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 389,913.

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:

(Amount in Rupees)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2020	-	-	-
Current service cost	1,29,218	-	1,29,218
Past Service cost	27,76,163	-	27,76,163
Interest expense/(income)	-	-	-
Total amount recognised in profit and loss	**29,05,381**	-	**29,05,381**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	-	-	-
Total amount recognised in other comprehensive income	-	-	-
Employer contributions	-	-	-
Benefit payments	-	-	-
31st March, 2021	**29,05,381**	-	**29,05,381**

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

(Amount in Rupees)

Particulars	31st March, 2021	31st March, 2020
Present value of unfunded obligations	29,05,381	-
Fair value of plan assets	-	-
Deficit of funded plan	**29,05,381**	-
Unfunded plans	-	-
Deficit of gratuity plan	**29,05,381**	-

Borderless Travel Services Limited

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Notes forming part of the Financial Statements as at and for the 12 months ended 31st March, 2021

Significant estimates: Actuarial assumptions and sensitivity for gratuity

The significant actuarial assumptions were as follows:

Particulars	31st March, 2021	31st March, 2020
Discount rate	5.70%	-
Salary growth rate	6.00%	-

(iv) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	31st March, 2021	31st March, 2021	31st March, 2021
Discount rate	50 basis points	(-2.8%)	2.93%
Salary growth rate	50 basis points	2.91%	(-2.81%)

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	31st March, 2021			
	Quoted	Unquoted	Total	In %
Insurer Managed Funds	-	-	-	

(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 :

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 for gratuity

The weighted average duration of the defined benefit obligation is 5.73 years. The expected maturity analysis of undiscounted gratuity is as follows:

(Amount in Rupees)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2021 - Post Employment Obligations	4,99,060	3,47,656	8,04,977	25,19,461	41,71,154

Borderless Travel Services Limited

Borderless Travel Services Limited
Notes forming part of the Financial Statements as at and for the period ended March 31, 2021

Note 11 : Employee Benefit Expense (Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries Wages and Bonus	68,26,823	-
Contribution to Provident and Other Funds	3,89,913	-
Gratuity	1,29,218	-
Leave valuation	1,34,750	-
Total	**74,80,704**	-

Note 12 : Finance Costs (Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other Finance Charges	9,663	-
Total	**9,663**	-

Note 13 : Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and Professional Charges #(Refer note below "a")	2,47,930	36,760
IT Expense : License and Software Maintenance Cost	9,000	-
Miscellaneous Expenses	-	3,420
Total	**2,56,930**	**40,180**

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors		
As auditor:		
-Statutory Audit	22,000	22,000
-Tax Audit	-	-
In other capacities		
-Re-imbursement of expenses	-	-
Total payments to auditors	**22,000**	**22,000**

Note 14: Income Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(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	(18,80,972)	(3,297)
Total deferred tax credit	**(18,80,972)**	**(3,297)**
Income tax expense	**(18,80,972)**	**(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, 2021	For the year ended March 31, 2020
Profit from continuing operations before income tax expense	(77,47,297)	(40,180)
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	**(18,80,972)**	**(3,297)**

Borderless Travel Services Limited
Notes forming part of the Financial Statements for the period ended March 31, 2021

Note 15: 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 16: Financial risk management

Being a non - operating company, the company is not exposed to any kind of risk.

Note 17: 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, 2021 and March 31, 2020.

Borderless Travel Services Limited

Note 18: 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, 2021	As at March 31, 2020
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 (Directors)

Particulars
Amit Madhan
Rajeev Kale
Abraham Alapatt

(c) Transactions with related parties
The following transactions occurred with related parties:

Nature of transaction	March 31, 2021	March 31, 2020
(i) Holding Company		
Interest Expenses		
Thomas Cook (India) Limited	9,663	-
Balance as at the year end		
Thomas Cook (India) Limited		
Loan Payable	12,00,000	-
Interest Payable	-	-
Outstanding Payable	65,73,872	10,15,297
(ii) Fellow Subsidiaries		
Reimbursement of Expenses (Net)		
Horizon Travel Services LLC [ATP]	73,110	-
Balance as at the year end		
Outstanding Payable		
Horizon Travel Services LLC [ATP]	2,92,440	-
Outstanding Receivable		
SOTC Travel Limited	26,25,075	-

Borderless Travel Services Limited

Note 19: Earnings Per Share

Particulars	For the period ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to equity shareholders	(58,66,325)	(36,883)
Weighted average number of outstanding shares	5,000	5,000
(a) Basic earnings per share		
Attributable to the equity holder of the company	(1,173)	(7)
(b) Diluted earnings per share		
Attributable to the equity holder of the company	(1,173)	(7)

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2021	March 31, 2020
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(58,66,325)	(36,883)
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	**(58,66,325)**	**(36,883)**

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

Particulars	March 31, 2021	March 31, 2020
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

Borderless Travel Services Limited
Notes forming part of the Financial Statements for the period ended March 31, 2021

Note 20 : Segmental Reporting
Since the Company has no operations, there are no reportable segments.

Note 21: 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, 2021. 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 22
As at March 31, 2021, 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. May 25, 2021 by written support letter.

Note 23: Previous year's figures has been regrouped/rearranged wherever necessary to confirm with current year's figure.

Signatures to Notes 1 to 23 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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rajeev Kale
Director
DIN: 6775970

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN: 06646076

Date: May 25, 2021
Place: Mumbai

G. M. KAPADIA & 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 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, 2021, 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, 2021 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 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.

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

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.

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.

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

- 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.
- 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;

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

(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 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, 2021 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 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: 21039569AAAAID5982

Place: Mumbai
Dated: 25/05/2021

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, 2021

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, 2021 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.

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

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 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: 21039569AAAAID5982

Place: Mumbai
Dated: 25/05/2021

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, 2021

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, 2021 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, 2021, 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 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

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

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 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: 21039569AAAAID5982

Place: Mumbai
Dated: 25/05/2021

Indian Horizon Marketing Services Limited
Balance Sheet as at March 31, 2021

(Amount in Rupees)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Deferred Tax Assets (Net)	3	10,037	10,037
Total Non-Current Assets		**10,037**	**10,037**
Current Assets			
Financial Assets			
- Cash & Cash Equivalents	4	99,430	99,238
Current Tax Assets	5	9,900	9,900
Total Current Assets		**1,09,330**	**1,09,138**
TOTAL ASSETS		**1,19,367**	**1,19,175**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	6	5,00,000	5,00,000
Other Equity - Reserve & Surplus	7	(4,35,043)	(3,94,625)
Total Equity		**64,957**	**1,05,375**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
- Other financial liabilities	8	54,410	13,500
Other Current Liabilities	9	-	300
Total Current Liabilities		**54,410**	**13,800**
TOTAL LIABILITIES		**54,410**	**13,800**
TOTAL EQUITY AND LIABILITIES		**1,19,367**	**1,19,175**

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN No. 06646076

Date: May 25, 2021
Place: Mumbai

Indian Horizon Marketing Services Limited
Statement of Profit And Loss for the Year Ended March 31, 2021

(Amount in Rupees)

Particulars	Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Income			
Other income	10	-	9,810
Total income		**-**	**9,810**
Expenses			
Finance Cost	11	118	236
Other expenses	12	40,300	57,520
Total expenses		**40,418**	**57,756**
Profit before tax		**(40,418)**	**(47,946)**
Less: Tax expense	13		
Current tax		-	-
Deferred tax		-	(10,037)
Total tax expenses		**-**	**(10,037)**
Profit for the year (A)		**(40,418)**	**(37,909)**
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)		**(40,418)**	**(37,909)**
Earnings per equity share (Face value of INR 10 each)	18		
- Basic earnings per share (In INR)		(0.81)	(0.76)
- Diluted earnings per share (In INR)		(0.81)	(0.76)

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN No. 06646076

Date: May 25, 2021
Place: Mumbai

Indian Horizon Marketing Services Limited
Statement of Cash Flows for the Year Ended March 31, 2021

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
A) Cash flow from operating activities		
Profit before income tax	**(40,418)**	**(47,946)**
Adjustments for:		
Interest income on bank deposit	-	-
Operating profit before changes in operating assets and liabilities	**(40,418)**	**(47,946)**
Change in operating assets and liabilities:		
Increase/(Decrease) in Other financial Liabilities	40,910	(26,02,044)
Increase/(Decrease) in Other Liabilities	(300)	(700)
Increase/ (Decrease) in Other Assets	-	-
Increase/ (Decrease) in Other Financial Assets	-	-
Cash generated from operations	**192**	**(26,50,690)**
Income taxes paid	-	-
Net cash inflow from operating activities	**192**	**(26,50,690)**
Net increase in cash and cash equivalents	192	(26,50,690)
Add: Cash and cash equivalents at the beginning of the financial year	99,238	27,49,928
Cash and cash equivalents at the end of the year	**99,430**	**99,238**
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	99,430	99,238
Bank Overdrafts	-	-
Balances as per statement of cash flows	99,430	99,238

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. 39569

Date: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN No. 06646076

Date: May 25, 2021
Place: Mumbai

Indian Horizon Marketing Services Limited
Statement of Changes in Equity for the Year Ended March 31, 2021

STATEMENT OF CHANGES IN EQUITY

Equity share capital

Particulars	Amount
Balance as at April 1, 2019	5,00,000
changes in equity share capital during the year	-
Balance as at March 31, 2020	5,00,000
changes in equity share capital during the year	-
Balance as at March 31, 2021	5,00,000

Other Equity

	Reserves and Surplus		
Particulars	**Capital Contribution**	**Retained Earnings**	**Total Other Equity**
Balance as at April 1, 2019	-	(3,56,716)	(3,56,716)
Profit for the year	-	(37,909)	(37,909)
Other Comprehensive Income	-	-	-
Transaction with owners in their capacity as owners			
Employee Stock Option Expense	-	-	-
Balance as at March 31, 2020	-	(3,94,625)	(3,94,625)
Profit for the year	-	(40,418)	(40,418)
Other Comprehensive Income	-	-	-
Balance as at March 31, 2021	-	(4,35,043)	(4,35,043)

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN No. 06646076

Date: May 25, 2021
Place: Mumbai

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

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, 2021 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, 2021

Note 3: Deferred Tax Assets (Net)

The balance comprises of temporary differences attributable to:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax on Business Losses	10,037	10,037
Net Deferred Tax Assets	**10,037**	**10,037**

Note 4: Financial Assets - Cash and Cash Equivalents:

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks - In current accounts	99,430	99,238
Total Cash and cash equivalents	**99,430**	**99,238**

Note 5: Current Tax Assets

Particulars	As at March 31, 2021	As at March 31, 2020
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, 2021

Note 6: Equity Share Capital

Equity Share capital (Amount in Rupees)

Particulars	No of Shares	Amount
AUTHORISED		
As at April 1, 2019	30,00,000	3,00,00,000
Increase during the year	-	-
As at March 31, 2020	30,00,000	3,00,00,000
Increase during the year	-	-
As at March 31, 2021	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, 2019	50,000	5,00,000
Add: No of Shares issued during the year	-	-
As at March 31, 2020	50,000	5,00,000
Add: No of Shares issued during the year	-	-
As at March 31, 2021	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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%

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Note 7: Reserves and surplus (Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(4,35,043)	(3,94,625)
Total reserves and surplus	**(4,35,043)**	**(3,94,625)**

Retained Earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**(3,94,625)**	**(3,56,716)**
Net Profit for the year	(40,418)	(37,909)
Items of other Comprehensive income recognised directly in retained earnings	-	-
Closing Balance	**(4,35,043)**	**(3,94,625)**

Note 8: Other Financial Liablities

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Related Party	-	-
Liabilities against expense	54,410	13,500
Total Other Financial Liablities	**54,410**	**13,500**

Note 9: Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	-	300
Total Other Current Liabilities	**-**	**300**

Note 10: Other Income

(Amount in Rupees)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other Miscellaneous Income	-	9,810
Total	**-**	**9,810**

Note 11: Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other Finance Charges	118	236
Total	**118**	**236**

Note 12: Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal and Professional Charges #(Refer note below "a")	40,300	53,560
Miscellaneous Expenses	-	3,960
Total	**40,300**	**57,520**

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors		
As auditor:		
-Statutory Audit	25,300	22,000
-Tax Audit	-	-
Total payments to auditors	**25,300**	**22,000**

Note 13: Income Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(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	-	(10,037)
Total deferred tax credit	-	(10,037)
Income tax expense	-	(10,037)

(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit from continuing operations before income tax expense	(40,418)	(47,946)
Tax at the Indian tax rate of 26% (PY - 26%)	**(10,509)**	**(12,466)**
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)**

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

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, 2021 and March 31, 2020.

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

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, 2021	As at March 31, 2020
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

* There are no transaction with the related parties for the year ended March 31, 2021(March 31, 2020:NIL).

Indian Horizon Marketing Services Limited
Notes forming part of the Financial Statements as at and for the year ended March 31, 2021

Note 18: Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to equity shareholders	(40,418)	(37,909)
Weighted average number of outstanding shares	50,000	50,000
(a) Basic earnings per share		
Attributable to the equity holder of the company	(1)	(1)
(b) Diluted earnings per share		
Attributable to the equity holder of the company	(1)	(1)

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2021	March 31, 2020
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(40,418)	(37,909)
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	**(40,418)**	**(37,909)**

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

Particulars	March 31, 2021	March 31, 2020
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, 2021

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, 2021. 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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

Amit Madan
Director
DIN No. 06646076

Date: May 25, 2021
Place: Mumbai

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
Chennai – 600 031, India

Telephone: + 91 44 4608 3100
Fax: + 91 44 4608 3199

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, 2021, 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, 2021, and profit 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.

Emphasis of Matter

As more fully described in Note 41 to the financial statements, the extent to which the ongoing COVID-19 pandemic will have impact on the Company's financial performance including the Company's estimates of future cashflows and impairment of assets etc., are dependent on future developments, the severity and duration of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in determining judgements and estimates in applying assumptions including those used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions.

Our opinion is not modified in respect of this matter.

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 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, 2021.

(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: 21217042AAAABC5987
Place: Chennai
Date: May 19, 2021

Annexure A to the Independent Auditor's Report to the members of Sterling Holiday Resorts Limited For the year ended March 31, 2021

(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, guarantees and security provided.

(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 not generally been regularly deposited by the Company with the appropriate authorities. There have been delays in deposit with respect to provident fund ranging from 1 to 75 days, employees' state insurance ranging from 1 to 97 days, income tax ranging from 1 to 113 days and goods and services tax ranging from 1 to 101days. As informed, the delays in deposit have been primarily due to the pandemic and the dues have been since paid. 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.

The extent of the arrears of statutory dues outstanding as at March 31, 2021 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, 2021 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 Uttarakhand Value Added Tax Act, 2005	Value Added Tax	18.75	Assessment year 2016-17	Deputy Commissioner
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	6,346.04*	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
The Income Tax Act, 1961	Income tax	201.84	Assessment Year 2018-19	Assessing Officer
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	867.33*	Assessment Years 2012-13 to 2015-16	Kerala High Court

Name of the Statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Kerala Luxury Tax Act	Luxury tax	462.69	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
Kerala Luxury Tax Act	Luxury tax	36.27	Assessment Years 2016-17	State tax officer
Tamil Nadu Luxury tax Act	Luxury tax	137.33	Assessment Years 2010-11 to 2014-15	Deputy Commissioner
Kerala Luxury Tax Act	Luxury tax	9.54	Assessment Years 2017-18	State tax officer
Himachal Pradesh GST Act	Goods and Services Tax	113.28	Assessment Years 2017-18 & 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.

Annexure A to the Independent Auditor's Report to the members of Sterling Holiday Resorts Limited
For the year ended March 31, 2021

(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: 21217042AAAABC5987
Place: Chennai
Date: May 19, 2021

Annexure B to the Independent Auditor's report to the members of Sterling Holiday Resorts Limited For the year ended March 31, 2021

(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, 2021 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, 2021, 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: 21217042AAAABC5987
Place: Chennai
Date: May 19, 2021

Sterling Holiday Resorts Limited
Balance Sheet as at March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	93,132.90	86,588.18
Capital work-in-progress	4	283.83	703.21
Other intangible assets	5	816.73	1,067.11
Intangible assets under development	6	24.71	60.05
Right of use assets	52	10,133.97	12,327.21
Financial assets			
i. Investments	7(a)	2,256.88	2,256.63
ii. Trade receivables	8(a)	292.20	584.88
iii. Other financial assets	10	1,246.13	1,227.31
Other tax assets	11	1,407.81	1,310.31
Other non-current assets	12	9,191.03	8,952.17
Total non-current assets		**118,786.19**	**115,077.06**
Current assets			
Inventories	13	66.14	90.93
Financial assets			
i. Investments	7(b)	1,644.43	321.60
ii. Trade receivables	8(b)	3,427.07	9,572.41
iii. Cash and cash equivalents	14	190.58	833.00
iv. Bank balances other than (iii) above	15	567.53	39.26
v. Loans	9	4,009.66	2,929.22
vi. Other financial assets	10	129.48	479.98
Other current assets	16	1,072.37	1,466.10
Total current assets		**11,107.26**	**15,732.50**
Total assets		**129,893.45**	**130,809.56**
Equity and liabilities			
Equity			
Equity share capital	17	2,905.00	2,905.00
Other equity			
Reserves and surplus	18	(20,538.46)	(22,974.09)
Other reserves	19	52,996.77	45,331.40
Total equity		**35,363.31**	**25,262.31**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	20(a)	3,144.91	1,960.69
ii. Other financial liabilities	21(a)	8.85	8.27
iii. Lease liability	52	5,969.57	7,187.17
Provisions			
i. Provision for employee benefit obligations	22	366.13	315.46
Deferred tax liabilities	23	-	-
Other non-current liabilities	24	70,973.36	78,150.00
Total non-current liabilities		**80,462.82**	**87,621.59**
Current liabilities			
Financial liabilities			
i. Borrowings	20(b)	1,000.00	2,459.36
ii. Trade payables			
Dues to micro enterprises and small enterprises	25	80.80	44.04
Dues to creditors other than micro enterprises and small enterprises	25	2,415.08	2,817.84
iii. Other financial liabilities	21(b)	1,933.84	1,218.68
iv. Lease liability	52	1,246.34	2,421.31
Provisions			
i. Provision for employee benefit obligations	22	285.01	279.71
ii. Other provisions	26	1,072.94	2,212.13
Other current liabilities	27	6,033.31	6,472.59
Total current liabilities		**14,067.32**	**17,925.66**
Total liabilities		**94,530.14**	**105,547.25**
Total equity and liabilities		**129,893.45**	**130,809.56**
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: May 19, 2021

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

Krishna Kumar L
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: May 19, 2021

Sterling Holiday Resorts Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	28	15,951.61	23,206.11
Other income	29	3,352.18	2,158.72
Total income		**19,303.79**	**25,364.83**
Expenses			
Cost of materials consumed	30	545.71	1,295.00
Employee benefits expense	31	6,284.85	11,225.68
Finance costs	32	1,320.98	1,374.65
Depreciation and amortisation expense	33	4,326.64	4,668.59
Other expenses	34	6,310.79	10,704.78
Total expenses		**18,788.97**	**29,268.70**
Profit / (Loss) before tax		**514.82**	**(3,903.87)**
Income tax expense	35		
Current tax		-	-
Deferred tax		1,912.58	(261.71)
Profit / (Loss) for the year		**2,427.40**	**(4,165.58)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefit obligations		8.23	32.60
Revaluation gain relating to property, plant and equipment (Refer Note 51)		9,217.12	-
Income tax effect on revaluation of property, plant & equipment		(1,912.58)	261.71
Other comprehensive income for the year, net of income tax		**7,312.77**	**294.31**
Total comprehensive income for the year		**9,740.17**	**(3,871.27)**
Earnings per share (Face value of Rs. 10 each)			
Basic and anti-diluted earnings per share (in Rs.)	54	8.36	(14.34)
Significant accounting policies	1.3		

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Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: May 19, 2021

Sterling Holiday Resorts Limited
Statement of changes in equity for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2019		2,905.00
Changes in equity share capital during the year	17	-
Balance as at March 31, 2020		**2,905.00**
Changes in equity share capital during the year	17	-
Balance as at March 31, 2021		**2,905.00**

II) Other equity

	Notes	Reserves and surplus				Other reserves			Grand total
		Securities premium	General reserve	Retained earnings	Total	ESOP reserve	Revaluation reserve	Total	
Balance as at April 1, 2019		32,057.94	4.70	(50,903.75)	(18,841.11)	871.98	43,837.63	44,709.61	25,868.50
Loss for the year	18	-	-	(4,165.58)	(4,165.58)	-	-	-	(4,165.58)
Stock compensation expense	50	-	-	-	-	360.08	-	360.08	360.08
Other comprehensive income	19	-	-	32.60	32.60	-	261.71	261.71	294.31
Balance as at March 31, 2020		32,057.94	4.70	(55,036.73)	(22,974.09)	1,232.06	44,099.34	45,331.40	22,357.31
Profit for the year	18	-	-	2,427.40	2,427.40	-	-	-	2,427.40
Stock compensation expense	50	-	-	-	-	360.83	-	360.83	360.83
Other comprehensive income	19	-	-	8.23	8.23	-	(1,912.58)	(1,912.58)	(1,904.35)
Revaluation gain for the year	19	-	-	-	-	-	9,217.12	9,217.12	9,217.12
Balance as at March 31, 2021		32,057.94	4.70	(52,601.10)	(20,538.46)	1,592.89	51,403.88	52,996.77	32,458.31
Significant accounting policies	1.3								

The accompanying notes are an integral part of these financial statements

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DIN No.: 00243485

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Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: May 19, 2021

Sterling Holiday Resorts Limited
Cash flow statement for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities			
Profit / (Loss) before tax		514.82	(3,903.87)
Adjustments for:			
Depreciation and amortisation	33	4,326.64	4,668.59
Finance costs	32	1,320.98	1,374.65
Income from termination of memberships		(2,509.02)	-
Interest income	29	(412.44)	(336.89)
Loss on sale of assets	34	49.61	-
Employee share based payments	50	360.83	360.08
Gain on sale of investments (net)	29	-	(1.66)
Change in fair value of financials assets at fair value through profit or loss	29	(23.10)	(8.40)
Capital work in progress written off	34	431.42	-
Liabilities no longer required written back	29	(1,355.65)	(149.22)
Provision for doubtful advances	34	52.21	5.34
Provision for bad and doubtful debts	34	-	21.57
Income from termination of lease contracts	29	25.12	-
Working capital adjustments:			
(Increase)/Decrease in trade receivables		4,660.39	(109.15)
(Increase)/Decrease in inventories		24.79	(15.32)
(Increase)/Decrease in other financial assets		279.47	(249.23)
(Increase)/Decrease in other assets		172.92	(1,775.18)
Increase/(Decrease) in trade payables		989.65	140.74
Increase/(Decrease) in other liabilities		(3,329.27)	4,799.61
Increase in employee benefit obligations		64.20	66.77
(Decrease) in other financial liabilities		(962.10)	(84.01)
Cash generated from operations		**4,681.47**	**4,804.42**
Income tax paid		(97.50)	(150.73)
Net cash generated from operating activities		**4,583.97**	**4,653.69**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(431.82)	(970.08)
Loans to subsidiaries (net)	9	(980.33)	(449.93)
Investment in fixed deposits		(528.27)	32.14
Proceeds from sale of assets		7.27	12.48
Proceeds from sale of investments		-	711.66
Investment in mutual funds		(1,300.00)	(710.00)
Interest received		238.79	347.40
Net cash used in investing activities		**(2,994.36)**	**(1,026.33)**
Cash flows from financing activities			
Interest paid		(496.75)	(453.94)
Repayment of borrowings		(563.65)	(925.59)
Payment on lease liability		(2,173.75)	(2,353.25)
Proceeds from loan obtained during the year		2,461.48	16.77
Net cash used in financing activities		**(772.67)**	**(3,716.01)**
Net increase (decrease) in cash and cash equivalents		816.94	(88.65)
Cash and cash equivalents at the beginning of the year		(626.36)	(537.71)
Cash and cash equivalents at end of the year	14	**190.58**	**(626.36)**
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		190.58	833.00
Bank overdrafts		-	(1,459.36)
Balances as per statement of cash flows	14	**190.58**	**(626.36)**
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: May 19, 2021

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

Krishna Kumar L
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: May 19, 2021

Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2021

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 May 19, 2021

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).

The financial statements for the year ended 31 March 2021 reflect that the Company has accumulated losses of Rs. 52,601.10 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 the COVID-19 pandemic including the second wave in April 2021.

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.

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.

STERLING HOLIDAY RESORTS LTD. CHENNAI

1.2. Basis of preparation (contd.)

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.

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.

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.

STERLING HOLIDAY RESORTS LTD. CHENNAI

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.

d) Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. The estimation of such revenues where there is uncertainty in collection has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

e) **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.

f) **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.

g) **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.

STERLING HOLIDAY RESORTS LTD. ★ CHENNAI

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.

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.

(a) 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.

(b) Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred 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 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 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 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 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.

1.3.3. Leases

The Company has adopted Ind AS 116 Leases with effect from April 1, 2019 and 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. At inception of a contract, the Company 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 of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

STERLING HOLIDAY RESORTS LTD. CHENNAI

1.3. Significant accounting policies (contd.)

1.3.3. Leases (contd.)

As a lessee

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 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 Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company 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 remeasurements 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 Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company 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 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 an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company 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 Company 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 Company has elected not to recognise right of use assets and lease liabilities for leases of low value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

STERLING HOLIDAY RESORTS LTD. CHENNAI

1.3. Significant accounting policies (contd.)

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. 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.

1.3.6. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method
The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

STERLING HOLIDAY RESORTS LTD. CHENNAI

1.3. Significant accounting policies (contd.)

1.3.7. Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:
- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company.

(d) a contract that will or may be settled in the Company's own equity instruments and is:
- a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.
All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

I. Classification of financial assets:

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.

II. Measurement of financial asset:

A. 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.

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1.3. Significant accounting policies (contd.)

1.3.7 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.

B. 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.

III. 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.

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1.3. Significant accounting policies (contd.)

1.3.7. 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 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.

IV. 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.

1.3.8. Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
-

(b) a contract that will or may be settled in the Company's own equity instruments and is:

- a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

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1.3. Significant accounting policies (contd.)

1.3.8 Financial liabilities (contd.)

I. Measurement of financial liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

II. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

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.

The Company follows 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.

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1.3. Significant accounting policies (contd.)

1.3.12. Provisions (other than for employee benefits)

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.

1.3.13. 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.

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.

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1.3. Significant accounting policies (contd.)

1.3.13. Employee benefits (contd.)

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.

1.3.14. 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.

Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2021

1.3. Significant accounting policies (contd.)

1.3.15. 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 22 - Provision for employee benefit obligations

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

Note 41 and 1.2.1 – Going concern and impact of COVID-19

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 52 - Leases

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Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

3 Property, plant and equipment

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

Reconciliation of carrying amount for the year ended March 31, 2021:

Asset description	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2020	Additions / Adjustments	Disposals / Transfer	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Disposals / Adjustments	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Land - freehold	49,324.48	8,575.04	-	57,899.52	-	-	-	-	49,324.48	57,899.52
Building	34,256.14	28.12	103.16	34,181.10	3,502.36	814.45	87.62	4,229.19	30,753.78	29,951.91
Computer equipment	568.70	4.82	35.46	538.06	439.48	50.94	35.31	455.11	129.22	82.95
Plant and machinery	2,448.17	29.73	75.82	2,402.08	824.85	194.99	58.64	961.20	1,623.32	1,440.88
Furniture and fixtures	3,893.82	44.29	163.18	3,774.93	2,120.87	501.77	153.63	2,469.01	1,772.95	1,305.92
Office equipment	161.50	0.07	11.66	149.91	144.48	8.34	11.52	141.30	17.02	8.61
Vehicles	132.00	37.91	12.93	156.98	77.94	17.41	12.93	82.42	54.06	74.56
Electrical installations	5,052.81	26.60	97.57	4,981.84	2,139.46	557.08	83.25	2,613.29	2,913.35	2,368.55
Total	95,837.62	8,746.59	499.78	104,084.42	9,249.44	2,144.99	442.90	10,951.52	86,588.18	93,132.90

(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) Refer Note 44 for capital commitments.

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

(d) During the financial year 2019-20, the Company had transferred leasehold land amounting to Rs. 2,776.34 lakhs from property, plant & equipment to right of use assets pursuant to adoption of IND AS 116- Leases.

(e) The Company has written off assets with net carrying amount of Rs. 75.56 lakhs based on physical verification conducted (Previous year: Nil).

(f) During the 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 conducted valuation of freehold and leasehold lands during the current financial year and the increase in valuation is duly considered as part of adjustments in the above schedule. The carrying amounts as at March 31, 2021 & March 31, 2020 under revaluation and cost models are given below

(g) Due to outbreak of COVID-19 the management has performed impairment assessment of all its property, plant & equipment as at March 31, 2021 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Freehold land	57,899.52	49,324.48	3,623.04	3,623.04
Total	57,899.52	49,324.48	3,623.04	3,623.04

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4 **Capital work-in-progress**

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

Reconciliation of carrying amount for the year ended March 31, 2021:

Asset description	Gross carrying amount			
	As at April 1, 2020	Additions	Disposals / Transfers	As at March 31, 2021
Capital work-in-progress	703.21	60.71	480.09	283.83

Capital work-in-progress mainly comprises of resort properties under construction/ renovation.
During the current year, the Company has written off assets amounting to Rs. 431.42 lakhs as these are not recoverable (Previous year: Nil). Refer note 34.

5 **Other intangible assets**

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

Reconciliation of carrying amount for the year ended March 31, 2021:

Asset description	Gross carrying amount				Accumulated amortisation				Net carrying amount	
	As at April 1, 2020	Additions	Disposals/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation charge during the year	Disposals/ Adjustments	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Computer software	1,967.38	62.28	44.24	1,985.42	900.27	311.21	42.79	1,168.69	1,067.11	816.73

6 **Intangible assets under development**

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

Asset description	Gross carrying amount			
	As at April 1, 2020	Additions	Disposals/Transfers	As at March 31, 2021
Intangible assets under development	60.05	29.20	64.54	24.71

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, 2021	As at March 31, 2020
7(a) Non-current investments		
Investment in equity instruments (fully paid-up)		
Equity investments at cost		
Investment in subsidiaries - Unquoted:		
49,000 (March 31, 2020: 49,000) equity shares of Sterling Holidays (Ooty) Limited	73.48	73.48
49,000 (March 31, 2020: 49,000) equity shares of Sterling Holiday Resorts (Kodaikanal) Limited	116.68	116.68
147,578 (March 31, 2020: 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, 2020: 100,000) equity shares of Sterling Holiday Finvest Limited	-	-
100,000 (March 31, 2020: 100,000) equity shares of Sterling Securities & Futures Limited	-	-
520,000 (March 31, 2020: 520,000) equity shares of Sterling Resorts Home Finance Limited	-	-
700,000 (March 31, 2020: 700,000) equity shares of Sterling Holiday Financial Services Limited	-	-
Investment in no. of teak units:		
28,765 (March 31, 2020: 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, 2020: 1,100) equity shares of Tourism Finance Corporation of India Limited	0.63	0.38
Total	2,256.88	2,256.63
Aggregate amount of quoted investments and market value thereof	0.63	0.38
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, 2021. 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, 2021	As at March 31, 2020
7(b) Current Investments		
Quoted mutual funds		
Investment in Mutual Funds at FVTPL - Quoted:		
10,985 (March 31, 2020: 10,985) units of TATA Floater Fund - Growth	338.00	317.29
10,985 (March 31, 2020: 10,985) units of TATA Floater Fund - Growth- Segregated portfolio 1*	3.42	4.31
16,58,099 (March 31, 2020: Nil) units of IDFC Low Duration Fund - Reg - Growth	501.48	-
1,40,650 (March 31, 2020: Nil) units of ABSL Money Manager Fund - Reg - Growth	400.80	-
11,559 (March 31, 2020: Nil) units of Kotak Money Market - Reg - Growth	400.73	-
Total	1,644.43	321.60
Aggregate amount of quoted investments and market value thereof	1,644.43	321.60

*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, 2021	As at March 31, 2020
8(a)	**Trade receivables non-current**		
	Considered good	292.20	584.88
	Total	292.20	584.88
8(b)	**Trade receivables current**		
	Considered good	3,427.07	9,572.41
	Considered doubtful	433.33	1,061.97
		3,860.40	10,634.38
	Less: Loss allowance (refer note 37)	(433.33)	(1,061.97)
	Total	3,427.07	9,572.41
	Current portion	3,427.07	9,572.41
	Non-current portion	292.20	584.88
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer note 42)	17.46	24.30
	Loss allowance	-	-
	Net trade receivables	17.46	24.30

For receivables secured against borrowings, see Note 49.

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.

		As at March 31, 2021		As at March 31, 2020	
		Current	**Non current**	**Current**	**Non current**
9	**Loans**				
	Unsecured, considered good				
	Loans and advances to related parties - Subsidiaries (Refer note 42)	3,416.39	-	2,436.06	-
	Interest accrued on loans and advances to related parties (Refer note 42)	589.31	-	411.63	-
	Employee advances	3.96	-	81.53	-
	Total	4,009.66	-	2,929.22	-
10	**Other financial assets**				
	Security deposits	-	648.54	82.33	629.72
	Receivable on sale of fixed assets (Refer note 45(b))	-	597.59	-	597.59
	Interest accrued on fixed deposits	-	-	4.03	-
	Unbilled revenue	44.51	-	11.62	-
	Other receivables	84.97	-	382.00	-
	Total	129.48	1,246.13	479.98	1,227.31

		As at March 31, 2021	As at March 31, 2020
11	**Other tax assets (net)**		
	Advance tax [Net of provision for tax Rs. 213.92 lakhs (March 31, 2020: Rs. 213.92 lakhs)]	1,407.81	1,310.31
		1,407.81	1,310.31

STERLING HOLIDAY RESORTS LTD. CHENNAI

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

		As at March 31, 2021	As at March 31, 2020
12	**Other non-current assets**		
	Prepaid expenses	96.67	33.55
	Deferred acquisition cost (Refer note (a) below)	8,962.89	8,805.20
	Capital advances		
	- Considered good	131.47	113.42
	- Considered doubtful	63.42	885.18
		194.89	998.60
	- Less: Provision for doubtful advances	(63.42)	(885.18)
		131.47	113.42
	Total	9,191.03	8,952.17

Note:

(a) 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	39.57	51.91
	Operating supplies	26.57	39.02
	Total	66.14	90.93

For inventories secured against borrowings, Refer note 49.

Due to ongoing COVID-19 pandemic, Management has performed impairment assessment of all inventory as at March 31, 2021 and carrying value of inventories with shorter shelf life have been written off.

14	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	168.89	622.01
	Deposits with maturity of less than three months	-	200.00
	Cash on hand	21.69	10.99
	Cash and cash equivalents in the balance sheet	190.58	833.00
	Bank overdrafts used for cash management purposes (Refer note 20 (b))	-	(1,459.36)
	Cash and cash equivalents in the statement of cash flows	190.58	(626.36)

15	**Other bank balances**		
	Short term bank deposits	567.53	39.26
	(Deposits with maturity of more than 3 months but less than 12 months)		
	Total	567.53	39.26

16	**Other current assets**		
	Prepaid expenses	138.90	206.25
	Deferred acquisition cost (Refer note 53)	533.31	534.10
	Advances to vendors		
	Considered good	167.36	481.55
	Considered doubtful	10.95	14.61
		178.31	496.16
	Less: Provision for doubtful advance	(10.95)	(14.61)
		167.36	481.55
	Balances with statutory authorities	232.80	244.20
	Total	1,072.37	1,466.10

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STERLING HOLIDAY RESORTS LTD. CHENNAI

17 Equity share capital

Authorised equity share capital

Authorised	**March 31, 2021**	**March 31, 2020**
400 lakhs (March 31, 2020: 400 lakhs) equity shares of Rs.10 each	4,000.00	4,000.00
Issued, subscribed and paid-up		
290.50 lakhs (March 31, 2020: 290.50 lakhs) equity shares of Rs.10 each	2,905.00	2,905.00
As at March 31, 2021	2,905.00	2,905.00

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

	March 31, 2021		March 31, 2020	
	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, 2021		March 31, 2020	
	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, 2021		March 31, 2020	
	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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STERLING HOLIDAY RESORTS LTD. CHENNAI

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

		As at March 31, 2021	As at March 31, 2020
18	**Reserves and surplus**		
	Securities premium reserves	32,057.94	32,057.94
	General reserve	4.70	4.70
	Retained earnings	(52,601.10)	(55,036.73)
	Total	(20,538.46)	(22,974.09)

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	(55,036.73)	(50,903.75)
Profit / (Loss) for the year	2,427.40	(4,165.58)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	8.23	32.60
Closing balance	(52,601.10)	(55,036.73)

19 Other reserves

	ESOP reserve	Other comprehensive income: Remeasurement of post-employment benefit obligation	Other comprehensive income: Equity instruments through OCI	Other comprehensive income: Revaluation Reserve	Total
As at April 1, 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
Additions during the year	360.83	8.23	-	9,217.12	9,586.18
Income tax effect on revaluation of property, plant & equipment	-	-	-	(1,912.58)	(1,912.58)
Transferred to retained earnings	-	(8.23)	-	-	(8.23)
As at March 31, 2021	1,592.89	-	-	51,403.88	52,996.77

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 had changed its accounting policy on measurement of land from cost model to revaluation model w.e.f. April 1, 2018. Land was recognized at fair value based on valuations by external independent valuers performed on April 01, 2018 and subsequently remeasured on March 31, 2021. Consequently, any 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, 2019	43,837.63
Revaluation surplus during the year	-
Income tax effect	261.71
As at March 31, 2020	44,099.34
Revaluation surplus during the year	9,217.12
Income tax effect	(1,912.58)
As at March 31, 2021	51,403.88

Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
20(a) Non-current borrowings		
Term loan		
- From banks		
Secured bank loans (Refer note (i) below)	3,114.61	1,930.39
Optionally convertible cumulative redeemable preference shares (OCCRPS) (Refer note (ii) below)	30.30	30.30
Total	**3,144.91**	**1,960.69**
20(b) Current borrowings		
Loans from banks		
Current portion of secured bank loans	1,425.10	711.49
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
	2,425.10	3,170.85
Less: Amount included under 'Other financial liabilities'	(1,425.10)	(711.49)
Total current borrowings	1,000.00	2,459.36

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. The loan is repayable in 24 equal quarterly instalments including a moratorium of 12 months from the date of loan (January 4, 2016) along with interest rate of 11% p.a.. The loan amount outstanding as at year end is Rs. 2,164.61 lakhs (March 31, 2020: Rs. 2,432.61 lakhs). Out of this, Rs. 625.00 lakhs (March 31, 2020: Rs. 654.79 lakhs) is repayable within 1 year and the balance amount of Rs. 1,539.61 lakhs (March 31, 2020: 1,777.82 lakhs) is repayable after 1 year from the balance sheet date.

b 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% p.a. 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. 164.83 lakhs (March 31, 2020: Rs. 192.50 lakhs). Out of this loan, Rs.70.00 lakhs (March 31, 2020: Rs. 52.50 lakhs) is repayable within 1 year and the balance amount of Rs. 94.83 lakhs (March 31, 2020: Rs. 140.00 lakhs) is repayable after 1 year from the balance sheet date.

c 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% p.a. The loan amount outstanding as at year end is Rs. 15.54 lakhs (March 31, 2020: Rs. 16.77 lakhs). Out of this loan, Rs.3.04 lakhs (March 31, 2020: Rs. 4.19 lakhs) is repayable within 1 year and the balance amount of Rs.12.50 lakhs (March 31, 2020: Rs 12.58 lakhs) is repayable after 1 year from the balance sheet date.

d Loan amounting to Rs. 15.00 lakhs from HDFC Bank Limited availed in January 2021 is secured by way of hypothecation of underlying vehicle is repayable in 48 equated monthly instalments commencing from March 5, 2021 along with an interest rate of 9.65% p.a.. The loan amount outstanding as at year end is Rs. 14.73 lakhs (March 31, 2020: Nil). Out of this loan, Rs.3.75 lakhs is repayable within 1 year and the balance amount of Rs.10.98 lakhs is repayable after 1 year from the balance sheet date.

e Loan amounting to Rs. 738 lakhs from HDFC Bank Limited availed in October 2020 is repayable in 48 quarterly instalments including a moratorium of 12 months from the date of loan along with an interest rate of 8.25% p.a.. 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 Mussorie and negative lien of the perperty at Yercaud. The entire loan amount is outstanding as at year end. Out of this loan, Rs. 41.00 lakhs is repayable within 1 year and the balance amount of Rs. 697.00 lakhs is repayable after 1 year from the balance sheet date.

f Loan amounting to Rs. 155 lakhs from HDFC Bank Limited availed in December 2020 is repayable in 48 quarterly instalments including a moratorium of 12 months from the date of loan along with an interest rate of 8.25% p.a.. 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 Mussorie and negative lien of the perperty at Yercaud. The entire loan amount is outstanding as at year end and repayable after 1 year from the balance sheet date.

g Loan amounting to Rs. 1,287 lakhs (net of processing fees) from HDFC Limited availed in March 2021 is repayable in 36 quarterly instalments from the date of loan along with an interest rate of 11% p.a.. The loan is secured by way of resort properties situated at Kodai Lake View. The entire loan amount is outstanding as at year end. Out of this loan, Rs.386.85 lakhs is repayable within 1 year and the balance amount of Rs. 900.15 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.

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

(iii) Short-term working capital loan

Short-term borrowing of Rs. 1,000 lakhs (March 31, 2020: 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

20 Borrowings (continued)

(iv) Bank overdraft
Bank overdraft from Kotak Mahindra Bank (March 31, 2020: Rs. 1,459.36 lakhs) with an interest rate of 9.75%, was fully repaid during the current year.

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

(vi) During the year, owing to its losses incurred, the Company has defaulted on certain financial covenants with respect to loans availed from IDFC 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, has not placed any demand on the loans and has subsequently renewed the facility in April 2021. Accordingly, the Company continues to classify these loans as current and non-current based on the original maturity.

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

Particulars	March 31, 2021	March 31, 2020
Non-current borrowings	4,570.01	2,672.18
Current borrowings	1,000.00	1,000.00
Cash and cash equivalents (Bank overdrafts used for cash management purposes)	-	1,459.36
Total	5,570.01	5,131.54

Particulars	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
Balance as at April 1, 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
Proceeds from loans and borrowings	-	-	2,424.65	2,424.65
Repayment of borrowings	-	-	(563.65)	(563.65)
Change in bank overdraft and working capital loan	(1,459.36)	-	-	(1,459.36)
Non-cash changes				
- Impact of effective interest amortisation	-	-	36.83	36.83
Balance as at March 31, 2021	-	1,000.00	4,570.01	5,570.01

	As at March 31, 2021	As at March 31, 2020
21 Other financial liabilities		
21(a) Non-current		
Creditors for capital expenditure	8.85	8.27
Total	8.85	8.27
21(b) Current		
Current maturities of long-term borrowings	1,425.10	711.49
Interest accrued but not due on borrowings	31.77	27.99
Dividend payable on optionally convertible cumulative redeemable preference shares	7.65	5.07
Creditors for capital expenditure	166.83	366.09
Security deposits	130.69	45.83
Other liabilities	147.98	55.75
Interest payable to micro enterprises and small enterprises (Refer note 47)	23.82	6.46
Total	1,933.84	1,218.68

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22 Provision for employee benefit obligations

	As at March 31, 2021			As at March 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	137.24	109.30	246.54	139.17	101.63	240.80
Gratuity	147.77	256.83	404.60	140.54	213.83	354.37
Total	285.01	366.13	651.14	279.71	315.46	595.17

(i) Compensated absences

	March 31, 2021	March 31, 2020
Current compensated absences expected to be settled within the next 12 months	137.24	139.17

(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, 2020	452.18	97.81	354.37
Current service cost	62.03	-	62.03
Past service cost	-	-	-
Interest expense/(income)	25.39	6.02	19.37
Total amount recognised in profit or loss	87.42	6.02	81.40
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(10.64)	10.64
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	10.03	-	10.03
Experience (gains)/losses	(28.90)	-	(28.90)
Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	(18.87)	(10.64)	(8.23)
Employer contributions	(49.01)	8.16	(57.17)
Benefit payments	(14.78)	(49.01)	34.23
March 31, 2021	456.94	52.34	404.60

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2019	419.03	95.66	323.37
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	95.18
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)
Changes in asset ceiling excluding amounts included in interest expense	-	-	-
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

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Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

22 **Provision for employee benefit obligations**
The net liability disclosed above relates to funded and unfunded plans are as follows:

	March 31, 2021	March 31, 2020
Present value of funded obligations	456.94	452.18
Fair value of plan assets	52.34	97.81
Deficit of funded plan	404.60	354.37
Current benefit obligation	147.77	140.54
Non-current benefit obligation	256.83	213.83
Unfunded plans	-	-
Deficit of gratuity plan	404.60	354.37

(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. 276.83 lakhs (March 31, 2020: Rs. 477.08 lakhs)

(iii) Principal actuarial assumptions used in valuation of Gratuity

	March 31, 2021	March 31, 2020
Discount rate	6.39%	6.15%
Expected rate of return on plan assets	6.39%	6.15%
Salary growth rate	5.00%	First year 0%, thereafter 4%
Attrition rate	30.00%	30.00%

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, 2021	March 31, 2020
Discount rate:		
+ 100 basis points	(10.50)	(11.01)
- 100 basis points	13.13	13.12
Salary escalation rate:		
+ 100 basis points	13.02	13.09
- 100 basis points	(11.93)	(11.40)

b) Compensated absence

	March 31, 2021	March 31, 2020
Discount rate:		
+ 100 basis points	(4.97)	(4.76)
- 100 basis points	5.80	5.39
Salary escalation rate:		
+ 100 basis points	6.33	6.25
- 100 basis points	(5.71)	(5.66)

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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.

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

23 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	3,911.14	3,923.20
On account of land revaluation	4,338.79	2,761.15
On account of fair valuation of investments	-	-
Total deferred tax liabilities	8,249.93	6,684.35
Set-off of deferred tax liabilities pursuant to set-off provisions	8,249.93	6,684.35
Deferred tax liability as per the balance sheet	-	-
Net unrecognised deferred tax liabilities	-	-
Unabsorbed depreciation allowance and business loss carried forward	8,935.24	8,096.03
Provision for employee benefits	219.62	277.44
Provision for doubtful debts	459.47	365.24
Total deferred tax assets	9,614.33	8,738.71
Set-off of deferred tax liabilities pursuant to set-off provisions	8,249.93	6,684.35
Deferred tax asset as per the balance sheet	-	-
Net unrecognised deferred tax assets	1,364.40	2,054.36

Movement in deferred tax liabilities:

	Property, plant and equipment	On account of land revaluation	Total
At April 1, 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
Charged/(Credited):			
- to profit or loss	(12.06)	(334.94)	(347.00)
- to other comprehensive income	-	1,912.58	1,912.58
At March 31, 2021	3,911.14	4,338.79	8,249.93

Movement in deferred tax assets:

	Unabsorbed depreciation allowance and business	Provision for employee benefits	Provision for doubtful debts	Total
At April 1, 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
Movement in deferred tax asset	839.21	(57.82)	94.23	875.62
At March 31, 2021	8,935.24	219.62	459.47	9,614.33

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	As at March 31, 2021	As at March 31, 2020
24 Other non-current liabilities		
Contract liability - Deferred income (Refer note 53)	70,657.59	77,989.95
Contract liability - Advance received from customers (Refer note 53)	315.77	160.05
Total	70,973.36	78,150.00
25 Trade payables		
Dues to micro enterprises and small enterprises (Refer note 47)	80.80	44.04
Dues to creditors other than micro enterprises and small enterprises	2,415.08	2,817.84
Total	2,495.88	2,861.88
Of the above, trade payables to related parties is (Refer note 42(f))	166.44	226.07
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)	1,000.00	2,139.19
Total	1,072.94	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) are 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 properties. During the current year, the Company has re-assessed such provision based on independent legal advice and reversed certain provision no longer required amounting to Rs. 1,139.19 lakhs.

	As at March 31, 2021	As at March 31, 2020
27 Other current liabilities		
Salaries, wages, bonus and employee payables	739.25	1,014.34
Statutory liabilities	330.39	28.39
Contract liability - Deferred income (Refer note 53)	3,599.95	4,052.20
Contract liability - Advance received from customers (Refer note 53)	1,363.72	1,377.66
Total	6,033.31	6,472.59

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STERLING HOLIDAY RESORTS LTD. CHENNAI

		For the year ended March 31, 2021	For the year ended March 31, 2020
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 (net of provision for cancellation) (refer notes below)	6,437.35	4,935.59
	- Annual subscription fees/ Annual amenity charges	3,457.06	4,757.57
	- Interest income on trade receivables (instalment plan)	148.62	226.97
	Sale of products (Resort operations)		
	Food and beverages	1,469.20	4,057.99
	Sale of services (Resort operations)		
	- Room rentals	3,927.50	7,679.86
	- Others	363.35	1,136.46
	- Management contract income	64.15	167.51
	Other operating revenues		
	Service charges	84.38	244.16
	Total	15,951.61	23,206.11
	On the basis of timing of transfer of goods or services		
	At a point in time	5,522.61	10,423.15
	Over a period of time	10,429.00	12,782.96
		15,951.61	23,206.11

Notes:

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. 418.19 lakhs (March 31, 2020: charge of Rs. 271.92 lakhs) for the sales relating this year.

b During the year, the Company has cancelled certain membership contracts of members who have defaulted in payment of certain EMIs and / or Annual amenity charges (AAC) for past periods. The Company has assessed the contractual terms and on the basis of legal advice has established their bona fide to cancel these membership contracts. Consequentially, there has been a write-back of deferred income (Rs. 2,509.02 lakhs) and write-off of the related unamortised cost (Rs. 998.72 lakhs). (also refer note 53).

29	**Other income**		
	Interest income on:		
	- Loans and advances to related parties	345.89	264.07
	- Bank deposits	12.28	4.18
	- Others	54.27	68.64
	Gain on sale of current investments (net)	-	1.66
	Net gain on financial assets mandatorily measured at fair value through profit or loss	23.10	8.40
	Rental income	89.70	269.42
	Management fees	471.16	929.68
	Income from skill development training	-	146.35
	Scrap sales	7.15	5.86
	Provision/Liabilities no longer required written back (Refer note 26)	1,355.65	149.22
	Insurance claim received	-	195.09
	Gain on variable lease payments	933.94	76.40
	Income from termination of lease contracts	59.04	26.55
	Miscellaneous income	-	13.20
	Total	3,352.18	2,158.72
30	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	51.91	43.42
	Add: Purchases	533.37	1,303.49
	Less: Inventory of materials at the end of the year	39.57	51.91
	Cost of materials consumed	545.71	1,295.00
31	**Employee benefits expense**		
	Salaries, wages and bonus	5,272.75	9,411.72
	Contribution to provident and other funds	334.35	581.78
	Employee share-based payment expense	221.49	310.21
	Gratuity	81.40	95.20
	Compensated absences	45.72	29.22
	Staff welfare expenses	329.14	797.55
	Total	6,284.85	11,225.68

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

		For the year ended March 31, 2021	For the year ended March 31, 2020
32	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	554.72	505.87
	Interest on lease liability	763.68	866.20
	Dividend on OCCRPS	2.58	2.58
	Total	1,320.98	1,374.65
33	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	2,144.99	2,258.38
	Amortisation of intangible assets	311.21	341.31
	Depreciation of right of use assets	1,870.44	2,068.90
	Total	4,326.64	4,668.59
34	**Other expenses**		
	Consumption of stores and spares	151.49	323.67
	Power and fuel	831.22	1,519.63
	Rent	210.90	601.71
	Repairs and maintenance:		
	-Building	92.92	170.52
	-Plant and machinery	198.46	366.17
	-Others	243.82	323.38
	Insurance	105.85	47.45
	Rates and taxes	197.61	275.66
	Guest supplies	88.99	250.45
	Laundry expenses	86.83	233.20
	Communication	135.40	190.93
	Recruitment and training	45.78	121.73
	Travel and tours	97.66	488.40
	Legal and professional	535.47	682.13
	Directors' sitting fees	16.54	14.04
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	12.00	12.00
	- Limited review	16.50	16.50
	For other audit services:		
	- Other services	1.28	24.67
	Reimbursement of expenses	3.67	6.00
	Travel and conveyance	117.06	590.03
	Security charges	210.80	334.00
	Water charges	67.70	179.00
	Sales commission	1,514.57	951.47
	Sales promotion	132.25	1,961.73
	Exchange loss	1.97	0.70
	Bank charges	202.27	306.62
	Provision for doubtful advances	52.21	5.34
	Provision for doubtful debts	-	21.57
	Loss on sale of assets (net)	49.61	10.64
	Capital work in progress written off	431.42	-
	Printing and stationery	19.73	66.03
	Miscellaneous expenses	438.81	609.41
	Total	6,310.79	10,704.78

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
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	(1,577.64)	261.71
Increase/(Decrease) in deferred tax liabilities	(334.94)	-
Total	(1,912.58)	261.71
Total tax expense/(benefit)	(1,912.58)	261.71
b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
Profit / (Loss) before income tax expense	514.82	(3,903.87)
Tax expense / (income) computed at Indian Tax rate of 26% (Previous year: 26%)	133.85	(1,015.01)
Net Tax effects of amount which are deductible/disallowed in calculating taxable income - other than temporary differences	(133.85)	-
	-	(1,015.01)
Unrecognised deferred tax assets for the year	-	1,015.01
Deferred tax asset recognised / (derecognised) on brought forward losses	(1,577.64)	261.71
Decrease in deferred tax liability on account of indexation of land	(334.94)	-
Tax income	(1,912.58)	261.71
Tax losses		
Unused tax losses for which no deferred tax assets have been recognised	5,260.56	7,850.88
Potential tax benefit at 26% (Previous year: 26%)	1,367.75	2,041.23

Tax losses on account of unrecognised deferred tax assets		
Date of expiry to carry forward	**As at March 31, 2021**	**As at March 31, 2020**
31-Mar-29	4,054.86	-
31-Mar-28	1,205.70	1,785.21
31-Mar-27	-	4,355.75
31-Mar-24	-	916.97
31-Mar-22	-	709.56
31-Mar-21	-	83.39
Indefinite period	-	-
Total	5,260.56	7,850.88

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STERLING HOLIDAY RESORTS LTD. * CHENNAI

Sterling Holiday Resorts Limited
Notes forming part of financial statements as at and for the year ended March 31, 2021
(All amounts in Rs. lakhs, unless otherwise stated)

36 Fair value measurements

Financial instruments by category

	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	0.63	-	-	0.38	-	-
- Mutual funds	1,644.43	-	-	321.60	-	-
Trade receivables	-	-	3,719.27	-	-	10,157.29
Unbilled revenue	-	-	44.51	-	-	11.62
Loans	-	-	3,416.39	-	-	2,436.06
Interest accrued on loans and advances to related parties	-	-	589.31	-	-	411.63
Employee advances	-	-	3.96	-	-	81.53
Cash and cash equivalents	-	-	190.58	-	-	833.00
Bank balances other than above	-	-	567.53	-	-	39.26
Security deposits	-	-	648.54	-	-	712.05
Interest accrued on fixed deposits	-	-	-	-	-	4.03
Other receivables	-	-	682.56	-	-	979.59
Total financial assets	1,645.06	-	9,862.65	321.98	-	15,666.06
Financial liabilities						
Borrowings	-	-	5,609.43	-	-	5,164.60
Trade payables	-	-	2,495.88	-	-	2,861.88
Capital creditors	-	-	175.68	-	-	374.36
Security deposits	-	-	130.69	-	-	45.83
Other liabilities	-	-	171.80	-	-	62.21
Total financial liabilities	-	-	8,583.48	-	-	8,508.88

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, 2021 (March 31, 2020: 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

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVTPL:					
Equity instruments	7(a)	0.63	-	-	0.63
Mutual funds	7(b)	1,644.43	-	-	1,644.43
Total financial assets		1,645.06	-	-	1,645.06

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

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to subsidiaries	9	-	-	3,416.39	3,416.39
Interest accrued on loans and advances to related parties	9	-	-	589.31	589.31
Employee advances	9	-	-	3.96	3.96
Security deposits	10	-	-	648.54	648.54
Total financial assets		-	-	4,658.20	4,658.20
Financial liabilities					
Borrowings	20(a)	-	-	5,609.43	5,609.43
Total financial liabilities		-	-	5,609.43	5,609.43

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

As 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

STERLING HOLIDAY RESORTS LTD. 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

As 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

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

(ii) Valuation technique used to determine fair value:
Level 1 : Fair value is determined using NAV for mutual funds and market value listed equity shares
Level 3 : Fair value is determined using discounted cash flow method

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

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans				
Loans to subsidiaries	3,416.39	3,416.39	2,436.06	2,436.06
Interest accrued on loans and advances to related parties	589.31	589.31	411.63	411.63
Employee advances	3.96	3.96	81.53	81.53
Security deposits	648.54	648.54	712.05	712.05
Total financial assets	4,658.20	4,658.20	3,641.27	3,641.27
Financial liabilities				
Borrowings	5,609.43	5,609.43	5,164.60	5,164.60
Total financial liabilities	5,609.43	5,609.43	5,164.60	5,164.60

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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STERLING HOLIDAY RESORTS LTD. * CHENNAI

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

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, investments, financial assets measured at amortised cost.	Ageing analysis and credit assessment	Diversification of portfolio and Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Borrowings, trade payables and other liabilities	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 continuing basis.

(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	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, 2021:

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

The estimated gross carrying amount at default is Nil (March 31, 2020: 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)

A significant portion of the Company's sales of Sterling Memberships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:
(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms;
(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.
From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the payments received from the customers, for example, if a member has not paid any amount or has paid less than Rs. 5,000 in last 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability - Deferred income" (refer note 24 and note 27).
The allowances for credit loss and for revenue deferred at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with

37 Financial risk management (contd.)

The credit loss allowance carried by the Company is as under:

	March 31, 2021	March 31, 2020
Carrying value of receivables (refer note 8)	4,152.60	11,219.26
Credit loss allowance	433.33	1,061.97
Loss allowance %	10%	9%

The Company defers revenue at inception and provides for cancellation allowance based on historical trend. The amounts so deferred and the credit loss allowance are adjusted from the carrying value of receivables (refer note 8 and 28) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

(iii) (a) Reconciliation of carrying value of receivables	Amount
Receivables as on April 1, 2019	10,836.77
Sale made during the year	11,461.99
Collections during the year	(10,035.63)
Write off on account of contracts cancelled during the year	-
Adjustment on account of provision for cancellation	(1,043.87)
Receivables as on March 31, 2020	11,219.26
Sale made during the year	4,494.47
Collections during the year	(6,062.30)
Write off on account of contracts cancelled during the year	(2,824.06)
Adjustment on account of provision for cancellation	(2,674.77)
Receivables as on March 31, 2021	4,152.60

(iii) (b) Reconciliation of loss allowance provision	Amount
Loss allowance on April 1, 2019	767.06
Allowance for credit loss recognised during the year	294.91
Amounts written off during the year	-
Loss allowance on March 31, 2020	1,061.97
Allowance for credit loss recognised during the year	418.19
Amounts written off during the year	(1,046.83)
Loss allowance on March 31, 2021	433.33

(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, 2021	March 31, 2020
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	-	47.44
Marketable securities *(including investments held for sale)*	1,644.43	321.60

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 time.

(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, 2021	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	5,609.43	1,405.99	413.03	964.37	1,830.58	1,544.33	6,158.31
Trade payables	2,495.88	2,495.88	-	-	-	-	2,495.88
Other financial liabilities	478.17	469.32	-	-	8.85	-	478.17
Total non-derivative liabilities	8,583.48	4,371.19	413.03	964.37	1,839.43	1,544.33	9,132.36

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	2,116.54	300.59	584.17	1,107.13	1,993.43	6,101.86
Trade payables	2,861.88	2,861.88	-	-	-	-	2,861.88
Other financial liabilities	482.40	463.53	-	-	18.87	-	482.40
Total non-derivative liabilities	8,508.88	5,441.95	300.59	584.17	1,126.00	1,993.43	9,446.14

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, 2021	March 31, 2020
Variable rate borrowings	1,000.00	2,459.36
Fixed rate borrowings	4,609.43	2,672.18
	5,609.43	5,131.54

	March 31, 2021			March 31, 2020		
	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	9.42%	1,000.00	17.83%	10.00%	2,459.36	47.9[illegible]%

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. 9.42 lakhs (March 31, 2020: Rs. Rs. 24.59 lakhs)

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

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, 2021	As at March 31, 2020
Total debt	5,601.78	5,159.53
Less: Cash and cash equivalents and other bank balances	(758.11)	(872.26)
Adjusted net debt	4,843.67	4,287.27
Total equity	35,363.31	25,262.31
Adjusted net debt to equity ratio	0.14	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, 2021	March 31, 2020
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 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. 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 During the current year, the Company had 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 of its resorts). The Company had reopened resorts in a phased manner since August 2020. However, considering the significant increase in infection due to the second wave in India, certain States have adopted measures to control the spread of the pandemic. The Company has again temporarily closed many resorts in April 2021.

The Management strongly believes, the lockdown would be lifted, and operations would restart in a phased manner by June 2021. However, the impact of COVID-19 on the economy continues to be uncertain and the extent to which the ongoing COVID-19 pandemic will impact the Company's financial performance including the Company's estimates of future cash flows and impairment of assets etc., is dependent on such future developments, the severity and duration of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in determining judgements and estimates in applying the assumptions including those used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions. Also refer note 1.2.1.

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(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, 2021	Ownership interest held by the Group March 31, 2020
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, 2021	Ownership interest held by the Group March 31, 2020
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)
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, 2021	March 31, 2020
Mr. Ramesh Ramanathan (Chairman-Managing Director)		
Short-term employee benefits	160.02	206.61
Post-employment benefits	11.43	15.58
Total	171.45	222.19
Mr. Manish Jain (Chief Financial Officer)*		
Short-term employee benefits	-	38.84
Post-employment benefits	-	3.33
Total	-	42.17

*Mr. Manish Jain ceased to be the Chief Financial Officer with effect from October 23, 2019

	March 31, 2021	March 31, 2020
Mr. Gaurav Kant (Chief Financial Officer)*		
Short-term employee benefits	10.70	-
Post-employment benefits	2.89	-
Total	13.59	-

*Mr. Gaurav Kant has been appointed as the Chief Financial Officer with effect from April 22, 2020 and ceased with effect from September 04, 2020

	March 31, 2021	March 31, 2020
Mr. Krishna Kumar (Chief Financial Officer)*		
Short-term employee benefits	41.32	-
Post-employment benefits	1.31	-
Total	42.63	-

*Mr. Krishna Kumar has been appointed as the Chief Financial Officer with effect from August 03, 2020

	March 31, 2021	March 31, 2020
Mr. M. Balasubramaniyan (Company Secretary)		
Short-term employee benefits	13.06	15.88

(e) Transactions with related parties
Transactions with related parties are as follows:

	March 31, 2021	March 31, 2020
Sale of services		
Thomas Cook (India) Limited	-	46.49
TC Tours Private Limited	12.21	24.06
SOTC Travel Services Private Limited	-	0.42
Total	12.21	70.97
Interest income		
Sterling Holidays (Ooty) Limited	43.33	14.82
Sterling Holiday Resorts (Kodaikanal) Limited	125.90	97.80
Nature Trails Resorts Private Limited	176.65	151.44
Total	345.88	264.06
Net recovery on account of holiday activities		
Thomas Cook (India) Limited	-	7.02
Miscellaneous income		
Sterling Holidays (Ooty) Limited	43.13	156.30
Sterling Holiday Resorts (Kodaikanal) Limited	46.57	89.12
Total	89.70	245.42
Income from use of brand		
Sterling Holidays (Ooty) Limited	14.34	51.46
Sterling Holiday Resorts (Kodaikanal) Limited	16.79	34.94
Total	31.13	86.40

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	March 31, 2021	March 31, 2020
Rent expense		
Thomas Cook (India) Limited	0.13	1.71
Rental income		
Thomas Cook (India) Limited	-	24.00
Management fees received		
Sterling Holidays (Ooty) Limited	222.22	487.79
Sterling Holiday Resorts (Kodaikanal) Limited	217.80	355.49
Total	440.02	843.28
Maintenance expenditure paid		
Sterling Holidays (Ooty) Limited	68.17	35.65
Sterling Holiday Resorts (Kodaikanal) Limited	31.91	51.91
Total	100.08	87.56
Travel booking & other support services		
Thomas Cook (India) Limited	13.03	122.33
Services availed		
Quess Corp Limited	1,235.19	569.29
Coachieve Solutions Pvt Ltd	-	26.64
Allsec Technologies Limited	22.72	11.45
Terrier Security Services (India) Pvt Ltd	47.70	1.13
Go Digit General Insurance Limited	9.78	-
Total	1,315.39	608.50
Dividend on OCCPRS		
Thomas Cook (India) Limited	2.58	2.58
Employee stock option expense (ESOP)		
Thomas Cook (India) Limited	360.83	360.06
Loans and advances granted		
Sterling Holidays (Ooty) Limited	1,216.28	2,010.36
Sterling Holiday Resorts (Kodaikanal) Limited	1,139.94	1,396.39
Nature Trails Resorts Private Limited	500.21	365.49
Total	2,856.43	3,772.25
Loans and Advances repaid		
Sterling Holidays (Ooty) Limited	852.77	2,066.93
Sterling Holiday Resorts (Kodaikanal) Limited	860.61	1,247.58
Nature Trails Resorts Private Limited	-	8.00
Total	1,713.38	3,322.52
(f) Outstanding balances as at the year end		
Trade payables		
Thomas Cook (India) Limited	160.24	165.27
Quess Corp Limited	-	0.08
Go Digit General Insurance Limited	1.91	1.70
Coachieve solutions Pvt Ltd	-	0.98
Allsec Technologies Ltd	2.93	10.48
Terrier Security Services (India) Pvt Ltd	1.36	47.57
Total	166.44	226.07
Dividend payable on OCCRPS		
Thomas Cook (India) Limited	7.65	5.07
Advances to suppliers		
Quess Corp Limited	17.67	113.95
Advances from customers		
SOTC Travel Services Private Limited	-	1.00
Trade Receivable		
Thomas Cook (India) Limited	6.65	16.70
TC Tours Private Limited	10.81	7.60
Total	17.46	24.30
(g) Loans to related parties		
Loans to subsidiaries		
Sterling Holidays (Ooty) Limited	486.14	122.63
Sterling Holiday Resorts (Kodaikanal) Limited	1,227.27	947.94
Nature Trails Resorts Private Limited	1,702.98	1,365.49
Total	3,416.39	2,436.06
Interest accrued on loans given		
Sterling Holidays (Ooty) Limited	12.38	3.32
Sterling Holiday Resorts (Kodaikanal) Limited	33.00	27.10
Nature Trails Resorts Private Limited	543.93	381.21
Total	589.31	411.63

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(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. 4,005.70 lakhs (Previous year Rs. 2,847.69 lakhs). During the year, the Company has paid amounts on behalf of the subsidiaries aggregating to Rs. 5,907.91 lakhs (Previous year Rs. 3,772.25 lakhs) and have recovered amounts aggregating to Rs. 4,749.90 lakhs (Previous year Rs. 3,322.52 lakhs) The accumulated losses as at March 31, 2021 of Ooty, Kodai and NT are Rs 580.48 lakhs, Rs 1,417.70 lakhs and Rs.2,344.09 lakhs respectively (Previous year Rs 397.18 lakhs, Rs. 1,208.95 lakhs and Rs. 704.30 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.

	As at March 31, 2021	As at March 31, 2020
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
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 for the items tabulated below. 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 is in the process of filing their response for the same.	6,451.04	6,451.04
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	694.35
During the year, the Assessing officer vide this order has disallowed the usual issue of ESOP expenses and added back the Deferred income. Further he has disallowed the long term capital loss claimed by the company for Rs. 408 lakhs on sale of land at Kodai and arrived at a long term capital gain of Rs 749 lakhs. We are taking the steps to file the appeals with CIT(A) Mumbai.	201.84	-
(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	2,319.96	1,811.46
VAT related matters	56.36	37.60
GST related matters	113.28	179.37
Customer, vendor, employee and property related disputes under appeal	960.31	2,611.16

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.

	As at March 31, 2021	As at March 31, 2020
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	96.56	181.73

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, 2021 in respect of the said property aggregates to Rs. 8,065.60 lakhs (March 31, 2020: 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, 2020: 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. 723.60 lakhs (March 31, 2020: 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. As the Company has not received any further update from the resort owner regarding the same and the matter has not been taken up for hearing by any adjudicating authority, such amount has been removed as contingent liability for the current year.

e **Other property related matters**

Property	Net carrying amount as on March 31, 2021	Net carrying amount as on March 31, 2020	Remarks
Kodai Valley View (Revalued - Refer Note 52)	8,331.00	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)	1,768.10	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 has pased an order in favour of the Company. The Company needs to file and E.P For execution of the Decree.

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 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

		As at March 31, 2021	As at March 31, 2020
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	80.80	44.04
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	23.82	6.46
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	223.78	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	15.15	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	8.10	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, 2021	As at March 31, 2020
49	**Assets pledged as security**		
	Current		
	Receivables	51.30	16.71
	Inventories	14.26	4.68
	Non-current		
	Freehold land (Revalued - Refer Note 51)	6,594.34	5,408.00
	Buildings	5,732.88	7,554.00
	Moveable assets	2,685.53	3,273.00

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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, 2021, 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, 2021		March 31, 2020	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	1.00	675,633	1.00	730,919
Granted during the year	1.00	46,196	1.00	-
Exercised during the year	-	-	-	-
Forfeited during the year	1.00	168,183	1.00	55,286
	1.00	**553,646**	**1.00**	**675,633**

TCIL ESOP 2018 Management	March 31, 2021		March 31, 2020	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	125.10	182,573	125.10	221,008
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	125.10	86,390	125.10	38,435
	125.10	**96,183**	**125.10**	**182,573**

ESOS 2012 (Grant II)	March 31, 2021		March 31, 2020	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	108.46	23,850	108.46	66,900
Granted during the year	-	-	-	-
Exercised during the year	-	-	108.46	3,300
Forfeited during the year	108.46	16,800	108.46	39,750
	108.46	**7,050**	**108.46**	**23,850**

ESOP 2015	March 31, 2021		March 31, 2020	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	165.92	112,541	165.92	128,978
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	13,037
Forfeited during the year	165.92	47,008	165.92	3,400
	165.92	**65,533**	**165.92**	**112,541**

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50 Share based payments (contd.)

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, 2021	Share options March 31, 2020
ESOP 2018 - Execom	October 5, 2018	September 29, 2043	1.00	553,646	675,633
ESOP 2018 - Management	September 1, 2018	August 29, 2031	125.10	96,183	182,573
ESOS 2012 (Grant II)	July 30, 2014	July 27, 2024	108.46	7,050	23,850
ESOP 2015	August 25, 2015	August 24, 2025	165.92	65,533	112,541

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, 2021	March 31, 2020
Employee option plan expenses	221.49	311.60
Employee stock expenses	139.34	48.48
Total	360.83	360.08

51 Revaluation of land

During the 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.

During the current year, the Company has recorded revaluation gain of Rs. 9,217.12 lakhs in OCI based on the fair value of freehold and leasehold land as at March 31, 2021 as determined by an external independent valuer. The carrying amounts as at March 31, 2020 and March 31, 2021 under cost and revaluation models are given below:

Block of asset	Revaluation model As at March 31, 2021	Revaluation model As at March 31, 2020	Cost model As at March 31, 2021	Cost model As at March 31, 2020
Freehold land	57,899.52	49,324.48	3,623.04	3,623.04
Right of use asset land (Refer note 52)	3,351.09	2,742.57	1,548.50	1,566.14
Total	61,250.61	52,067.05	5,171.54	5,189.18

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

52 Movement in right of use assets and lease liabilities as per Ind AS 116 Leases

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
Addition to right of use assets	642.19	-	-	642.19
Depreciation charge for the year	(33.67)	(1,813.79)	(22.98)	(1,870.44)
Derecognition of right of uses assets	-	(957.37)	(7.62)	(964.99)
Balance at March 31, 2021	3,351.09	6,768.77	14.11	10,133.97

Lease Liabilities	Amount
Balance at April 1, 2019	-
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
Additions	-
Deletions	(982.50)
Finance cost accrued during the period	763.68
Discharge of lease liabilities	(2,173.75)
Balance at March 31, 2021	7,215.91
Current	1,246.34
Non-current	5,969.57

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, 2021	For the year ended March 31, 2020
Opening balance	9,339.30	7,753.36
Additions during the year	2,050.35	2,184.34
Writen off due to cancellation of contracts	(998.72)	-
Amortized during the year	(894.73)	(598.40)
Closing balance	9,496.20	9,339.30

(b) Contract liabilities	Membership fee	Annual subscription fee	Other resort revenue	Total
Opening balance as at April 1, 2020	82,042.15	662.51	875.20	83,579.86
Additions during the year (net)	3,437.35	784.98	654.58	4,876.91
Contracts cancelled during the year	(4,255.80)	-	-	(4,255.80)
Income recognized during the year	(4,291.38)	(451.61)	(846.17)	(5,589.16)
Adjustment on account of provision for cancellation	(2,674.78)	-	-	(2,674.78)
Closing balance as at March 31, 2021	74,257.54	995.88	683.61	75,937.03

Contract liabilities	Membership fee	Annual subscription fee	Other resort revenue	Total
Opening balance as at April 1, 2019	76,739.97	609.79	1,036.14	78,385.90
Additions during the year (net)	11,438.85	417.94	767.46	12,624.25
Contracts cancelled during the year	-	-	-	-
Income recognized during the year	(5,005.01)	(365.22)	(928.40)	(6,298.63)
Adjustment on account of provision for cancellation	(1,131.66)	-	-	(1,131.66)
Closing balance as at March 31, 2020	82,042.15	662.51	875.20	83,579.86

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

STERLING HOLIDAY RESORTS LTD. CHENNAI

54 Earnings per share

	March 31, 2021	March 31, 2020
Profit / (Loss) for the year attributable to the equity holders of the Company	2,427.40	(4,165.58)
Weighted average number of equity shares outstanding (in lakhs)	290.50	290.50
Basic and diluted earnings per share	**8.36**	**(14.34)**

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: May 19, 2021

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

Krishna Kumar L
Chief Financial Officer

M Balasubramaniyan
Company Secretary

Place: Chennai
Date: May 19, 2021

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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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 2021, 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 2021, 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 on the financial statements.

Emphasis of matter

We draw attention to Note 1C of the financial statements, the possible effect in 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.

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B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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 board report, but does not include the financial statements and our auditors' report thereon. The Board report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 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 other information, 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 applicable under the 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, 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.

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.

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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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its financial statements - Refer Note 31 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 2021.

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Report on Other Legal and Regulatory Requirements ***(Continued)***

(B) 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.: 21042070AAAABZ1954

Mumbai
14 May 2021

SOTC Travel Limited

Annexure "A" to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(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 all property, plant and equipment are verified by the management according to a phased manner 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 and no material discrepancies have been noticed on such verification. 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 given 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 Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is 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 investments made and loan given. The Company has not provided any guarantees or securities to parties covered under Section 185 or 186 of the Act therefore the relevant provisions of Section 185 and 186 of the Act are not applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. 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 undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Professional tax, Goods and Services tax, Cess and other material statutory dues, as applicable, have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been some delay in few cases in respect of Income-Tax, Professional Tax and Labour Welfare Fund.

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SOTC Travel Limited

Annexure "A" to the Independent Auditor's Report *(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 Services tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(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 Services tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

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	227,772,514	17,082,938	2006-2015	CESTAT
The Finance Act, 1994	Service tax	81,11,575	6,08,368	2008-2013	CESTAT
The Finance Act, 1994	Service tax	64,06,240	4,80,468	2006-2010	CESTAT
The Finance Act, 1994	Service tax	7,03,04,341	52,72,825	2006-2009	CESTAT
The Finance Act, 1994	Service tax	1,27,41,876	9,55,640	2006-2012	CESTAT
The Finance Act, 1994	Service tax	6,0559,936	45,44,995	2015-2016	CESTAT
The Finance Act, 1994	Service tax	2,99,37,382	-	2009-2011	Commissioner of Service Tax
The Finance Act, 1991	Service tax	84,45,459	-	2011-2015	Assistant Commissioner Service Tax
The Finance Act, 1994	Service tax	4,36,31,401	-	2016-2018	Commissioner of Service Tax

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans to banks 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.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans for the purpose for which they were raised. The Company did not raise 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.

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SOTC Travel Limited

Annexure "A" to the Independent Auditor's Report *(Continued)*

(xi) According to the information and explanations give 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 and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards.

(xiv) According to the information and explanations give 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 non-cash transactions with directors or persons connected with him. 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

B. H. Dhupelia

Bhavesh Dhupelia
Partner
Membership No.042070
UDIN No.: 21042070AAAABZ1954

Mumbai
14 May 2021

SOTC Travel Limited

Annexure "B" to the Independent Auditors' report

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 2021 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 with reference to financial statements were operating effectively as at 31 March 2021, 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.

SOTC Travel Limited

Annexure "B" to the Independent Auditor's Report *(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.: 21042070AAAABZ1954

Mumbai
14 May 2021

SOTC Travel Limited

Balance Sheet

as at 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	185.33	241.12
(b) Right of use assets	2.1	1,028.93	3,292.92
(c) Goodwill	2.3	268.50	268.50
(d) Other intangible assets	2.3	68.22	67.66
(e) Financial assets			
(i) Investments	3	8,849.28	8,849.28
(ii) Loans	4	426.92	1,011.16
(iii) Other financial assets	5	181.14	171.56
(f) Deferred tax assets (net)	6	4,695.53	1,994.96
(g) Income tax assets (net)	7	1,637.16	4,108.39
Total non-current assets		17,341.00	20,005.55
(2) Current assets			
(a) Financial assets			
(i) Investments	8	-	4,108.35
(ii) Trade receivables	9	1,179.21	5,662.54
(iii) Cash and cash equivalents	10	3,783.97	2,617.85
(iv) Bank balances other than cash and cash equivalents	11	46.39	43.30
(v) Loans	12	6,084.29	2,641.98
(vi) Other financial assets	13	418.17	2,180.54
(b) Other current assets	14	3,115.00	6,646.46
Total current assets		14,627.02	23,901.02
TOTAL ASSETS		31,968.03	43,906.57
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	1.00	1.00
(b) Other Equity	16	4,207.21	9,082.62
Total Equity		4,208.21	9,083.62
(2) Non-current liabilities			
(a) Other financial liabilities	17	821.13	2,741.93
(b) Provisions	18	373.61	359.61
Total Non-current liabilities		1,194.74	3,101.54
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,407.34	2,673.26
(ii) Trade payables			
Total outstanding dues of Micro and Small enterprises	20	0.84	-
Total outstanding dues of creditors other than Micro and Small enterprises	20	12,921.15	14,058.07
(iii) Other financial liabilities	21	586.06	1,867.14
(b) Provisions	22	462.03	504.41
(c) Other current liabilities	23	10,187.66	12,618.53
Total Current Liabilities		26,565.08	31,721.41
TOTAL EQUITY AND LIABILITIES		31,968.03	43,906.57
Significant accounting policies	1B		
Notes to the financial statements	2-40		

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

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai
14th May 2021

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
7th May 2021

Pravesh Palod
Company Secretary
[CS No: A57964]

SOTC Travel Limited

Statement of Profit and Loss
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
(1) Revenue			
(a) Revenue from operations	24	4,386.70	117,955.05
(b) Other income	25	662.62	489.19
Total income		5,049.32	118,444.24
(2) Expenses			
(a) Cost of services		2,855.58	99,754.09
(b) Employee benefits expense	26	4,213.84	8,874.38
(c) Finance costs	27	552.16	694.12
(d) Depreciation and amortization expenses	2	884.96	1,063.81
(e) Other expenses	28	4,337.61	9,476.08
Total expenses		12,844.15	119,862.48
(3) Loss before tax		(7,794.83)	(1,418.24)
(4) Tax expense:			
(a) Current tax	6	-	-
(b) Deferred tax credit	6	(2,720.66)	(531.03)
(5) Loss after tax		(5,074.17)	(887.21)
(6) Other comprehensive (Loss)/Income (OCI)			
Items that will not be reclassified to profit or (loss)			
(i) Remeasurements of defined benefit (liability) / asset		59.59	48.39
(ii) Income tax expense on remeasurements of defined benefit liability /(asset)		(20.09)	(16.91)
Other comprehensive (Loss)/Income (net of income tax) (i-ii)		39.50	31.48
(7) Total comprehensive Loss for the year		(5,034.67)	(855.73)
(8) Earnings per Equity share (Face value of Rs. 10 each)			
(i) Basic (Rs)	29	(50,741.65)	(8,872.11)

Significant accounting policies	1B		
Notes to the financial statements	2-40		

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
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Chief Financial Officer
Mumbai
7th May 2021

Pravesh Palod
Company Secretary
[CS No: A57964]

SOTC Travel Limited

Statement of Cash Flows
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Loss before tax	(7,794.83)	(1,418.24)
Adjustments for:		
Depreciation of property, plant and equipment	152.01	190.58
Depreciation on Right of use assets	679.37	798.68
Amortisation of intangible assets	53.58	74.55
(Gain)/Loss on sale of property, plant and equipment	(1.48)	(3.98)
(Gain)/Loss on Lease liability	(141.67)	-
Exchange gain	(99.51)	-
Share-based payment expense	159.27	293.37
Unclaimed credit balances no longer required, written back	(90.46)	(1,506.81)
Bad debts and advances written off	266.49	841.40
Provision for doubtful debts, advances and deposits (net)	(32.37)	(83.99)
Profit on redemption of units of mutual funds	(1.83)	(159.89)
Interest income - others	(19.58)	(16.13)
Interest income on Inter-Corporate Deposits	(190.07)	(128.06)
Interest income on fixed deposits and investments	(103.79)	(47.50)
Interest on tax refunds	(334.16)	-
Finance costs	552.16	694.12
	(6,946.87)	(471.90)
Working capital adjustments		
Decrease in trade and other receivables	4,249.21	3,943.03
Decrease in loans and advances	6,748.65	9,137.76
(Decrease)/ Increase in trade payables, other financial liabilities and current liabilities	(3,388.25)	(12,730.22)
Decrease in provisions	17.20	(218.06)
	679.94	(339.39)
Income tax refund / (paid), net	2,805.38	(1,143.75)
Net cash flows (used) in/generated from operating activities	3,485.32	(1,483.14)
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(98.59)	(184.43)
Payment for purchase of intangible assets	(54.15)	(83.37)
Proceeds from sale of property, plant and equipment & intangible	3.86	4.17
Interest received	193.26	190.45
Sale/(Purchase) of units of mutual funds, net	4,110.18	1,202.62
Repayment of loan	4,150.39	550.39
Loan given	(8,243.60)	-
Redemption of Fixed deposits during the year (net)	(12.66)	22.60
Net cash flows generated from /(used) in investing activities	48.69	1,702.43
Cash flows from financing activities		
Proceeds from borrowings	150.00	-
Repayments of borrowings	(900.00)	(1,800.00)
Payment of Lease liabilities	(649.82)	(673.85)
Interest paid	(552.16)	(694.12)
Net cash flows used in financing activities	(1,951.98)	(3,167.97)
Net decrease in cash and cash equivalents	1,582.03	(2,948.68)
Cash and cash equivalents at the beginning of the year	(55.40)	2,893.28
Cash and cash equivalents at the end of the year	1,526.63	(55.40)

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SOTC TRAVEL LIMITED
Formerly SOTC Travel Private Limited

SOTC Travel Limited

Statement of cash flows ***(Continued)***
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

	For the year ended 31 March 2021 Amount	For the year ended 31 March 2020 Amount
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet	1,526.63	(55.40)
Cash and Cash equivalents as restated as at the year end	1,526.63	(55.40)

Note:
Components of cash and cash equivalents consists of:

Cash on hand	20.84	61.55
Balance with Banks		
Current Account	3,763.13	2,556.30
Less: Bank Overdraft	(2,257.34)	(2,673.25)
	1,526.63	(55.40)

Reconciliation between opening and closing balances in the Balance Sheet for liabilities arising from financing activities

Opening Term Loan from Bank	900.00	2,700.00
Proceeds from borrowings	150.00	-
Repayments of borrowings	(900.00)	(1,800.00)
Closing Term Loan from Bank	150.00	900.00

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	*2-40*

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
14th May 2021

For and on behalf of the Board of Directors of
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[CIN:U63040MH2001PLC131691]

Madhavan Menon
Chairman
[DIN: 00008542]

Vishal Suri
Managing Director
[DIN: 06413771]

Farroukh Kolah
Chief Financial Officer
Mumbai
7th May 2021

Pravesh Palod
Company Secretary
[CS No: A57964]

SOTC Travel Limited

Statement of changes in Equity (SOCIE)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

(a) Equity Share Capital

Particulars	For the year ended 31 March 2021 No. of Shares	For the year ended 31 March 2021 Amount	For the year ended 31 March 2020 No. of Shares	For the year ended 31 March 2020 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 37]	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 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 37]	-	-	293.37	-	-	-	293.37
Balance at 31 March 2020	(2,299.81)	8,600.00	725.64	638.04	1,400.00	18.75	9,082.62
Loss for the year	(5,074.17)	-	-	-	-	-	(5,074.17)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	39.50	39.50
Share-based payments [refer Note 37]	-	-	159.26	-	-	-	159.26
Balance at 31 March 2021 [refer note 16]	(7,373.98)	8,600.00	884.90	638.04	1,400.00	58.25	4,207.21

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 *2-40*
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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B. H. Dhupelia

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14th May 2021

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[DIN: 06413771]

Pravesh Palod
Company Secretary
[CS No: A57964]

Mumbai
7th May 2021

SOTC Travel Limited

Notes to the financial statements

as at 31 March 2021

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 7 May, 2021.

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 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 Going Conern

As at 31 March 2021, the Company's net worth is Rs 4,208.21 lakhs. The Company during the year has made a net loss of Rs 5,074.17 lakhs (2020: Loss of Rs. 887.21 lakhs). On account of the COVID 19 restrictions, the business of the Company has been severely affected and accordingly, the Company has obtained support letter from its holding company indicating that the holding company will continue to provide financial support as is necessary to maintain the Company as a going concern for the foreseeable future and to meet its liabilities as and when they fall due for the for a period of minimum twelve months from the balance sheet date.

Management believes that the future business plan and continued support from holding company will enable the Company to settle liabilities as they fall due. Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly the financial statements have been prepared on going concern basis.

1B.3 *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 24 - Determination of whether a particular service is rendered in the capacity of a principal or agent

Note 30 - 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 36 - 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 30 - Impairment of financial assets

Note 2 - Impairment of non financial assets

1B.4 *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.

SOTC Travel Limited

Notes to the financial statements
as at 31 March 2021

1B Significant accounting policies (Continued)

1B.4 *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.5 *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.

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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.

SOTC TRAVEL LIMITED (Formerly SOTC Travel Private Limited)

SOTC Travel Limited

Notes to the financial statements
as at 31 March 2021

1B Significant accounting policies (Continued)

1B.6 *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.7 *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.

1B.8 *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.

1B Significant accounting policies (Continued)

1B.8 Financial instruments (Continued)

- *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, lease liabilities and derivative financial instruments.

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.

SOTC Travel Limited

Notes to the financial statements

as at 31 March 2021

1B Significant accounting policies (Continued)

1B.9 *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.

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.10 *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.

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

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.11 *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.12 *Leases*

<u>As a lessee</u>

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.

SOTC Travel Limited

Notes to the financial statements

1B Significant accounting policies (Continued)

1B.12 *Leases (Continued)*

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.

1B.13 *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.14 *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 Accounts 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 ***Significant accounting policies (Continued)***

1B.15 *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 liabilites 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.

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.16 *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.

SOTC Travel Limited

Notes to the financial statements

as at 31 March 2021

1B ***Significant accounting policies (Continued)***

1B.17 *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.

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.

1B.18 *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.19 ***Recent Accounting Pronouncements :***

Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 has amended Schedule III of the Companies Act, 2013, which shall be effective from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet :

- Ageing schedule of trade receivables, trade payables, capital work-in-progress in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, disclosure relating to ratios etc.

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SOTC Travel Limited * Formerly SOTC Travel Private Limited

1B ***Significant accounting policies (Continued)***

1B.19 *Recent Accounting Pronouncements :(continued)*

Enhanced disclosure for borrowings from banks or financial institutions on the basis of security of current assets such as agreement of quarterly returns or statements of current assets filed by the Company with banks or financial institutions with books of accounts and if not, summary of reconciliation and reason of material discrepancies, if any.

Statement of profit and loss:

• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The Company is in the process of evaluating the above amendments.

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 from time to time. The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to all 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. 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. The 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. The Company has undertaken various cost saving initiatives to maximise operating cash flows and conserve cash position in the given situation. 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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SOTC TRAVEL LIMITED
Formerly SOTC Travel Private Limited

Notes to the financial statements (Continued)
as at 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note-2 Property, plant and equipment

	Computer hardware	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Total
Gross Block	Amount	Amount	Amount	Amount	Amount
As at 1 April 2020	521.05	112.88	77.34	163.64	874.91
Additions during the year	27.40	31.06	10.70	29.62	98.78
Disposals during the year	1.36	36.24	31.73	5.55	74.88
Gross carrying value as of 31 March 2021	547.09	107.70	56.31	187.71	898.81
Accumulated depreciation as of 1 April 2020	422.32	59.13	43.30	109.04	633.79
Depreciation charge during the year	77.38	20.92	12.91	40.80	152.01
Deduction on disposals during the year	1.36	36.24	29.18	5.54	72.32
Accumulated depreciation as of 31 March 2021	498.34	43.81	27.03	144.30	713.48
Carrying value as of 31 March 2021	48.75	63.89	29.28	43.41	185.33
Gross Block	Amount	Amount	Amount	Amount	Amount
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

Note-2.1 Right of use Assets

	31 March 2021 Amount in Rs Buildings	31 March 2020 Amount in Rs Buildings
Gross carrying value as at begaining	4,084.94	-
Additions Ind AS116 Transition adjustment	-	1,901.72
Additions during the year	219.90	2,597.09
Disposals during the year	2,261.48	413.87
Gross carrying value as at year end	2,043.36	4,084.94
Accumulated amortisation as at begaining	792.02	-
Amortisation charge during the year	679.37	798.68
Deduction on disposals during the year	456.96	6.66
Accumulated amortisation as at year end	1,014.43	792.02
Net Carrying value as at year end	1,028.93	3,292.92

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Formerly SOTC Travel Private Limited SOTC TRAVEL LIMITED

SOTC Travel Limited

Notes to the financial statements (Continued)
as at 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note-2.2 Lease liabilites

	31 March 2021	31 March 2020
The following is the movement in lease liabilities during the year	Amount	Amount
Balance as at begaining	3,417.75	-
On account of Transition to Ind AS 116	-	1,901.72
Additions	219.90	2,597.09
Disposal	(1,948.79)	(407.21)
Interest on lease liabilities	202.76	185.73
Payment of lease liabilities	(649.82)	(859.58)
Lease rent waiver	(102.81)	-
Balance as at year end	1,139.00	3,417.75
Classification as		
Non current	821.13	2,741.93
Current	317.86	675.82
	1,139.00	3,417.75

Note: - Below are the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

Less than one year	398.26	877.94
Between one and five years	877.35	2,915.68
More than five years	99.69	262.39
	1,375.30	4,056.01
Rental expense recognised for short-term leases for the year ended	303.62	543.86
Rental expense recognised for low value leases (other than short term as disclosed above) for the year ended	-	-
Expenses related to short team leases and low value leases	303.62	543.86
Amounts recognised in profit or loss		
Lease under IND AS 116		
Interest on lease liabilities (Refer note 29)	202.76	185.73
Depreciation on right-of-use assets	679.37	798.68
	882.13	984.41
Amount recognized in Statement of Cash Flow		
Repayment of Lease liabilities-Principal amount	447.06	673.85
Repayment of Lease liabilities-Interest amount	202.76	185.73
	649.82	859.58

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.

Modification in Leases

During the current financial year the company has taken action to surrender / vacate some lease before completion of tenure as mentioned in lease Agreements. The company has retired the same in books of accounts and difference of Rs. 144.27 lakhs between ROU asset Rs 1,637.66 lakhs & ROU Liability Rs 1,781.93 lakhs as on date of retirement has been recognized as profit or loss on retirement of lease in the statement for profit and loss. Further, impact of the same has been considered in Lease Liabilities and ROU Assets as on 31st March 2021.

Notes to the financial statements (Continued)
as at 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note-2.3 Intangibles

	Goodwill	Computer Software	Total
	Amount	Amount	Amount
Gross carrying value as at 1 April 2020	268.50	473.03	741.53
Additions during the year	-	54.15	54.15
Disposals during the year			-
Gross carrying value as at 31 March 2021	268.50	527.18	795.67
Accumulated amortization as at 1 April 2020	-	405.37	405.37
Amortization charge during the year	-	53.58	53.58
Deduction on disposals during the year			-
Accumulated amortization as at 31 March 2021	-	458.96	458.96
Net Carrying value as at 31 March 2021	268.50	68.22	336.72
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 amortization as at 31 March 2020	-	405.37	405.37
Net Carrying value as at 31 March 2020	268.50	67.66	336.16

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 2021	As at 31 March 2020
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 2021	As at 31 March 2020
Discount rate per annum	7.55%	8.20%
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 7.55% approximately.

The recoverable amount of Goodwill has been calculated using the discounted cash flow method.

SOTC Travel Limited

Notes to the financial statements *(Continued)*
as at 31 March 2021
(All amount in Rs Lakhs, unless otherwise stated)

	31 March 2021 Amount	31 March 2020 Amount
Note 3		
Investments		
A. Investments in subsidiary company		
I. Investments in Equity Shares at amortised cost(unquoted)		
2,108,000 (31 March 2020: 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 2020: 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%

	31 March 2021	31 March 2020
Note 4		
Loans (non-current)		
Unsecured, considered good unless otherwise stated		
Loan to related parties [refer Note 38]	-	550.39
Security deposits		
Considered good	426.92	460.77
Credit impaired	8.60	55.47
	435.52	516.24
Less : Loss allowance	(8.60)	(55.47)
	426.92	460.77
	426.92	1,011.16

	31 March 2021	31 March 2020
Note 5		
Other financial assets (non-current)		
(Unsecured)		
Fixed deposit accounts with original maturity more than twelve months*	181.14	171.56
*All the above FD are lien against margin money deposits.		
	181.14	171.56

	31 March 2021	31 March 2020
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	-	-
Deferred tax		
Increase in deferred tax assets	(2,720.66)	(531.03)
Income Tax expense recognised in statement of profit and loss	(2,720.66)	(531.03)
(ii) Amounts recognised in other comprehensive income		
Deferred tax expense on remeasurements of defined benefit plans	(20.09)	(16.91)
Income tax expense recognised in OCI	(20.09)	(16.91)
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Loss before tax	(7,794.83)	(1,418.24)
Tax using the Company's domestic tax rate (current year 34.94% and previous Year 34.94%)	(2,723.82)	(495.59)
Tax effect of:		
Non-deductible tax expenses	-	-
Deferred Tax Rate difference	-	-
Reversal of Deferred tax on MAT credit entitlement	-	-
Others	3.16	(35.44)
Total	(2,720.66)	(531.03)
Deferred tax recognised in Other Comprehensive Income	(20.09)	(16.91)
Tax expense as per Statement of Profit and Loss	(2,740.75)	(547.94)

SOTC Travel Limited

Notes to the financial statements *(Continued)*
as at 31 March 2021
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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 2020	Recognised in profit or loss	Recognised in OCI	Net Balance as on 31 March 2021
Deferred tax Asset/(Liabilities)				
Property, plant and equipment	122.89	9.62		132.50
Employee benefits	252.75	(11.76)	(20.09)	220.90
Tax losses	1,123.34	2,755.58		3,878.93
Provisions	453.05	(11.31)		441.74
Other items	42.93	(21.47)		21.46
Deferred tax Assets /(Liabilities)	1,994.96	2,720.66	(20.09)	4,695.53

	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

	31 March 2021 Amount	31 March 2020 Amount
D. Deferred tax reflected in balance sheet as follows:		
Deferred tax Assets	4,695.53	1,994.96
Deferred tax Liabilities	-	-
Deferred tax Assets (net)	4,695.53	1,994.96

Note 7
Income tax Asset

	31 March 2021	31 March 2020
Advance tax (net of provision of Tax)	1,637.16	4,108.39
	1,637.16	4,108.39

Note 8
Current Investments
Investments in mutual funds (quoted)
(Carried at fair value through profit or loss)

	31 March 2021	31 March 2020
Nil (31 March 2020: 93,921.78) units of Kotak Liquid Scheme-Growth Option-Direct Plan at each Nil (31 March 2020: Rs1,065.86)	-	1,001.08
Nil (31 March 2020: 30,768.45) units of SBI Premier Liquid Fund - Growth Option - Direct Plan at each Nil (31 March 2020: Rs 3,253.72)	-	1,001.12
Nil (31 March 2020: 13,511.3) units of HDFC Liquid Fund - Growth Plan - Direct Plan at each Nil (31 March 2020: Rs 2,969.12)	-	401.17
Nil (31 March 2020: 929,141.78) units of ICICI Prudential Liquid -Direct -Growth at each Nil (31 March 2020:Rs 107.75)	-	1,001.14
Nil (31 March 2020: 99,592.43) units of ABSL Money Manager Fund - Growth-Direct Plan at Nil (31 March 2020: Rs 1,080.24)	-	703.84
	-	4,108.35

Notes:

Aggregate amount of quoted investments and market value thereof	-	4,108.35

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	31 March 2021 Amount	31 March 2020 Amount
Note 9		
Trade receivables		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,179.21	5,662.54
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	636.41	734.95
	1,815.62	6,397.49
Less :- Impairment loss allowance	(636.41)	(734.95)
	1,179.21	5,662.54
Trade and other receivables includes :		
Dues from related parties - considered good [refer Note 38]	294.75	1,540.32
Movement in expected credit loss allowance on trade receivables		
Balance at the beginning of the year	734.95	994.23
Addition during the period	-	-
Changes in loss allowance during the year	(98.53)	(259.28)
Balance at the end of the year	636.41	734.95
Note 10		
Cash and cash equivalents		
Balance with banks :		
in current account	3,763.13	2,556.30
Cash on hand	20.84	61.55
	3,783.97	2,617.85
Note 11		
Bank Balances other than cash and cash equivalents		
Short term deposits (Original maturity more than 3 months and less than 12 months)	46.39	43.30
	46.39	43.30

Deposit balances (including those disclosed under other financial assets (non-current) in Note 5) include fixed deposits under lien aggregating to Rs 227.53(31 March 2020: Rs 214.87).

	31 March 2021 Amount	31 March 2020 Amount
Note 12		
Loans		
Unsecured, considered good carried at amortised cost except otherwise stated		
Loan to related parties [refer Note 38]	5,193.99	550.39
Security deposits		
Considered good	890.30	2,091.59
Credit impaired	406.90	300.22
	1,297.20	2,391.81
Less :- Loss allowance	(406.90)	(300.22)
	890.30	2,091.59
	6,084.29	2,641.98
Note 13		
Other financial Assets (current)		
(Unsecured)		
Other receivables		
Considered good	102.94	2,014.95
Credit impaired	69.12	61.63
	172.06	2,076.59
Less :- Loss allowance	(69.12)	(61.63)
	102.94	2,014.95
Unbilled revenue	85.76	155.80
Interest accrued but not due on loan to related party	129.48	7.83
Interest accrued but not due on fixed deposits with banks	0.49	1.96
Derivative financial assets	99.51	-
	418.17	2,180.54

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Note 14	31 March 2021 Amount	31 March 2020 Amount
Other current Assets		
Prepaid expenses	154.08	119.32
Balances with government Authorities	1,305.25	694.78
(Net of provision of GST recoverable Rs. 776.28 for March 2021 and Rs. 2,210.63 for March 2020)		
Advance to vendors		
Considered good	1,631.66	5,587.84
Credit impaired	45.79	45.79
	1,677.45	5,633.63
Less :- Loss allowance	(45.79)	(45.79)
	1,631.66	5,587.84
Staff advance		
Considered good	24.01	244.52
Credit impaired	97.32	98.45
	121.34	342.97
Less :- Loss allowance	(97.32)	(98.45)
	24.01	244.52
	3,115.00	6,646.46
Advance to vendors includes :		
Advance to related party - Unsecured, Considered good [refer note 38]	57.09	17.80

Note 15	31 March 2021	31 March 2020
Equity Share Capital		
Authorised :		
10,000 (31 March 2020: 10,000) Equity Shares of Rs 10 each.	1.00	1.00
Issued, subscribed and fully paid up:		
10,000 (31 March 2020: 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 2021		31 March 2020	
	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 2021		31 March 2020	
	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 2021		31 March 2020	
	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:

None

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	31 March 2021 Amount	31 March 2020 Amount
Note 16		
Other Equity		
Optionally Convertible Non -Cumulative Redeemable Preference Shares	**8,600.00**	8,600.00
Retained earnings	**(7,373.98)**	(2,299.81)
Capital reserve arising out of Amalgamation	**638.04**	638.04
Capital Redemption Reserve	**1,400.00**	1,400.00
Other Comprehensive Income	**58.25**	18.76
Employee share option outstanding account	**884.90**	725.63
	4,207.22	9,082.62

Notes:-

(i) Optionally Convertible Non -Cumulative Redeemable Preference Shares

	31 March 2021	31 March 2020
Authorised :		
100,000,000 (31 March 2020: 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 2020: 86,000,000) 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 2021		31 March 2020	
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid-up	**No. of shares**	**Amount**	No. of shares	Amount
Opening	**860.00**	**8,600.00**	860.00	8,600.00
Redemption during the year	**-**	**-**	-	-
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 (Preference 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 2021		31 March 2020	
0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10/- each, fully paid-up by:	**No. of shares**	**Amount**	No. of shares	Amount
*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**	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, 2019.

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D. Particulars of shareholders holding more than 5% shares of a class of shares:

	31 March 2021		31 March 2020	
	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:				
Thomas Cook (India) Limited	860.00	100.00	860.00	100.00

E. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:
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 2021 Amount	31 March 2020 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	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	(2,299.81)	(1,412.60)
Add : Net Loss for the year	(5,074.17)	(887.21)
Closing Balance	(7,373.98)	(2,299.81)
v. Other comprehensive income		
Opening Balance	18.75	(12.73)
Add : Other Comprehensive Income/(loss) for the year, net of tax	39.50	31.48
Closing Balance	58.25	18.75
vi. Employee Share Option Outstanding Account [refer Note 37]		
Opening Balance	725.64	432.27
Add : Charge for the year [refer Note 37]	159.26	293.37
Closing Balance	884.90	725.64

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.

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	31 March 2021 Amount	31 March 2020 Amount
Note 17		
Other financial liabilities		
Lease liabilities [refer Note 2.2]	821.13	2,741.93
	821.13	2,741.93
Note 18		
Provisions		
Provision for employee benefits - (non current)		
Provision for Gratuity [refer Note 36]	373.61	359.61
	373.61	359.61
Note 19		
Borrowings		
Bank Overdraft use for Cash Management purpose- unsecured repayable on demand	2,257.34	2,673.26
Working capital demand loan-unsecured repayable on demand	150.00	-
	2,407.34	2,673.26
Note 20		
Trade payables		
Total outstanding dues of Micro and Small enterprises [refer Note 33]	0.84	-
Total outstanding dues of creditors other than Micro and Small enterprises (Includes book overdraft Rs 172 .14)	12,921.15	14,058.07
	12,922.00	14,058.07
Note 21		
Other financial liabilities (current)		
Security deposits	262.88	271.13
Lease liabilities [refer Note 2.2]	317.86	675.82
Current maturities of long term debts	-	900.00
Others	5.32	20.19
	586.06	1,867.14
Note 22		
Provisions		
Provision for employee benefits - current		
Accrued salary and benefits	406.81	504.41
Compensated absences [refer Note 36]	55.22	-
	462.03	504.41
Note 23		
Other current liabilities		
Revenue received in advance	293.91	517.69
Advance collected from customers	9,600.00	11,765.87
Balances due to government authorities	293.75	334.97
	10,187.66	12,618.53

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(All amount in Rs Lakhs, unless otherwise stated)

Note 24	31 March 2021 Amount	31 March 2020 Amount
Revenue from operations		
Travel and related Services	**3,288.79**	112,046.18
Total Revenue from operations	**3,288.79**	112,046.18
Other operating revenue		
Marketing fees and other incentive income	**256.80**	3,805.64
Unclaimed credit balances no longer required, written back	**90.46**	1,506.81
Other miscellaneous operating income	**750.65**	596.42
	1,097.91	5,908.87
	4,386.70	117,955.05

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

	31 March 2021 Amount	31 March 2020 Amount
Revenue from contract with customers		
Travel and related Services	**3,281.93**	112,009.78
Financial Services	**6.86**	36.40
Total Revenue from contract with customers	**3,288.79**	112,046.18

ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

	31 March 2021 Amount	31 March 2020 Amount
Revenue based on geography		
Revenue from contract with customers		
India	**3,259.95**	107,662.35
Overseas	**28.84**	4,383.83
	3,288.79	112,046.18
Revenue based on product and services		
Revenue from contract with customers		
Travel and related Services	**3,281.93**	112,009.78
Financial Services	**6.86**	36.40
Total Revenue from operations	**3,288.79**	112,046.18

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 2021 Amount	31 March 2020 Amount
Advances collected from customers	**9,600.00**	11,765.87
Total	**9,600.00**	11,765.87

Note 25	31 March 2021 Amount	31 March 2020 Amount
Other income		
Interest Income under the effective interest method on-		
Bank deposits	**103.79**	47.50
Loans to related parties	**190.07**	128.06
Others	**19.58**	16.13
Net foreign Exchange difference	**11.00**	31.71
Gain on sale proceeds of current investments measured at FVTPL	**1.83**	159.89
Interest on tax refunds	**334.16**	-
Profit on Sale of PPE	**1.48**	3.98
Compensated absences write back	**-**	94.80
Miscellaneous Income	**0.72**	7.12
	662.62	489.19

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Notes to the financial statements (Continued)
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	31 March 2021	31 March 2020
	31 March 2021 Amount	31 March 2020 Amount
Note 26		
Employee benefits expense		
Salaries and other allowances	3,455.59	7,426.20
Contribution to provident fund and other funds	305.65	476.40
Compensated absences	55.22	-
Share-based payment to employees (refer Note 37)	159.27	293.37
Staff welfare expense	238.11	678.41
	4,213.84	8,874.38
Note 27		
Finance costs		
Interest and finance charges on Financial Liabilities		
-- Interest on Term loan	15.58	147.19
-- Interest on Lease liabilities	202.76	185.73
-- Interest on bank over draft	237.85	11.94
-- Others Financials liabilities	63.58	181.54
-- Bank charges	32.39	167 72
	552.16	694.12
Note 28		
Other expenses		
Legal and professional charges	1,705.53	3,769.53
(Profit) /Loss on closure of lease	757.50	-
Advertisement and publicity	235.60	1,959.60
Operational lease rentals	303.62	543.86
Repairs and maintenance – others	518.02	953.70
Communication expenses	223.02	490.01
Travelling expenses	24.93	411.98
Electricity charges	79.31	263.00
Rates and taxes	59.20	76.02
Printing and stationery expenses	18.61	71.13
Directors commission and sitting fees	27.61	23.51
Insurance expenses	35.64	19.25
Subscription fees	19.19	22.29
Provision for doubtful debts and deposits	(32.37)	(83.99)
Bad debts and advance written off	266.49	841.40
Corporate social responsibility expense (refer Note below 28 (a))	-	-
Payment to auditors (refer Note below 28 (b))	66.08	63.72
Miscellaneous expenses	29.64	51.07
	4,337.61	9,476.08
Note 28 (a)		
Corporate social responsibility expenditure		
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount spent and paid during the year on	-	-
(c) Out of above amount paid to related party	-	-
Note 28 (b)		
Payment to Auditors		
Statutory Audit fee	53.10	53.10
Tax Audit fee	3.54	3.54
In other capacity		
Taxation matters		-
Certification fee	-	-
Re-imbursement of expenses	3.49	3.19
	5.95	3.89
	66.08	63.72
Note 29		
Earnings per share (EPS)		
A. Net profit for the year attributable to Equity Shareholders	(5,074.17)	(887.21)
B. Weighted average number of Equity Shares outstanding during the year	10,000	10,000
C. Basic earnings per share (A/B) (Rs)	(50,741.65)	(8,872.11)
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-dilutive.

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Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 30
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 2021

	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 not measured at fair value								
Trade receivables	-	-	1,179.21	1,179.21	-	-	-	-
Cash and cash equivalents	-	-	3,783.97	3,783.97	-	-	-	-
Other bank balances	-	-	46.39	46.39	-	-	-	-
Loans								
- Non-current	-	-	426.92	426.92	-	-	-	-
- Current	4,043.60	-	2,040.69	6,084.29	-	-	-	-
Other financial assets								
- Non-current	-	-	181.14	181.14	-	-	-	-
- Current	99.51	-	318.67	418.17	99.51	-	-	99.51
	4,143.11	-	7,976.97	12,120.07	99.51	-	-	99.51
Financial liabilities not measured at fair value								
Borrowings	-	-	150.00	150.00	-	-	-	-
Bank Overdraft	-	-	2,257.34	2,257.34	-	-	-	-
Trade payables	-	-	12,921.15	12,921.15	-	-	-	-
Other financial liabilities								
- Non current	-	-	821.13	821.13	-	-	-	-
- Current	-	-	436.06	436.06	-	-	-	-
Total financial liabilities	-	-	16,585.69	16,585.69	-	-	-	-

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	-	-	-	-
	-	-	14,328.94	14,328.94	-	-	-	-
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	21,340.41	-	900.00	-	900.00

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.

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Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 30 (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
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 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

Movement in expected credit loss allowance on trade receivables	31 March 2021	31 March 2020
Balance at the beginning of the year	734.95	994.22
Addition during the period	-	-
Changes in loss allowance during the year	(98.52)	(259.27)
Balance at the end of the year	636.41	734.95

SOTC Travel Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 30 (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

Particulars	**31 March 2021**	**31 March 2020**
Floating rate - Term loan / WCDL	150.00	900.00
	150.00	900.00

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 2021

		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	150.00	150.00	150.00			
Trade payables	12,922.00	12,922.00	5,962.69	6,959.30	-	-
Other financial liabilities	1,407.19	1,407.19	268.20	317.86	821.13	-
	14,479.19	14,479.19	6,380.89	7,277.17	821.13	-

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	-

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 achieved, treasury hedges the balance open exposures, hedging more than 90% of total exposures. The Company hedges total 100% exposure of Inter-Company loans using plain vanilla forward exchange contracts.

Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 30 (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 2021 is as below:

as at 31 March 2021

Amount in INR

	USD	EUR	GBP	Others
Financial Assets				
Cash and cash equivalents	1,113.37	683.73	16.69	556.57
Trade and other receivables including advances	441.54	124.61	1.52	175.32
	1,554.91	808.34	18.21	731.89
Financial Liabilities				
Trade and other payables	1,161.91	911.04	19.07	310.08
	1,161.91	911.04	19.07	310.08
Exchange Rates	73.52	86.09	100.95	
Net Exposure in Respective currencies	393.00	(102.70)	(0.87)	421.81

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 rate	75.42	83.16	93.05	
Net Exposure in Respective currencies	571.82	(9.01)	(5.95)	500.39

The following significant exchange rates have been applied during the year.

INR	Average rate		Year-end spot rate	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020
USD	74.47	72.22	73.52	75.67
EUR	84.63	80.35	86.09	82.77
GBP	97.00	91.65	100.95	93.50

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various currencies as mentioned above at March 31 2021 and March 31 2020 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, 2021

Amount in INR

	Profit or loss		Equity, net of tax	
1% movement	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	3.98	(3.98)	-	-
EUR	(1.01)	1.01	-	-
GBP	(0.01)	0.01	-	-

March 31, 2020

Amount in INR

	Profit or Loss		Equity (net of tax)	
1% movement	Strengthening	Weakening	Strengthening	Weakening
USD	5.48	(5.48)	-	-
EUR	(0.09)	0.09	-	-
GBP	(0.06)	0.06	-	-

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(All amount in Rs Lakhs, unless otherwise stated)

Note 30 (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 2021	31 March 2020
Variable rate of borrowings	8.55%	8.00%

As at the end of the reporting period, the company had the following variable rate borrowings:

	31 March 2021		31 March 2020	
	Balance	% of total loans	Balance	% of total loans
Variable rate of borrowings	150.00	100	900.00	17
Net exposure to cash flow due to interest rate risk	150.00	100	900.00	17

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 2021	31 March 2020
Interest rates - increase by 100 basis points *	(0.98)	(5.86)
Interest rates - decrease by 100 basis points *	0.98	5.86

* Holding all other variables constant

Note 31
Contingent Liabilities and Commitments (to the extent not provided for)

	31 March 2021	31 March 2020
Contingent liabilities		
Claims against the Company not acknowledged as debts		
a. Disputed claims made by clients	1,076.31	1,354.29
b. Disputed Service Tax Demands	4,679.51	4,794.75
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.

Note 32
Commitments (to the extent not provided for)

	31 March 2021	31 March 2020
a. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	46.59	108.10

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Notes to the financial statements (Continued)

for the year ended 31 March 2021

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Note 32

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 33

Micro and Small 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 2021**	31 March 2020
The amounts remaining unpaid to Micro and Small Suppliers as at the end of the year.		
-- Principal	-	-
-- Interest	0.84	-
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.	28.32	-
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 **F.Y. 2020-2021**	0.84	-
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.	0.84	-

Note 34

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 / environment, there are no separate reportable geographical segments. Accordingly, these financial statements are reflective of the information required by the Ind AS 108.

SOTC Travel Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 35
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 36

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 2021	31 March 2020
Employer's contribution to provident fund	212.30	344.13
Employee's State Insurance Corporation	10.60	6.67
National pension scheme	8.82	14.29
Labour welfare fund	0.35	0.58

(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. 55.22 (previous year Rs. -94.80) has been debited 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 2021	31 March 2020
Gratuity		
Defined benefit asset-Gratuity plan	120.45	277.95
Defined benefit liability	494.06	637.55
Net defined benefit liability	373.61	359.60
Compensated absences		
Liability for compensated absences	55.22	-
Total employee benefit liabilities	428.83	359.60

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SOTC Travel Limited (Formerly SOTC Travel Private Limited)

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Notes to the financial statements (Continued)
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(All amount in Rs Lakhs, unless otherwise stated)

Note 36 (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 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Opening balance as on 1 April 2020	**637.55**	626.52	**277.95**	318.72	**359.60**	307.80
Current service cost	**52.90**	90.53	-	-	**52.90**	90.53
Adjustment to opening fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Interest cost (income)	**34.67**	40.76	**13.97**	19.61	**20.70**	21.15
Settlements / benefits paid	-	-	-	-	-	-
	87.57	131.29	**13.97**	19.61	**73.60**	111.68
Included in OCI						
Remeasurement loss (gain)	-	-	-	-	-	-
Actuarial loss (gain)	**(38.20)**	(31.87)	-	-	**(38.20)**	(31.87)
Return on plan assets excluding interest income	-	-	**21.41**	16.83	**(21.41)**	(16.83)
	(38.20)	(31.87)	**21.41**	16.83	**(59.59)**	(48.71)
Other						
Contributions paid by the employer	-	-	-	11.17	-	(11.17)
Benefits paid	**(192.86)**	(88.39)	**(192.86)**	(88.39)	-	-
Closing balance as on 31 March 2021	**494.06**	637.55	**120.45**	277.95	**373.61**	359.60

Represented by

	31 March 2021	31 March 2020
Defined benefit asset	**120.45**	277.95
Defined benefit liability	**494.06**	637.55
Net defined benefit liability	**373.61**	359.60

The major categories of plans assets for gratuity are as follows

Particulars	**31 March 2021**			**31 March 2020**		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Insurer Managed Funds	**120.45**	-	**120.45**	277.94	-	277.94

Defined benefit obligations
i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2021	31 March 2020
Discount rate	**5.55%**	5.83%
Salary escalation rate	**6%**	6%
Mortality rate	**IALM (2012-14)**	IALM (2012-14) Ult
Employee Attrition Rate		
Upto Age 30	**30.00%**	29.00%
Age 31-40	**22.00%**	23.00%
Age 41-50	**20.00%**	15.00%
Age 51-59	**11.00%**	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 2021, the weighted average duration of the defined benefit obligation was 4.77 years (31 March 2020 : 4.57 years)

SOTC Travel Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 36 (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 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (2021 - 1% and 2020 :- 1% movement)	(11.54)	12.05	(30.11)	32.54
Future salary growth (2021 - 1% and 2020 :- 1% movement)	11.54	(11.17)	27.46	(26.34)

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 2021	31 March 2020
Current service cost	52.90	90.53
Past service cost	-	-
Interest income, net	20.70	21.15
	73.60	111.68

The following table shows remeasurement recognised in Other Comprehensive Income

	31 March 2021	31 March 2020
Actuarial loss (gain) /loss on deferred benefit obligation	(38.20)	(31.87)
Return on plan assets excluding interest income	(21.41)	(16.83)
	(59.61)	(48.71)

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 37

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	2.13	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	0.40	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 31,2021 Share options	March 31,2020 Share options
7 November 2016	1 November 2040	1	2.25	2.25
13 June 2018	10 June 2031	137.93	2.13	4.22
5 October 2018	20 September 2043	1	0.40	0.97
Total			4.78	7.44
weighted average remaining contractual life of options outstanding at end of year			15.66 Years	15.65 Years

SOTC Travel Limited

Notes to the financial statements (Continued)
for the year ended 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 37 (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 2021)			Key management personnel (March 2020)		
	GT07NOV2016	**ESOP 2018-MGMT**	**ESOP 2018-EXECOM**	GT07NOV2016	ESOP 2018-MGMT	ESOP 2018-EXECOM
Fair value (Esop Expenses)	**117.75**	**83.65**	**155.80**	117.75	83.65	155.80
Fair value (Stock Expenses)	**95.29**	**65.71**	**95.21**	95.29	65.71	95.21
Number of options	**2.25**	**2.13**	**0.40**	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 31 March 2021**	**Weighted average exercise price 31 March 2021**	Number of options 31 March 2020	Weighted average exercise price 31 March 2020
Options outstanding as at the beginning of the year	**7.44**	**78.64**	7.44	78.64
Options granted during the year	-	-	-	-
Options lapsed/ forfeited during the year	**2.66**	**110.46**	-	-
Options outstanding as at the year end	**4.78**	**60.91**	7.44	78.64
Options vested and exercisable at the end of the year	-	-	-	-

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	**31 March 2021**	31 March 2020
Employee ESOP expenses	**90.89**	249.05
Employee Stock Expenses	**68.38**	44.32

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SOTC TRAVEL LIMITED Formerly SOTC Travel Private Limited

Notes to the financial statements (Continued)
as at 31 March 2021

(All amount in Rs Lakhs, unless otherwise stated)

Note 38

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)
	Mr. Chirag Vaja (from 29th May 2020 to 9th Nov 2020)
	Mr. Pravesh Palod (w.e.f. 25th Jan 2021)
Members of Management Council	Mr. Vishal Suri
	Mr. Farroukh Kolah
	Mr. Indiver Rastogi
	Mr. S D Nandakumar
	Mr. Daniel Dsouza
	Ms. Deepti Sheth

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SOTC TRAVEL LIMITED
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Notes to the financial statements (Continued)
as at 31 March 2021

(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	**2021**	**179.56**	-	-	**(148.43)**	-
	2020	0.07	-	-	1,686.46	-
Cost of tours & related services	**2021**	**340.65**	-	-	**1,120.50**	-
	2020	3,412.05	-	-	9,692.83	-
Guarantee fees paid	**2021**	**(0.03)**	-	-	-	-
	2020	15.22	-	-	-	-
Expenses reimbursed	**2021**	**1,162.68**	-	-	**5.10**	-
	2020	1,865.84	-	-	159.28	-
Expenses recovered	**2021**	**79.28**	-	-	**47.89**	-
	2020	229.67	-	-	60.47	-
Incentive paid (Netted off from Revenue)	**2021**	-	-	-	-	-
	2020	-	-	-	**265.04**	-
Productivity linked bonus income	**2021**	-	-	-	**59.20**	-
	2020	-	-	-	15.32	-
Loan Receivable	**2021**	**1,150.39**	-	-	**4,043.60**	-
	2020	1,100.78	-	-	-	-
Term loan given during the year	**2021**	**4,200.00**	-	-	**4,043.60**	-
	2020	-	-	-	-	-
Term loan given (repaid) during the year	**2021**	**4,150.39**	-	-	-	-
	2020	550.39	-	-	-	-
Interest income on long term loan	**2021**	**99.63**	-	-	**90.44**	-
	2020	128.06	-	-	-	-
Receivables	**2021**	**47.81**	-	-	**246.93**	-
	2020	88.64	-	-	1,451.68	-
Advance to suppliers	**2021**	-	-	-	**57.09**	-
	2020	-	-	-	17.80	-
Payables	**2021**	**561.88**	-	-	**1,614.01**	-
	2020	858.83	-	-	1,499.57	-

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SOTC TRAVEL LIMITED
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SOTC Travel Limited

Notes to the financial statements (Continued)
as at 31 March 2021

(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 2021	31-Mar-20
	TCI GO Vacation	(38.99)	-
	TC Tours Limited	(72.00)	930.04
Income from tours	Travel Corporation (India) Limited	(37.45)	633.88
	TC Tours Limited	737.14	5,111.95
	Horizon Travel Services LLC	7.14	2,387.83
	Desert Adventures Tourism LLC	322.80	517.88
	TC Visa Services (India) Limited	53.42	-
	Luxe Asia	-	250.74
	Quess Corp Ltd.	-	343.84
	Asian Trails (Malaysia)	-	93.34
Cost of tours and related services *	Asian Trails (Thailand)	-	314.50
	PT Asian Trails Ltd [ATI]	-	10.13
	Asian Trails (Vietnam) Co. Ltd [ATV]	-	1.88
	Kuoni Private Safaris (Pty) Ltd	-	253.66
	Private Safaris EA Ltd	-	155.66
	Australia Tours Management Pty Ltd.	-	202.02
	Coachieve Solutions Private Limited	-	19.87
	Thomas Cook (Mauritius) Holidays Limited	-	29.53
Expenses reimbursed	Travel Corporation (India) Limited	4.53	71.23
	Horizon Travel Services LLC	-	83.85
	Luxe Asia	0.58	-
	Travel Corporation (India) Limited	15.40	36.96
	Horizon Travel Services LLC	1.22	0.86
	Desert Adventures Tourism LLC	1.22	0.86
	Private Safaris EA Ltd	0.82	0.86
	Kuoni Private Safaris (Pty) Ltd	0.82	0.86
	Travel Circle International Ltd Hongkong	2.18	1.71
Expenses recovered	DEI Holdings Ltd	0.99	3.96
	Asian Trails Holding Ltd.	3.74	1.37
	Kuoni Australia Holding Pty Ltd	0.93	0.34
	Thomas Cook (Mauritius) Operations Co Ltd	14.82	1.71
	Thomas Cook (Mauritius) Holidays Limited	4.35	-
	Luxe Asia	1.39	-
	TC Travel Services Limited	-	11.00
Incentive paid (Netted off from Revenue)	TC Tours Limited	-	265.04
Productivity linked bonus	TC Tours Limited	59.20	15.32
Short term loan	Travel Circle International (Mauritius) Limited	4,043.60	-
Interest income on term loan	Travel Circle International (Mauritius) Limited	90.44	101.21
	Travel Corporation (India) Limited	61.61	237.00
	TCI GO Vacation	18.37	41.83
	Horizon Travel Services LLC	1.65	9.08
	Desert Adventures Tourism LLC	0.31	0.64
	Kuoni Private Safaris (Pty) Ltd	1.25	0.43
	Luxe Asia	1.39	-
	Private Safaris EA Ltd	1.04	0.21
Receivables	DEI Holdings Ltd	0.25	3.96
	Asian Trails Holding Ltd.	4.08	0.34
	Kuoni Australia Holding Pty Ltd	0.85	0.71
	TC Tours Limited	149.34	1,157.04
	Thomas Cook (Mauritius) Holidays Limited	3.16	-
	Thomas Cook (Mauritius) Operations Co Ltd	3.09	0.43
	Travel Circle International Ltd Hongkong	0.55	-
	Travel Corporation (India) Limited	2.82	4.20
	Sterling Holiday Resorts Ltd	1.09	1.43
	Asian Trails (Thailand)	0.41	54.67
	Horizon Travel Services LLC	4.55	18.34
	Desert Adventures Tourism LLC	37.37	103.24
	Thomas Cook (Mauritius) Holidays Limited	6.31	6.94
Payables	TC Tours Limited	1,515.33	1,239.05
	TC Visa Services (India) Limited	46.12	-
	Quess Corp Ltd.	-	17.69
	Asian Trails (Malaysia)	-	33.87
	Coachieve Solutions Private Limited	-	0.76
	Australia Tours Management Pty Ltd.	-	13.03
	Kuoni Private Safaris (Pty) Ltd	-	0.11
	Private Safaris EA Ltd	-	0.39
	PT Asian Trails Ltd	-	5.85
Advance to suppliers	Luxe Asia Private Limited	57.09	17.80

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SOTC TRAVEL LIMITED
Formerly SOTC Travel Private Limited

SOTC Travel Limited

Notes to the financial statements (Continued)
as at 31 March 2021
(All amount in Rs Lakhs, unless otherwise stated)

(G) *Related parties with Holding and Ultimate Holding Company*

Particulars	Holding and Ultimate Holding Company	31 March 2021	31 March 2020
Income from tours	Thomas Cook (India) Limited	179.56	0.07
Cost of tours and related services	Thomas Cook (India) Limited	340.65	3,412.05
Expenses reimbursed	Thomas Cook (India) Limited	1,162.68	1,865.84
Expenses recovered	Thomas Cook (India) Limited	79.28	229.67
Guarantee Fees paid	Thomas Cook (India) Limited	(0.03)	15.22
Loan Receivable	Thomas Cook (India) Limited	1,150.39	1,100.78
Term loan given during the year	Thomas Cook (India) Limited	4,200.00	-
Term loan repaid during the year	Thomas Cook (India) Limited	4,150.39	550.39
Interest income on term loan	Thomas Cook (India) Limited	99.63	26.85
Receivables	Thomas Cook (India) Limited	47.81	88.64
Payables	Thomas Cook (India) Limited	561.88	858.83

(H) Transactions with Key Management Personnel

Particulars		31 March 2021	31 March 2020
Salaries and other employee benefits to whole-time directors and executive officers			
	Mr. Vishal Suri	113.65	206.75
	Mr. Farroukh Kolah	36.55	56.32
	Ms. Kiran Agarwal (upto 20th May 2020)	7.09	21.71
	Mr. Chirag Vaja (from 29th May 2020 to 9th Nov 2020)	1.69	-
	Mr. Pravesh Palod (w.e.f. 25th Jan 2021)	0.89	-
	Mr. S D Nandakumar	67.42	104.76
	Mr. Daniel Dsouza	53.54	95.80
	Ms. Deepa Sheth	27.02	40.33
Commission and other benefits to non-executive/independent directors		-	-
Gratuity is contributed for the company as whole and hence excluded			

Note 39
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 2021.

Note 40
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 40 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
14th May 2021

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

Pravesh Palod
Company Secretary
[CS No: A57964]

Mumbai
7th May 2021

THOMAS COOK LANKA (PVT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31[ST] MARCH 2021

KPMG

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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 2021, 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 2021, 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 16.1 to the financial statements. As disclosed Luxe Asia (Pvt) Limited has incurred a net loss of Rs. 30,866,998/- (2020 – 44,107,776/-), and as of that date the company's accumulated losses amounted to Rs. 188,250,160/- (2020 – 154,784,468/-). Further as at the reporting date, the current liabilities exceeded the current assets by Rs. 162,648,331/- (2020 - 131,039,799/-) and its total liabilities exceeded its total assets by Rs. 158,250,159/- (2020 - 124,784,468/-). Despite that no provisions were recognised as at 31 March 2020 These factors as of now raise more concerns 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 have a prolong decline in its operations in realising economic benefits in the future. However, 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, the Board of Directors of Thomas Cook Lanka (Pvt) Limited and Luxe Asia (Pvt) Limited decided to provide an impairment allowance of 25% of the total investment.

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.

KPMG

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
21 May 2021

THOMAS COOK LANKA (PVT) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March,	Notes	Company 2021 Rs.	Company 2020 Rs.	Group 2021 Rs.	Group 2020 Rs.
Revenue	6	6,253,460	172,808,455	7,040,989	570,867,592
Administrative and other operating expenses	7	(57,381,690)	(215,198,661)	(118,305,945)	(683,436,464)
Profit / (loss) from operations		(51,128,230)	(42,390,206)	(111,264,956)	(112,568,872)
Other income	8	5,021,473	2,611,969	40,588,092	38,155,759
Net finance income	9	8,324,627	9,709,292	2,510,244	9,336,583
Operating profit before taxes on financial services		(37,782,130)	(30,068,945)	(68,166,620)	(65,076,530)
Impairment charge for other losses	10	(28,807,550)	-	(25,381,833)	-
Operating profit before taxes on financial		(66,589,680)	(30,068,945)	(93,548,453)	(65,076,530)
Taxes on financial services	11	(275)	(905,360)	(275)	(905,360)
Operating profit after taxes on financial services		(66,589,955)	(30,974,305)	(93,548,728)	(65,981,890)
Share of Profit/(loss) of equity accounted investee, net of tax	17	-	-	(1,845,155)	254,860
Profit / (loss) before tax		(66,589,955)	(30,974,305)	(95,393,883)	(65,727,030)
Income tax reversal/(charge)	12	(777,740)	2,675,082	(1,260,248)	(6,426,005)
Profit / (loss) for the year		**(67,367,695)**	**(28,299,223)**	**(96,654,131)**	**(72,153,035)**
Other comprehensive income, net of tax					
Items that will never be reclassified to profit or loss					
Remeasurement of defined benefit liability		(357,974)	3,175,211	(3,379,711)	10,581,385
Less: Deferred tax charge on actuarial gains		85,914	(889,059)	508,957	(1,925,923)
Net actuarial loss on defined benefit plans		(272,060)	2,286,152	(2,870,754)	8,655,462
Total other comprehensive income for the year		(272,060)	2,286,152	(2,870,754)	8,655,462
Total comprehensive income for the year		(67,639,755)	(26,013,071)	(99,524,885)	(63,497,573)
Basic earnings / (loss) per share	13	**(6.26)**	**(2.63)**	**(8.98)**	**(6.70)**

The annexed Notes to the Financial Statements form an integral part of these Financial Statements.
Figures in the brackets indicate deductions.

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THOMAS COOK LANKA (PVT) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31st March,	Notes	Company 2021 Rs.	Company 2020 Rs.	Group 2021 Rs.	Group 2020 Rs.
ASSETS					
Property, plant and equipment	14	19,759,827	20,681,068	26,413,663	28,964,840
Intangible assets and goodwill	15	75,083	684,931	58,976,579	79,471,116
Investment in subsidiary	16	55,481,250	48,975,000	-	-
Equity-accounted investee	17	-	10,313,800	-	7,948,292
Other investments - Non current assets	18	8,876,281	25,330,280	8,876,281	25,330,280
Deferred tax assets	25	-	-	192,055	251,520
Non-current assets		**84,192,440**	**105,985,079**	**94,458,578**	**141,966,048**
Current Assets					
Amount due from related companies	20	39,516,551	31,613,416	-	-
Trade and other receivables	21	9,800,457	6,864,294	9,945,110	21,956,570
Prepayments		2,174,953	6,330,659	4,461,258	11,868,573
Current taxation	19	1,343,491	1,343,491	1,210,879	1,210,878
Other investments - Current assets	18	128,306,345	109,854,311	128,806,345	110,376,894
Cash and cash equivalents	22	14,526,548	43,427,515	16,958,325	50,186,092
Total Current assets		**195,668,345**	**199,433,686**	**161,381,917**	**195,599,007**
Total assets		279,860,785	305,418,764	255,840,495	337,565,055
EQUITY AND LIABILITIES					
Equity					
Stated capital	23	107,679,780	107,679,780	107,679,780	107,679,780
Retained earnings		72,449,020	140,088,775	(83,446,304)	16,078,581
Total Equity		**180,128,800**	**247,768,555**	**24,233,476**	**123,758,361**
LIABILITIES					
Employee benefits	24	4,852,358	3,691,873	8,465,485	7,643,236
Lease Liability	27	412,898	2,190,480	412,898	2,190,480
Non-current liabilities		**5,265,256**	**5,882,353**	**8,878,383**	**9,833,716**
Amount due to related companies	26	66,590,573	44,410,632	80,340,573	58,410,632
Trade and other payables	27	9,425,602	7,357,225	82,162,101	106,066,399
Bank overdraft	22	18,450,554	-	60,225,962	39,495,947
Current liabilities		**94,466,729**	**51,767,857**	**222,728,636**	**203,972,978**
Total liabilities		**99,731,985**	**57,650,210**	**231,607,019**	**213,806,694**
Total Equity and Liabilities		**279,860,785**	**305,418,764**	**255,840,495**	**337,565,055**

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.

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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:

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Country Head - Foreign Exchange

21 May 2021

Colombo

....

Director

....

Director

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 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
Balance as at 1st April 2020	107,679,780	140,088,775	247,768,555
Loss for the year	-	(67,367,695)	(67,367,695)
Other comprehensive income	-	(272,060)	(272,060)
Total Comprehensive Income for the year	-	(67,639,755)	(67,639,755)
Balance as at 31st March 2021	107,679,780	72,449,020	180,128,800

GROUP

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
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		656,640	656,640
Balance as at 31st March 2020	107,679,780	16,078,581	123,758,361
Balance as at 1st April 2020	107,679,780	16,078,581	123,758,361
Loss for the year	-	(96,654,131)	(96,654,131)
Other comprehensive income	-	(2,870,754)	(2,870,754)
Total Comprehensive Income for the year	-	(99,524,885)	(99,524,885)
Balance as at 31st March 2021	107,679,780	(83,446,304)	24,233,476

* 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.

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THOMAS COOK LANKA (PVT) LIMITED
STATEMENT OF CASH FLOWS

For the year ended 31st March,	Notes	Company 2021 Rs.	Company 2020 Rs.	Group 2021 Rs.	Group 2020 Rs.
Cash flows from Operating Activities					
Profit / (loss) before taxation		(66,589,955)	(30,974,305)	(95,393,883)	(65,727,030)
Adjustment for :					
Depreciation	7.1	4,016,821	4,134,557	5,646,758	6,290,183
Amortization of intangible assets		609,848	1,477,538	1,215,836	2,142,849
Provision for impairment of trade receivables		-	-	(900,964)	14,000
Impairment Charges for other losses	10	28,807,550	-	25,381,833	-
Provision for employee benefits	7.2	914,831	1,092,723	1,754,591	2,487,764
Interest income		(12,986,702)	(14,175,922)	(10,803,247)	(13,569,290)
Interest expense	9	1,489,637	4,658,032	6,562,736	9,852,491
Foreign exchange (gain)/loss		(3,172,438)	(191,402)	(1,730,267)	(5,619,784)
Direct cost provision reversal	8	-	-	(35,009,222)	(30,000,000)
Share of Profit/(loss) of equity accounted investee, net of tax		-	-	1,845,155	(254,860)
Operating profit/(loss) before working capital changes		(46,910,407)	(33,978,779)	(101,430,673)	(94,383,676)
Increase / (decrease) in trade and other receivable		(2,936,163)	(245,353)	12,011,460	73,476,347
Increase / (decrease) in amount due from related party				-	-
Increase / (decrease) in prepayments		(4,155,706)	646,600	7,407,315	6,061,635
Increase / (decrease) in amount due to related party		22,179,941	6,684,007	21,929,941	20,684,008
Increase / (decrease) in trade and other payable		2,068,377	(5,565,211)	11,441,924	(90,192,006)
Cash generated from operating activities		(29,753,958)	(32,458,735)	(48,640,033)	(84,353,692)
Taxes paid	19	-	(2,478,459)	-	(2,478,459)
Employee benefit paid	23	(112,320)	-	(4,312,052)	(113,400)
Interest Expense Paid		(963,219)	(3,887,205)	(6,036,318)	(9,081,664)
Net cash generated from operating activities		**(30,829,497)**	(38,824,399)	**(58,988,403)**	(96,027,215)
Cash flows from investing activities					
Purchase of property plant and equipment	14	(3,095,580)	(888,669)	(3,095,580)	(964,669)
Purchase of intangible assets	15.1	-	-	-	(1,506,958)
Interest received		12,375,591	12,682,683	12,405,652	12,682,683
(Invest) / Redemption of long term investment	16	(1,998,036)	(2,636,383)	(1,975,453)	(2,658,966)
Net cash used in investing activities		**7,281,975**	**9,157,631**	**7,334,619**	**7,552,089**
Cash flows from financing activities					
Lease payments		(2,303,999)	(2,250,000)	(2,303,999)	(2,250,000)
Loan granted to related party	20	(31,500,000)	(14,000,000)	-	-
Loan repayments from related party		10,000,000	7,590,625	-	-
Net cash used in financing activities		**(23,803,999)**	**(8,659,375)**	**(2,303,999)**	**(2,250,000)**
Net increase / (decrease) in cash and cash equivalents		(47,351,521)	(38,326,143)	(53,957,782)	(90,725,126)
Cash and cash equivalents at the beginning of the year		43,427,515	81,753,658	10,690,145	101,415,271
Cash and cash equivalents at the end of the year		(3,924,006)	**43,427,515**	(43,267,637)	**10,690,145**
Analysis of cash & cash equivalents (Note - 20)					
Cash in hand		13,703,693	22,061,296	14,203,693	23,061,296
Cash at bank		822,855	21,366,219	**2,754,632**	27,124,796
		14,526,548	**43,427,515**	**16,958,325**	**50,186,092**
Bank overdraft		(18,450,554)	-	(60,225,962)	(39,495,947)
		(3,924,006)	**43,427,515**	(43,267,637)	**10,690,145**

The Notes to the Financial Statements form an integral part of these Financial Satements.

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THOMAS COOK LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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 2021, 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 is being a travel agent.

1.4 Number of employees

The total number of employees as at 31st March 2021 were as follows:

Group	49 (2020-70)
Company	23 (2020-28)

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'.

2.7 Assessment of Implications of COVID-19 Pandemic and Going Concern Basis of Accounting

On 11 March 2020 the World Health Organisation (WHO) declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 200 countries. Businesses have been negatively impacted due to the overall negative economic conditions caused by the pandemic.

In light of the COVID-19 outbreak, 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 while the Subsidiary remain closed.

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However the operations were again impacted significantly with the second wave of COVID-19 where the majority of outlets were closed up to reporting date where the outlet at Bandaranayake airport remain non-operating till 19 March 2021. The subsidiary remained non-operating till reporting date as it's directly linked to the tourism industry

the Company has been taking various precautionary measures to bring down there working capital expenses, while at the same time ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company suspended operations on 17 March 2020 to 15th May 2020 and continued it operations in a very limited manner up to the reporting period of 31st March 2021.

However, there is still significant uncertainty over how the outbreak will impact the Company's business in the future periods. Management has therefore modelled number of different scenarios considering a period of 12 months from the date of authorisation of these financial statements. The assumptions modelled are based on the estimated potential impact of COVID-19 restrictions and regulations and expected levels of future operations, along with management's proposed responses over the course of the period.

Further the management has the ability to respond to severe downside scenario by taking the following mitigating actions to reduce costs, optimise the Company's cash flow and preserve liquidity:

- reducing non-essential capital expenditure and deferring or cancelling discretionary spend;
- freezing non-essential recruitment and promitions ; and
- reducing marketing spend.

Based on the Company's liquidity position as at the reporting date, the Board of Directors has assessed that there is no uncertainty regarding the settlements of external liabilities during the next 12 months from the date of authorising these financial statements.

Accordingly, the Board of Directors has a reasonable confidence level that the Company/Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

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'.

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

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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.

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.

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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.

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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.

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3.10 Leases

3.10.1 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.

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.

5.08.2 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.
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.

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.

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.

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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.

3 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 2021 and earlier application is permitted; however, the Company 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 Company's financial statements.

A. Onerus Contracts – Cost of Fulfilling a contract (Amendments to LKAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling contract for the purpose of assessing whether the contract is onerus. The amendments apply for annual reporting periods beginning on or after the 1 January 2022 to contracts existing at the date. When the amendments are first applied. At the date of initial application, the cumilative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has determined that all contracts existing as at 31 March 2021 will be completed before the amendments become effective.

B. Interest Rate benchmark Reform (Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16)

The amendments address issues that might affect financial reporting as result of the reform of an interest rate benchmark, including the effects changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 relating to.

- Changes the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities: and
- Hedge accounting

The Company does not expect significant impact on financial statements on adoption of these standards.

C. Property Plant and Equipment proceeds before intended use (Amendments to LKAS 16) – effective date from 1 January 2022.

D. References to Conceptual Framework in SLFRS Standards. (Amendments to SLFRS 3) effective date from 1 January 2022.

E. Classification of Liabilities as Current or Non-current (Amendments to LKAS 1) effective date from 1 January 2023.

F. SLFRS 17 Insurance Contracts and Amendments to SLFRS 17 effective date from 1 January 2023.

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5 Changes in Significant Accounting Policies

5.1 Definition of a business

The Group applied Definition of a Business (Amendments to SLFRS 3) to business combinations whose dates of acquisition are on or after 1 April 2020 in assessing whether it had acquired a business or a group of assets. The amendments do not have a material effect on the Group's financial statements because the Group has not acquired any subsidiaries during the year. However, the Group has amended its accounting policies for acquisitions on or after 1 April 2020.

For the year ended 31st March	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
6 Revenue				
Foreign currency trading	5,631,476	148,835,109	5,631,476	148,835,109
Commission on encashment trading	621,984	23,973,346	621,984	23,973,346
Travel related services	-	-	787,529	398,059,137
	6,253,460	172,808,455	7,040,989	570,867,592

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	6,253,460	172,808,455	7,040,989	570,867,592

6.2 Following Coronavirus "COVID-19" outbreak in Sri Lanka , the Government announced lockdown 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 operations were again impacted significantly with the second wave of COVID-19 where the majority of outlets were closed up to reporting date while the outlet at Bandaranayake airport remained non operating till 19 March 2021. 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.

7 Administrative and other operating expenses				
Auditor's remuneration				
- Audit fee	535,000	635,000	820,000	960,000
Director's fees and emoluments	1,131,815	1,077,940	1,131,815	12,908,293
Depreciation and amortization	4,626,670	5,612,093	6,862,595	8,433,030
Professional service cost (Note 7.1)	(224,506)	445,935	6,314,377	6,065,926
Staff expenses (Note 7.2)	24,583,662	38,819,217	53,167,160	103,638,832
Other expenses (Note 7.3)	16,853,071	168,608,475	31,086,611	551,430,382
Group resource cost (Note 7.4)	9,875,978	-	18,923,387	-
	57,381,690	215,198,661	118,305,945	683,436,464

Note 7.1 During the year the Company reversed the over provisions made in respect of expenses related to professional services.

7.2 Staff expense				
Salaries, wages and bonus	15,324,007	22,535,734	38,205,641	69,298,585
Define benefit plan cost (Note 24)	914,831	1,092,723	1,754,591	2,487,764
Define contribution plan cost	2,843,817	4,807,045	6,274,150	13,152,724
Others (Note 7.2.1)	5,501,007	10,383,715	6,932,778	18,699,759
	24,583,662	38,819,217	53,167,160	103,638,832

Note 7.2.1 This includes mainly staff welfare expenses, staff traveling and rent expenses to executives.

7.3 Other expenses				
Travel related services	-	-	278,956	340,145,851
Office rent expenses (Note 7.3.1)	2,463,005	148,769,450	8,083,205	158,286,348
IT Expenses	5,231,864	7,202,548	5,231,864	7,202,548
Internet Expenses	3,152,135	3,140,352	4,867,319	6,248,521
Others (Note 7.3.2)	6,006,068	9,496,124	12,625,268	39,547,113
	16,853,071	168,608,475	31,086,611	551,430,382

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Note 7.3.1 This inludes mainly the rent paid for the counters at the Airport by Thomas Cook Lanka (Pvt) Ltd (Rs 145Mn in 2020). SLFRS 16 has not been applied to the above balance as the asset is not identifiable or under the exemption criterion. This amount has significantly dropped as the airport has been given rent conssessions from March 2020 up to 19 March 2021.

Note 7.3.2 This includes mainly Printing and Packaging, Electricity expenses, Other Insurance and some other miscelleneous expenses.

7.4 This includes the shared cost allocation made by Thomas Cook India Limited. The parent company commenced charging expenses that incurred by parent company to sri lankan companies.

	Company		Group	
For the year ended 31st March,	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
8. Other income				
Commission income	-	-	296,288	4,619,825
Other income (Note 8.1)	1,268	2,611,969	262,377	3,535,934
Direct cost provision reversal (Note 8.2)	-	-	35,009,222	30,000,000
Rent Consessions (Note 8.3)	5,020,205	-	5,020,205	-
	5,021,473	2,611,969	40,588,092	38,155,759

Note 8.1 This includes incentive received for Global Payment Service and Dynamic Currency Conversion during the year.

Note 8.2 The Company has reversed Rs. 35,009,222/- (2020: Rs 30,000,000) of excess provision made for direct cost in the previous years to Other Income based on the Board resolution passed on 12 November 2020 as no claims have been made to date.

Note 8.3 This includes the rent consessions received in respect of outlets at Banranayake Airport. The Company had paid rent for March 2020 in full where the operations were put on hold from mid of March. Accordingly the amount applicable for the remaining part of the month of March has been refunded to the Company in April 2021.

	Company 2021 Rs.	Company 2020 Rs.	Group 2021 Rs.	Group 2020 Rs.
9. Finance income				
Interest income	12,986,702	14,175,922	10,803,247	13,569,290
Foreign exchange gain/(loss)	(3,172,438)	191,402	(1,730,267)	5,619,784
	9,814,264	**14,367,324**	**9,072,980**	**19,189,074**
Finance expenses				
Bank charges	660,995	679,960	823,903	2,629,420
Interest on overdraft	302,225	3,207,245	5,212,416	6,452,244
Interest on ROU assets	526,417	770,827	526,417	770,827
	1,489,637	**4,658,032**	**6,562,736**	**9,852,491**
Net finance income	**8,324,627**	**9,709,292**	**2,510,244**	**9,336,583**
10. Impairment Charges for other losses				
Impairment on Investment in Lux Asia (Note 16.1)	18,493,750	-	-	-
Impairment on Investment in SITA (Note 17.1)	10,313,800	-	6,103,137	-
Impairment of Goodwill (Note 15.2)	-	-	19,278,696	
	28,807,550	**-**	**25,381,833**	**-**
11. Taxes on financial services				
11.1 Value added tax on financial services				
Current year charge	-	778,446	-	778,446
Under provision in respect of previous years	275	30,513	275	30,513
	275	**808,960**	**275**	**808,960**
11.2 National building tax on financial services				
Current year charge	-	61,566	-	61,566
Under provision in respect of previous years	-	34,834	-	34,834
	-	**96,400**	**-**	**96,400**

11.2.1 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. There are no charges for the year ended 31 March 2021.

Taxes on financial services	**275**	**905,360**	**275**	**905,360**

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	Company		Group	
For the year ended 31st March,	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.

Income tax charge/(reversal)

Current taxes expense

Current year tax expense	-	-	-	-
(Over)/Under provision in respect of prior years	-	-	-	(540,753)
Impairment for ESC receivable (Note 20.2)	691,826	-	691,826	9,779,673
	691,826	-	691,826	9,238,920
Deferred tax expense				
Deferred tax asset reversal/(origination) (Note 24.1)	1,089,071	(3,973,201)	1,559,467	(4,152,631)
Deferred tax liability origination/(reversal) (Note 24.2)	(1,003,157)	1,298,119	(991,045)	1,339,716
	777,740	(2,675,082)	1,260,248	6,426,005

Reconciliation of the accounting profit and the income tax expense

Profit before taxation	(66,589,955)	(30,974,305)	(95,393,883)	(65,727,030)
Disallowable expenses	42,503,360	10,481,973	52,340,482	20,690,296
Allowable expenses	(18,263,080)	(21,002,769)	(24,560,811)	(23,974,488)
Total statutory income from Business	(42,349,675)	(41,495,100)	(67,614,212)	(69,011,221)
Investment income	12,986,702	14,175,923	12,986,702	14,175,923
Assessable income	(29,362,973)	(27,319,178)	(54,627,509)	(54,835,299)
Less: Setting off against brought forward tax losses	-	-	-	-
Taxable income/(loss)	(29,362,973)	(27,319,178)	(54,627,509)	(54,835,299)
Total Income Tax Expense for the year	-	-	-	-

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.

Reconciliation of tax losses

Balance as at 1 April	(27,319,178)	-	-	-
Add : Tax loss for the year	(29,362,973)	(27,319,178)	(54,627,509)	(54,835,299)
Less: Tax losses claimed during the year	-	-	-	-
Less: Reassessment of tax losses on tax return	7,202,549	-	6,877,477	
Balance as at 31 December	**(49,479,602)**	**(27,319,178)**	**(47,750,033)**	**(54,835,299)**

Amount recognised in OCI

Deferred tax impact on defined benefits plan actuarial gains	85,914	(889,059)	508,957	(1,925,923)
	85,914	**(889,059)**	**508,957**	**(1,925,923)**

Change in Tax Rates

As provided for in LKAS 12 - Income taxes, current tax liabilities (assets) for the current period and prior periods shall be measured at the amount expected to be paid to (recovered from) tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Further, 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 end of the reporting period.

As instructed by the Ministry of Finance on January 31, 2020, a change to the Income Tax Rates applicable to the Group has been proposed, pending formal amendments being made to the Act and to be implemented with effect from January 01, 2020. The Bill to amend the Inland Revenue Act No. 24 of 2017 was gazetted and issued on 18 March 2021. The Bill was presented at the Parliament for first reading and approved on 26th March 2021. Accordingly, the new tax rates have been considered to be substantially enacted as at reporting date for the computation of Current and Deferred tax computation in these financial statements for the year ended 31 March 2021.

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12 Income tax charge/(reversal) (Cont.)

12.4 Change in Tax Rates (Cont.)

The applicable tax rates for the Group is as follows;	New tax rate	Previous tax rate
Thomas Cook Lanka (Pvt) Ltd	24%	28%
Lux Asia (Pvt) Ltd		
Operating income	14%	14%
Other income	24%	28%

	Company		Group	
For the year ended 31st March,	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.

13. 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.

Profit/(loss) attributable to equity holders of the Company/Group	(67,367,695)	(28,299,223)	(96,654,131)	(72,153,035)
Weighted average number of ordinary shares (Note 22)	10,767,978	10,767,978	10,767,978	10,767,978
	(6.26)	**(2.63)**	**(8.98)**	**(6.70)**

OMAS COOK LANKA (PVT) LIMITED
TES TO THE FINANCIAL STATEMENTS

the year ended 31st March,

Property , Plant & Equipment

Company

	Office Equipment	Furniture & Fittings	Computer Hardware	Right-of-use Assets	Total 2021	Total 2020
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 01,	4,859,977	20,103,275	9,285,665	6,131,453	40,380,370	33,360,248
Recognition of ROU Asset on initial application	-	-	-	-	-	6,131,453
Adjusted balance as at April 01,	4,859,977	20,103,275	9,285,665	6,131,453	40,380,370	39,491,701
Additions during the year	-	3,095,580	-	-	3,095,580	888,669
Balance as at March 31,	4,859,977	23,198,855	9,285,665	6,131,453	43,475,950	40,380,370
Accumulated Depreciation						
Balance as at April 1,	1,492,198	8,148,854	8,129,624	1,928,626	19,699,302	15,564,745
Charge for the year	230,381	1,363,511	494,303	1,928,626	4,016,821	4,134,557
Balance as at March 31,	1,722,579	9,512,365	8,623,927	3,857,252	23,716,123	19,699,302
Carrying amount						
As 31st March 2021	3,137,398	13,686,490	661,738	2,274,201	19,759,827	20,681,068
As 31st March 2020	3,367,779	11,954,421	1,156,041	4,202,827		

Group

	Motor Vehicles	Office Equipment	Furniture & Fittings	Computer Hardware	Right-of-use Assets	Total 2021	Total 2020
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1,	235,990	6,303,416	28,481,556	16,755,651	6,131,453	57,908,066	52,507,902
Recognition of ROU Asset on initial application	-	-	-	-	-	-	6,131,453
Adjusted balance as at April 01,	235,990	6,303,416	28,481,556	16,755,651	6,131,453	57,908,066	58,639,355
Write-off of Assets	-	-	-	-	-	-	(2,014,086)
Additions during the year	-	-	3,095,580	-	-	3,095,580	964,669
Transfers during the year	-	-	-	-	-	-	318,127
Balance as at March 31,	235,990	6,303,416	31,577,136	16,755,651	6,131,453	61,003,646	57,908,066
Depreciation							
Balance as at April 1,	180,919	2,079,486	9,963,198	14,790,996	1,928,626	28,943,225	24,349,001
Write-off of Assets	-	-	-	-	-	-	(2,014,086)
Charge for the year	47,196	401,441	2,364,755	904,740	1,928,626	5,646,758	6,290,183
Transfers during the year	-	-	-	-	-	-	318,127
Balance as at March 31,	228,115	2,480,927	12,327,953	15,695,736	3,857,252	34,589,983	28,943,225
Carrying amount							
As 31 March 2021	7,875	3,822,488	19,249,183	1,059,916	2,274,201	26,413,663	28,964,840
As 31 March 2020	55,071	4,223,929	18,518,358	1,964,656	4,202,827		

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.

The Board of Directors of Company/Group have assessed the potential impairment loss of property, plant and equipment as at 31 March 2021. 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 2021 Rs.	Company 2020 Rs.	Group 2021 Rs.	Group 2020 Rs.
15. Intangible assets				
Computer software (Note 15.1)	75,083	684,931	1,140,490	2,356,331
Goodwill (Note 15.2)	-	-	57,836,089	77,114,785
	75,083	684,931	58,976,579	79,471,116
15.1 Computer software - Cost				
Balance as at April 1,	10,973,975	10,973,975	14,031,296	15,769,409
Write-off of Assets	-	-	-	(2,926,940)
Transfers during the year	-	-	-	(318,127)
Additions during the year	-	-	-	1,506,958
Balance as at March 31,	10,973,975	10,973,975	14,031,296	14,031,300
Amortisation				
Balance as at April 1,	10,289,044	8,811,506	11,674,970	12,763,187
Write-off of Assets	-	-	-	(2,912,940)
Transfers during the year	-	-	-	(318,127)
Charge for the year	609,848	1,477,538	1,215,836	2,142,849
Balance as at March 31,	10,898,892	10,289,044	12,890,806	11,674,969
Carrying amount as 31 March,	75,083	684,931	1,140,490	2,356,331

15.2 Provision for impairment of Goodwill

The group has recognised a goodwill of Rs. 77,114,785 as at 31st March 2021 as a result of acquisition of subsidiary Luxe Asia (Pvt) Ltd in 2015.

As required by LKAS 36 - "Impairment of Assets", goodwill is tested for impairment on annual basis and assessed for any indication of impairment as at each reporting date to ensure that carrying amount does not exceed the recoverable amount. Accordingly, the Board of Directors of the Group/ Company conducted an assessment and concluded that goodwill has impaired as the Investment in Thomas Cook Lanka (Pvt) Ltd financial has been also impaired. Accordingly the Board of Directors decided to impaire the goodwill by an amount of 19,237,696/- as at 31 March 2021.

	Group 2021 Rs.	Group 2020 Rs.
Balance as at April 1,	77,114,785	77,114,785
Allowance for impairment	(19,278,696)	-
Balance as at March 31,	57,836,089	77,114,785

16. Investment in subsidiary - Luxe Asia (Pvt) Ltd

	Company 2021 Rs.	Company 2020 Rs.
Balance as at April 1,	48,975,000	48,975,000
Additional Investment	25,000,000	-
Allowance for impairment (Note 16.1)	(18,493,750)	-
Balance as at March 31,	55,481,250	48,975,000

16.1 Allowance for impairment

Balance as at April 1,	-	-
Charge during the year	18,493,750	-
Balance as at March 31,	18,493,750	-

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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 2021 as the company has incurred a net loss of Rs. 30,866,998/- (2020 – 44,107,776/-), and as of that date the company's accumulated losses amounted to Rs. 188,250,160/- (2020 – 154,784,468/-). Further as at the reporting date, the current liabilities exceeded the current assets by Rs. 162,548,331/- (2020 – 131,039,789/-) and its total liabilities exceeded its total assets by Rs. 158,250,159/- (2020 - 124,784,468/-). These factors as raise more concerns over the ability of the company to continue as a going concern, and the Board of Directors of Thomas Cook Lanka (Pvt) Limited and Luxe Asia (Pvt) Limited are of the view that, the subsidiary will continue to have decline in its operations and prolonged delay in realising futufre economic benefits . However, 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 the Board of Directors of Thomas Cook Lanka (Pvt) Limited and Luxe Asia (Pvt) Limited decided to provide an impairment allowance of 25% of the total investment. The requirement for provisions will be assessed and adjusted in next financial period based on the available information.

As at 31st March,	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
17. Equity-accounted investee - Sita World Travel				
Balance as at April 1,	10,313,800	10,313,800	7,948,292	7,036,792
Share of profit after tax	-	-	(1,845,155)	254,860
Share of other comprehensive expenses	-	-	-	-
Forfeiture of unclaimed dividends	-	-	-	656,640
Allowance for impairment (Note 17.1)	(10,313,800)	-	(6,103,137)	-
Balance as at March 31,	-	10,313,800	-	7,948,292

17.1 Allowance for impairment

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 loss of Rs. 7,688,145/- for the year ended 31 March 2021 and as of that date the Company's accumulated losses amounted to Rs. 38,220,275/-. The previous year profit was mainly 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 and continues to remain dormant. 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 the indications will have an impact of entity's ability to continue as a going concern. Accordingly, the Board of Directors of Thomas Cook Lanka (Pvt) Ltd is of the view that 50% provision is required against the said investment in the current financial statements. The Board of Directors of Thomas Cook Lanka (Pvt) Ltd have also decided to impair the carrying value of the company in consolidated financial statements as well.

17.2 Summarize financial information in interest in associate
Carrying amount of interest in associate

Financial Position of Equity Accounted Investee	**2021 - (Rs.)**	**2020 - (Rs.)**
Non Current Assets	214,723	512,111
Current Assets	7,417,332	14,869,785
Non-Current Liabilities	-	(36,625)
Current Liabilities	(252,091)	(277,161)
Net Assets/(Liabilities)	**7,379,964**	**15,068,110**
Advance received from share holder, Travel Corporation India (Pvt) Ltd	-	(43,100,238)
Preference shares related to Travel Corporation India (Pvt) Ltd	(43,100,238)	-
Net Assets/(Liabilities) related to equity holders of the company	**(35,720,274)**	**(28,032,128)**
Percentage Ownership Interest	24%	24%
Group's share of net assets	(8,572,865)	(6,727,710)
Goodwill	14,676,002	14,676,002
Allowance for impairment (Note 17.1)	(6,103,137)	-
Carrying value of interest in equity accounted	-	**7,948,292**

Company's share of comprehensive income		
Financial Performance of Equity Accounted Investee		
Revenue	-	-
Profit/(Loss) for the year, net of tax	(7,688,145)	1,061,916
Other comprehensive income	-	-
Comprehensive income for the year	**(7,688,145)**	**1,061,916**
Company's share of Total comprehensive income (24%)	**(1,845,155)**	**254,860**

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As at 31st March,	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
18. Other investments				
Non-Current assets				
Investment in fixed deposits	8,446,715	21,540,227	8,446,715	21,540,227
Interest receivable	429,566	3,790,053	429,566	3,790,053
	8,876,281	25,330,280	8,876,281	25,330,280
Current assets				
Investment in fixed deposits	119,099,697	104,128,250	119,599,697	104,650,833
Interest receivable	9,206,648	5,726,061	9,206,648	5,726,061
	128,306,345	109,854,311	128,806,345	110,376,894
Total long term investments	137,182,626	135,184,590	137,682,626	135,707,173

18.1 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	31-Jul-21	24,866,584	21,369,900
	208816407777	31-Jul-21	12,433,292	12,433,292
	208815742144	28-Jan-24	3,526,981	3,000,000
	208815851898	8-Jan-24	4,521,409	3,087,450
	208816407771	31-Jul-21	24,866,584	20,000,000
	208816407774	31-Jul-21	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		1-Mar-22	9,719,084	9,719,084
	BCU/2020/01883	24-Jan-22	9,006,623	9,006,623
		24-Jan-22	9,006,623	9,006,623
			27,732,330	**27,732,330**

As at 31st March,	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
19. Current taxation				
Balance as at the beginning of the year	1,343,491	(3,842,059)	1,210,878	(4,515,424)
Provision for the year (Note 11)	-	-	-	-
(Over)/Under provision in respect of prior years	-	-	-	540,753
	1,343,491	(3,842,059)	1,210,878	(3,974,671)
WHT on Fixed deposits	-	2,707,091		2,707,091
Self-assessment payments	-	2,478,459		2,478,459
Balance as at the end of the year	**1,343,491**	**1,343,491**	**1,210,879**	**1,210,878**

20. Amount due from related companies

	Company	
	2021	2020
	Rs.	Rs.
Balance as at April 1,	31,613,416	25,000,000
Loans granted during the year	31,500,000	14,000,000
Other Accruals	11,403,135	204,041
	74,516,551	39,204,041
Receipt from Luxe Asia	(10,000,000)	(7,590,625)
Loans coverted to preference shares	(25,000,000)	-
Balance as at March 31,	39,516,551	31,613,416

20.1 Above balance in year 2020 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 convert it in to redeemable preference shares in the upcoming financial year. Accordingly this balance has been reclassified under Investment in Subsidiary in Thomas Cook Lanka (Pvt) Ltd financial statements from this year onwards. 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

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As at 31st March,	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
21. Trade and other receivables (Cont.)				
Trade receivable	-	505,542	1,030,850	15,456,051
Provision for bad debt	-	-	(900,964)	-
Other receivable - Net off provision	-	**505,542**	**129,886**	**15,456,051**
ESC receivable (Note 20.2)	-	691,826	-	691,826
Other receivable	9,800,457	5,666,926	9,815,224	5,808,693
Total trade and other receivables	**9,800,457**	**6,864,294**	**9,945,110**	**21,956,570**
21.1 ESC Receivables				
ESC receivable	691,826	691,826	691,826	10,471,499
Impairment of ESC receivable (Note 21.1.1)	(691,826)	-	(691,826)	(9,779,673)
	-	**691,826**	-	**691,826**

Note 21.2.1 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. The remiaing balance of Thomas Cook Lanka (Pvt) Ltd has also imapired in current year due to the same reason.

Note 21.3 This amount includes the short term advance payments made to business vendors.

	Company 2021	Company 2020	Group 2021	Group 2020
22. Cash and cash equivalents				
Cash in Hand				
- Sri Lankan rupees	7,214,213	19,414,586	7,714,213	20,414,586
- Foreign Currencies	6,489,480	2,646,710	6,489,480	2,646,710
Cash at Bank	822,855	21,366,219	2,754,632	27,124,796
	14,526,548	**43,427,515**	**16,958,325**	**50,186,092**
Bank Overdraft	(18,450,554)	-	(60,225,962)	(39,495,947)
Cash and cash equivalents as per the Statement of Cash Flows	**(3,924,006)**	**43,427,515**	**(43,267,637)**	**10,690,145**
23. Stated capital				
10,767,978 Ordinary Shares	**107,679,780**	**107,679,780**	**107,679,780**	**107,679,780**
24. Employee benefits				
Balance as at the beginning of the year	3,691,873	5,774,361	7,643,236	15,850,257
Provision recognized during the year (Note 24.1)	914,831	1,092,723	1,754,591	2,487,764
Actuarial gain/(loss) during the year (Note 24.2)	357,974	(3,175,211)	3,379,711	(10,581,385)
	4,964,678	**3,691,873**	**12,777,538**	**7,756,636**
Payments during the year	(112,320)	-	(4,312,052)	(113,400)
Balance as at the end of the year	**4,852,358**	**3,691,873**	**8,465,485**	**7,643,236**
24.1 Provision recognized in profit or loss				
Current service costs	629,438	590,402	1,250,585	1,445,955
Interest costs	285,393	502,322	504,006	1,041,810
	914,831	**1,092,723**	**1,754,591**	**2,487,764**
24.2 Provision recognized in the other comprehensive income				
Actuarial loss during the year	**357,974**	**(3,175,211)**	**3,379,711**	**(10,581,385)**

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.

	2021	2020
Discount rate	8.00%	10.50%
Future salary increment Rate	3.00%	3.00%
Staff Turnover	35.00%	37.00%

As at 31st March,	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
25. Deferred taxation				
Deferred tax assets (Note 25.1)	3,697,806	4,700,963	4,203,644	5,254,154
Deferred tax liabilities (Note 25.2)	(3,697,806)	(4,700,963)	(4,011,589)	(5,002,634)
	-	-	192,055	251,520
25.1 Deferred tax assets				
Balance at the beginning of the year	4,700,963	1,616,821	5,254,154	3,027,446
Amount reversed during the year to profit or loss				
(Reversal)/Originated during the year to profit or loss	(472,770)	3,973,201	(472,770)	4,152,631
Impact from the change in tax rate (Note 12.4 and 25.4)	(616,301)	-	(1,086,697)	-
Total amount reversed during the year to profit or loss	**(1,089,071)**	**3,973,201**	**(1,559,467)**	**4,152,631**
Originated/(Reversal) during the year to other comprehensive income	85,914	(889,059)	508,957	(1,925,923)
Balance at the end of the year	**3,697,806**	**4,700,963**	**4,203,644**	**5,254,154**
25.2 Deferred tax liabilities				
Balance at the beginning of the year	(4,700,963)	(3,402,844)	(5,002,634)	(3,662,918)
Amount reversed during the year to profit or loss				
(Origination)/Reversal during the year - recognised in Profit or Loss	386,856	(1,298,119)	386,856	(1,339,716)
Impact from the change in tax rate (Note 12.4 and 25.4)	616,301	-	604,189	-
Total amount reversed during the year to profit or loss	**1,003,157**	**(1,298,119)**	**991,045**	**(1,339,716)**
Balance at the end of the year	**(3,697,806)**	**(4,700,963)**	**(4,011,589)**	**(5,002,634)**

25.3 Deferred tax assets and liabilities are attributable to,

Company	2021		2020	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Deferred tax liabilities				
Property, plant and equipment	(15,407,525)	(3,697,806)	(16,789,153)	(4,700,963)
Deferred tax assets				
Employee benefits	4,852,358	1,164,566	3,691,873	1,033,724
Right of use asset	480,497	115,319	329,453	92,247
Tax losses (Note 25.3.1)	10,074,670	2,417,921	12,767,827	3,574,992
Net deferred tax Assets / liabilities	-	-	-	-

Group	2021		2020	
	Temporary difference	Tax effect	Temporary difference	Tax effect
Deferred tax liabilities				
Property, plant and equipment	(17,648,829)	(4,011,589)	(18,943,945)	(5,002,634)
Deferred tax assets				
Employee benefits	8,465,485	1,670,404	7,643,234	1,586,915
Right of use asset	480,497	115,319	329,453	92,247
Tax losses (Note 25.3.1)	10,074,670	2,417,921	12,767,827	3,574,992
Net deferred tax Assets	**1,371,823**	**192,055**	**1,796,569**	**251,520**

Note 25.3.1 Deferred tax asset arising from tax losses

Thomas Cook Lanka (Pvt) Ltd - The tax losses as at the reporting date was Rs.49,479,602/- (2020 : 27,319,178) resulting in a deferred tax asset of Rs.11,875,105/- as at the reporting date (2020 :7,649,370). However, deferred tax asset has been recognised only up to the deferred tax liability amounting to Rs.2,417,921/- as at the reporting date (2020 : 3,574,992) 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.9,457,184/- (2020 : Rs.4,074,378/-).

Luxe Asia (Pvt) ltd - The tax losses relating to the previous periods have been claimed in full. However, as at the reporting date the temporary difference arising from tax losses was Rs. Rs 51,973,086/- (2020:Rs 27,538,717/-) resulting in deferred tax assets of Rs 7,276,232 (2020: Rs. 3,855,420/-). However, deferred tax asset has not been recognised against this carried forward tax losses due to the uncertainity regarding the availability of future taxable profits against which the deferred tax asset could be utilized.

As at 31st March,

25 Deferred taxation (Cont.)

25.4 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 instructed by the Ministry of Finance on January 31, 2020, changes to the current tax rate was proposed, pending formal amendments being made to the Act and to be implemented with effect from January 01, 2020. The Bill to amend the Inland Revenue Act No. 24 of 2017 was gazette and issued on 18 March 2021. The Bill was presented at the Parliament for first reading and approved on 26 March 2021. Accordingly, the new tax rates have been considered to be substantially enacted as at reporting date for the computation of Current and Deferred tax computation for the year ended 31 March 2021.

The Company applied the new tax rate of 18% for the measurement of deferred tax assets and liabilities as at 31 March 2021 (2020:28%), Luxe Asia (Pvt) ltd, the tax rate applied for the measurement of deferred taxation in the consolidated financial statements of the Group is 14% (2020:14%).

26. Amount due to related companies				
Thomas Cook India Limited	65,689,956	44,410,632	65,689,956	44,410,632
SITA World Travels Lanka (Pvt) Ltd	-	-	13,750,000	14,000,000
SOTC Travel Limited	348,238	-	348,238	-
Travel Corporation India Limited	552,380	-	552,380	-
	66,590,573	44,410,632	80,340,573	58,410,632
27. Trade and other payables				
Trade payable	3,025,304	1,569,862	20,949,446	18,537,110
Lease Liability (Note 27.1)	2,341,800	2,341,800	2,341,800	2,341,800
Other payables	4,058,499	3,445,563	58,870,856	85,187,489
	9,425,602	7,357,225	82,162,101	106,066,399

27.1 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.

	Company/Group	
	2021	**2020**
	Rs.	Rs.
Balance at the beginning of the year	4,532,280	-
Recognition of lease liability on initial application of SLFRS 16 (Note 5.1.4)		6,011,453
Adjusted balance as at 01 April 2020	4,532,280	6,011,453
Additions during the year	-	-
Interest expense for the year (Note 09)	526,417	770,827
Payments duing the period	(2,303,999)	(2,250,000)
Balance as at 31 March,	**2,754,698**	**4,532,280**
Payable after one year	412,898	2,190,480
Payable within one year	2,341,800	2,341,800
	2,754,698	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.

27.1.1 Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

	Company/Group	
	2021	**2020**
	Rs.	Rs.
Balance at the beginning of the year	4,202,827	-
Initial Application of SLFRS 16 as at 01 April 2020		6,131,453
Depreciation for the year (Note 13)	(1,928,626)	(1,928,626)
Balance as at 31 March,	**2,274,201**	**4,202,827**

27.1.2 Amounts recognised in profit or loss

For the year ended 31 March 2021 - Leases under SLFRS 16

	Company		Group	
	2021	2020	**2021**	2020
	Rs.	Rs.	Rs.	Rs.
Interest on lease liabilities	526,417	770,827	526,417	770,827
Depreciation of right-of-use assets	1,928,626	1,928,626	1,928,626	1,928,626
	2,455,044	2,699,453	2,455,044	2,699,453
Expenses relating to short-term leases	2,463,005	148,769,450	2,463,005	158,286,348
	4,918,048	151,468,904	4,918,048	160,985,802

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As at 31st March 2021,

For the year ended 31 March 2021 – Operating leases under LKAS 17	Company Rs.	Group Rs.
Lease expense	2,463,005	2,463,005

27.1.3 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.

28 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.

28.1 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.

	Company		Group	
For the year ended 31 March	2021	2020	2021	2020
Short term employee benefits	1,131,815	1,077,940	1,131,815	12,908,293
Post employement benefits	-	-	-	492,931

28.2 Transactions with the Related companies

28.2.1 Company	Nature of Relationship	Nature of Transaction	Transaction Amount 2021 (Rs.)	2020 (Rs.)
Thomas Cook India Limited	Parent Company	License fee – (SAP and Mudra)	360,307	7,070,186
		Group resource cost	18,022,769	-
Luxe Asia (Pvt) Limited	Subsidiary	Loan granted	31,500,000	14,000,000
		Loan repayments	(10,000,000)	(7,590,625)
		Interest on loan	2,326,932	629,215
		Fees for IT/ software license	142,210	1,047,756
		Impairment for Investments	(18,493,750)	-
		Group resource cost	9,047,409	-
Sita World Travel Lanka Ltd	Affiliate entity	Impairment for Investments	10,313,800	-
Travel Corporation India Ltd	Subsidiary of Ultimate Parent Company	Group resource cost	552,380	-
SOTC Travel Limited	Subsidiary of Ultimate Parent Company	Group resource cost	348,238	-

28.2.2 Group	Nature of Relationship	Nature of Transaction	Transaction Amount 2021 (Rs.)	2020 (Rs.)
Thomas Cook India Limited	Parent Company	License fee – SAP and Mudra	360,307	7,070,186
		Sales	-	43,968,352
		Receipts	18,112,733	48,445,020
		Group resource cost	18,022,769	-
Kuoni Travel - Hong Kong	Subsidiary of Ultimate Parent	Sales	-	-
		Receipts	-	303
Travel Corporation India Ltd	Subsidiary of Ultimate Parent Company	Sales	787,529	15,494,069
		Receipts	1,896,494	31,388,003
		Group resource cost	552,380	-

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28 Related party transactions (Cont.)

28.2 Transactions with the Related companies (Cont.)

27.2.2 Group	Nature of Relationship	Nature of Transaction	Transaction Amount 2021 (Rs.)	2020 (Rs.)
SOTC	Subsidiary of Ultimate Parent Company	Sales	-	63,943,232
		Receipts	935,032	69,887,741
		Group resource cost	348,237.90	-
Sita World Travels Limited	Affiliate entity	Impairment for Investments	(6,103,137)	-
		Loan settlement	(250,000)	14,000,000
Fairbridge Capital (Pvt) Ltd	Parent of Ultimate Parent Company	Sales	-	45,106
		Receipts	16,331	45,244
Quess Corp Lanka (Pvt) Ltd	Subsidiary of Ultimate Parent	Expenses	501,710	1,204,191
Asian Trails Ltd	Subsidiary of Ultimate Parent Company	Sales	-	-
		Receipts	-	381,410

The Parent Company, Thomas Cook India Limited has given a comfort letter dated 20 May 2021, confirming their intention to continue to provide financial and other support necessary for Luxe Asia (Pvt) Ltd to continue in business operationss and meet its liabilities in the foreseeable future.

Amounts due from and due to related entities as at reporting date are disclosed in the Note 20 & 26 to the Financials Statements respectively.

29. Fair Values of Financial Instruments

29.1 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 2021	Company		Group	
	Carrying Amount Rs.	Fair Value Rs.	Carrying Amount Rs.	Fair Value Rs.
Financial assets measured at fair value				
Other investments - Non current assets	8,876,281	8,876,281	8,876,281	8,876,281
Other investments - Current assets	128,306,345	128,306,345	128,806,345	128,806,345
Financial assets not measured at fair value				
Amount due from related companies	39,516,551	39,516,551	-	-
Trade and other receivables	9,800,457	9,800,457	9,945,110	9,945,110
Prepayments	2,174,953	2,174,953	4,461,258	4,461,258
Cash and cash equivalents	14,526,548	14,526,548	16,958,325	16,958,325
	203,201,135	203,201,135	169,047,319	169,047,319
Financial liabilities not measured at fair value				
Amount due to related companies	66,590,573	66,590,573	80,340,573	80,340,573
Trade and other payables	9,425,602	9,425,602	82,162,101	82,162,101
Bank overdraft	18,450,554	18,450,554	60,225,962	60,225,962
	94,466,729	94,466,729	222,728,636	222,728,636

As at 31 March 2020	Company		Group	
	Carrying Amount Rs.	Fair Value Rs.	Carrying Amount Rs.	Fair Value Rs.
Financial assets measured at fair value				
Other investments - Non current assets	25,330,280	25,330,280	25,330,280	25,330,280
Other investments - Current assets	109,854,311	109,854,311	110,376,894	110,376,894
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	219,718,408	219,718,408
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

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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	
	2021	**2020**	**2021**	**2020**
	Rs.	Rs.	Rs.	Rs.
Other investments - Non current assets	8,876,281	25,330,280	8,876,281	25,330,280
Trade and other receivables	9,800,457	6,864,294	9,945,110	21,956,570
Amount due from related companies	39,516,551	31,613,416	-	-
Other investments - Current assets	128,306,345	109,854,311	128,806,345	110,376,894
Cash and cash equivalents	(3,924,006)	43,427,515	16,958,325	50,186,092
	182,575,628	217,089,815	164,586,061	207,849,835

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For the year ended 31st March 2021

30. Financial risk management (Cont.)

30.4 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	**Carrying**	**Contractual cash flows (Rs.)**		
As at 31st March 2021	**amount (Rs.)**	**Up to 3 months**	**3-12 months**	**More than a year**
Amount due to related companies	66,590,573	-	66,590,573	-
Trade and other payables	7,083,802	7,083,802	-	-
Lease Liability	2,341,800		2,341,800	412,898
Bank overdraft	18,450,554	18,450,554	-	-
Dividend Payable	-	-	-	-
	94,466,729	25,534,356	68,932,373	412,898

	Carrying	**Contractual cash flows (Rs.)**		
As at 31st March 2021	**amount (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**

Group	**Carrying**	**Contractual cash flows (Rs.)**		
As at 31st March 2020	**amount (Rs.)**	**Up to 3 months**	**3-12 months**	**More than a year**
Amount due to related companies	80,340,573	-	80,340,573	-
Trade and other payables	79,407,403	79,407,403	-	-
Lease Liability	2,754,698	2,754,698	-	-
Bank overdraft	60,225,962	60,225,962	-	-
	222,728,636	142,388,063	80,340,573	-

	Carrying	**Contractual cash flows (Rs.)**		
As at 31st March 2020	**amount (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

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For the year ended 31st March 2021

30. Financial risk management (Cont.)

30.4 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	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	14,526,548	43,427,515	16,958,325	50,186,092
Other investments	137,182,626	135,184,590	137,682,626	135,707,173
	151,709,174	178,612,105	154,640,951	185,893,265

**The balance inlcude only the highly liquid resources which can be converted to form of cash immediately.*

30.5 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	
	2021	2020	2021	2020
USD	196.98	185.06	199.04	174.17
EURO	234.59	204.68	233.09	194.30
INR	2.70	2.53	2.61	2.50

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.

30.6 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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For the year ended 31st March 2021

30. Financial risk management (Cont.)

30.6 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.

31. 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

32. 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.

33. 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.

34. Comparative information

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

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.

KPMG
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Independent Auditors' Report

To the Members of
Travel Corporation (India) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Travel Corporation (India) Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, 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 2021, 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 on the financial statements.

Emphasis of matter

We draw attention to Note 45 to the financial results, which describe the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our conclusion is not modified in respect of this matter.

BSR & Co. LLP
14th Floor, Central Wing, Tower 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Independent Auditors' Report ***(Continued)***

Travel Corporation (India) Limited

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters	How the matter was addressed in our audit
Impact of COVID-19 pandemic on Going Concern Refer Note 46 "Impact of COVID-19 (Global pandemic)" of the financial statements On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government has imposed various lock-downs across the country during the year. These lockdowns and restrictions due to COVID – 19 pandemic have posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations. The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements. In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.	Our audit procedures included the following: • Obtained an understanding of the key controls relating to the Company's forecasting process • Compared the forecasted income statement and cash flows with the Company's business plan approved by the board of directors • Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted income statement and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business. • Assessed the forecasted income statement and cash flow by considering plausible changes to the key assumptions adopted by the Company • Obtained support letter from the parent Company • Performed the following procedures as mitigating factors: o Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-start business operations in a phased manner; o Assessed disclosures made in the financial statements with regard to the above.

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 directors' report, but does not include the financial statements and our auditors' report thereon. The Board report is expected to be made available to us after the date of the 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 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 other information, 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 applicable under the applicable laws and regulations.

BSR & Co.
14th Floor, Central Wing, Tower 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Independent Auditors' Report *(Continued)*

Travel Corporation (India) Limited

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.

Independent Auditors' Report *(Continued)*

Travel Corporation (India) Limited

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

- 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.

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.

Independent Auditors' Report (Continued)

Travel Corporation (India) Limited

Report on Other Legal and Regulatory Requirements ***(Continued)***

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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 on its financial position in its financial statements - Refer Note 40 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 2021.

BSR & Co. 14th Floor, Central Wing, Tower 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Independent Auditors' Report (Continued)

Travel Corporation (India) 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/W100022

B.H. Dhupelia

Mumbai
28 April 2021
UDIN: 21042070AAAABN5876

Bhavesh Dhupelia
Partner
Membership No. 042070

Travel Corporation (India) Limited

"Annexure A" to the Independent Auditors' report- 31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report the following:

(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 two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. Due to ongoing pandamic of Covid 19, the Company has not performed physical verification during the year and hence, we are unable to comment on the discrepancies, if any.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The Company is a service company primarily rendering services of travel and related service. Accordingly, the Company does not hold physical inventory. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) In our opinion and according to the information and explanations given 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, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made. The Company has not granted any loan or given any guarantee or security to the parties covered under section 185 of the Companies Act, 2013 and accordingly, to this extent, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder. 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 services rendered by the Company.

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Travel Corporation (India) Limited

"Annexure A" to the Independent Auditors' report- 31 March 2021 ***(Continued)***

(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 undisputed statutory dues including Provident fund, Employee's State Insurance, Income tax, Goods and Services Tax, Profession tax and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Duty of Excise, Duty of Customs, Value Added Tax and Cess.

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 Services Tax, Profession tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax or Goods and Services Tax or Services tax or Duty of Customs or Duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Nature of Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Service Tax Rules, 1994	Service Tax	146,652	1 October 2007 to 29 February 2008	Assistant Commissioner of Service Tax
Service Tax Rules, 1994	Service Tax	159,782,742	1 April 2005 to 31 March 2010	CESTAT

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

(ix) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not obtained term loans during the year. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) 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 on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

B S R & Co. LLP
14th Floor, Central Wing, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Travel Corporation (India) Limited

"Annexure A" to the Independent Auditors' report- 31 March 2021 ***(Continued)***

(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) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) According to the information and explanations give 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 give 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

B.H. Dhupelia

Mumbai
28 April 2021
UDIN: 21042070AAAABN5876

Bhavesh Dhupelia
Partner
Membership No. 042070

Travel Corporation (India) Limited

"Annexure B" to the Independent Auditors' report on the financial statements of Travel Corporation (India) Limited for the year ended 31 March 2021

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 (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 Travel Corporation (India) Limited ("the Company") as of 31 March 2021 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 2021, 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.

BSR & Co. LLP 14th Floor, Central Wing, Nesco Center, Western Express Highway, Goregaon, Mumbai 400 063

Travel Corporation (India) Limited

"Annexure B" to the Independent Auditors' report on the financial statements of Travel Corporation (India) Limited for the year ended 31 March 2021 *(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 Number: 101248W/W100022

B. H. Dhupelia

Mumbai
28 April 2021
UDIN: 21042070AAAABN5876

Bhavesh Dhupelia
Partner
Membership No. 042070

Travel Corporation (India) Limited
(Formerly known as SOTC Travel management limited)
Balance sheet
as at 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

		Note	31 March 2021	31 March 2020
I.	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	2	1,473.63	1,945.71
	(b) Right of use Asset	2	985.77	1,441.29
	(c) Other intangible assets	3	69.44	88.05
	(d) Intangible asset under development	2	134.61	-
	(e) Financial assets :			
	(i) Investments	4	140.52	321.42
	(ii) Loans	5	377.93	374.04
	(f) Deferred tax assets (net)	6	1,619.22	457.17
	(g) Income tax assets	7	106.90	-
	(h) Other non-current assets	8	30.89	86.36
	Total non-current assets		4,938.91	4,714.04
(2)	Current assets			
	(a) Financial assets :			
	(i) Trade receivables	9	930.67	4,550.86
	(ii) Cash and cash equivalents	10 (a)	779.11	4,448.07
	(iii) Bank balances other than cash and cash equivalents above	10 (b)	19.78	4,018.65
	(iv) Loans	11	75.72	85.69
	(v) Other current financial assets	12	24.13	3,595.55
	(b) Other current assets	13	1,556.46	3,130.95
	Total current assets		3,385.87	19,829.77
	TOTAL ASSETS		8,324.78	24,543.81
II.	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity share capital	14	1.00	1.00
	(b) Other equity			
	(i) Instruments entirely equity in nature	15	19,901.94	19,901.94
	(ii) Reserves and surplus	15	(17,801.03)	(12,395.59)
	Total equity		2,101.91	7,507.35
(2)	**Non-current liabilities**			
	(a) Financial liabilities:			
	(i) Lease liability	16	511.42	979.24
	(b) Provisions	17	176.50	193.14
	Total non-current liabilities		687.92	1,172.38
(3)	**Current liabilities**			
	(a) Financial liabilities :			
	(i) Short-term borrowings	18	975.23	1,149.46
	(ii) Lease liability	19	611.96	570.36
	(iii) Trade payables			
	1.Dues of micro enterprises and small enterprises	35	-	1.30
	2.Dues of creditors other than micro enterprises and small enterprises	20	2,066.26	11,420.00
	(iv) Other financial liabilities	21	141.85	178.38
	(v) Derivative liabilities	22	-	103.79
	(b) Other current liabilities	23	1,719.31	2,296.03
	(c) Short-term provisions	24	20.34	37.58
	(d) Income tax Liability	25	-	107.18
	Total current liabilities		5,534.95	15,864.08
	Total liabilities		6,222.87	17,036.46
	TOTAL EQUITY AND LIABILITIES		8,324.78	24,543.81

Significant accounting policies
The notes from 1 to 47 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
28 April 2021

For and on behalf of the Board of Directors of Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
New Delhi

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer
Gurugram
28 April 2021

Megha Sekharan
Company Secretary
Mumbai
28 April 2021

TRAVEL CORPORATION (INDIA) LTD. Tower B, Delta Square, M.G. Road, Sector-25 GURGAON-122001

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management limited)

Statement of profit and loss

for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

		Note	For the year ended 31 March 2021	For the year ended 31 March 2020
(1)	**Revenue**			
	(a) Revenue from operations	26	1,816.36	46,827.74
	(b) Other income	27	388.15	3,830.83
	Total income		2,204.51	50,658.57
(2)	**Expenses**			
	(a) Cost of tours	28	276.82	35,911.12
	(b) Employee benefits expense	29	3,907.87	5,755.46
	(c) Finance costs	30	227.40	183.47
	(d) Depreciation and amortization expenses	2.3	1,156.65	1,287.58
	(e) Impairment loss	31	180.90	-
	(f) Other expenses	32	1,466.60	2,632.09
	Total expenses		7,216.24	45,769.72
(3)	**(Loss) / Profit before tax**		(5,011.73)	4,888.85
(4)	**Tax expense:**			
	(a) Current tax	6	-	1,237.45
	(b) (Excess) tax provisions net for earlier years	6	(26.23)	-
	(c) Deferred tax	6	(1,184.71)	(10.13)
(5)	**(Loss) / Profit after tax**		(3,800.79)	3,661.53
(6)	**Other comprehensive income (OCI)**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of defined benefit plan		90.04	(76.66)
	(ii) Income tax expense on remeasurement benefit of defined benefit plans		(22.66)	19.29
	Other comprehensive (loss)/income (net of tax)		67.38	(57.37)
(7)	**Total comprehensive income for the year**		(3,733.41)	3,604.16
(8)	**Earnings per equity share**			
	(i) Basic	33	(38,007.89)	36,615.26
	(ii) Diluted	33	(38,007.89)	1.84

Significant accounting policies

The notes from 1 to 47 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
28 April 2021

For and on behalf of the Board of Directors of
Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
New Delhi

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer

Gurugram
28 April 2021

Megha Sekharan
Company Secretary

Mumbai
28 April 2021

TRAVEL CORPORATION INDIA LTD. Tower B, Delta Square, M.G. Road, Sector-25 GURGAON-122001

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management limited)

Statement of cash flows

for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities:		
(Loss) / Profit before tax	(5,011.73)	4,888.85
Adjustments for:		
Impairment loss	180.90	-
Depreciation of Property, plant and equipment	508.06	593.85
Amortisation of intangible assets	40.46	46.14
Depreciation of ROU asset	608.11	647.60
(Gain)/loss on sale of property, plant and equipment and ROU asset	(17.91)	(15.42)
Unclaimed credit balances no longer required, written back	(17.91)	(210.25)
Excess provision no longer requried, written back	(1,526.11)	(3,266.15)
Operational lease rentals	32.63	32.03
Bad debts and Provision for doubtful debts and advances	-	34.49
Net unrealised foreign exchange differences	58.12	177.84
Expenses on employees stock options schemes (net)	328.47	334.30
Dividend income on investment in associate	-	(137.20)
Interest expense on ROU lease liability including finance lease	136.46	172.64
Interest income	(225.60)	(119.08)
Interest income - others	(33.53)	(30.74)
Gain on sale of investment in mutual fund	-	(174.15)
Remeasurements of defined benefit liability/(asset)	90.04	(76.66)
	(4,849.54)	2,898.09
Working capital Changes		
Decrease in trade and other receivables	3,697.70	888.56
Decrease in other assets	1,619.38	15,992.01
Decrease/(Increase) in Loans & Advances	6.98	(56.59)
(Decrease) in trade & other payables, other financial liabilities and current liabilities	(8,515.88)	(15,927.96)
(Decrease)/Increase in provisions and employee benefits	(33.88)	132.46
Net cash flow from operations after working capiat adjustments	(8,075.24)	3,926.57
Income tax paid	(187.85)	(1,130.27)
Net cash flows (used in)/from operating activities	(8,263.09)	2,796.30
Cash flows from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(186.83)	(841.70)
Acquisition of investment in mutual funds	-	(673,130.00)
Acquisition of investment in fixed deposit	(351.14)	(22,376.26)
Proceeds from disposal/redemption of investment in mutual fund	-	677,409.30
Proceeds from disposal/redemption of investment in fixed deposit	7,850.00	14,875.00
Proceeds from sale of property, plant and equipment	27.02	50.22
Interest received	280.55	52.27
Dividend received from investment in associate	-	137.20
Net cash flows from/(used in) investing activities	7,619.60	(3,823.97)

BSR & Co. LLP
14th Floor, Central Wing, Tower 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management limited)

Statement of cash flows (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from financing activities:		
Dividend Paid (including dividend distribution tax)	(2,000.00)	-
Repayment of lease liability	(566.50)	(531.91)
Finance charges paid	(136.46)	(172.64)
Net cash flow (used in) financing activities	(2,702.96)	(704.55)
Net (decrease) in cash and cash equivalents	(3,346.45)	(1,732.22)
Cash and cash equivalents at the beginning of the period	3,298.61	5,179.77
Exchange difference on translation of foreign currency cash and cash equivalents	(148.28)	(148.94)
Cash and cash equivalents at the end of the year	(196.12)	3,298.61

Note:

(a) Components of cash and cash equivalents :

Cash on hand	14.22	95.68
Balances with scheduled banks		
-- Current Account	601.51	590.97
-- EEFC Account	63.38	761.42
-- Deposit Account (with original maturity of 3 months or less)	100.00	3,000.00
Less: Bank overdraft	(975.23)	(1,149.46)
	(196.12)	3,298.61

(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".

Significant accounting policies

The notes from 1 to 47 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
28 April 2021

Dipak Deva
Managing Director
[DIN:02030005]
New Delhi

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer

Megha.P.S

Megha Sekharan
Company Secretary

Gurugram
28 April 2021

Mumbai
28 April 2021

TRAVEL CORPORATION (INDIA) LTD.
Tower B.
Delta Square.
M.G. Road,
Sector-25
GURGAON-122001

Travel Corporation (India) Limited
(Formerly known as SOTC Travel management limited)
Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

(a) Equity share capital

	31 March 2021 No. of Shares	Amount	31 March 2020 No. of Shares	Amount
At the commencement of the year	10,000	1.00	10,000	1.00
Changes in equity share capital during the year	-	-	-	-
At the end of the year	10,000	1.00	10,000	1.00

(b) Other equity

	Instruments entirely equity in nature	Reserves and surplus			
Particulars	**Preference shares**	**Retained earning**	**Employee share option outstanding**	**Capital Reserve**	**Total other equity**
Balance at 1 April 2019	-	(1.16)	-	(16,332.89)	(16,334.05)
Profit for the year	-	3,661.53	-	-	3,661.53
Other comprehensive income, net of tax	-	(57.37)	-	-	(57.37)
Share-based payments [Note 43]	-	-	334.30	-	334.30
Shares issued during the year [Note 42]	19,901.94	-	-	-	19,901.94
Balance at 31 March 2020	19,901.94	3,603.00	334.30	(16,332.89)	7,506.35

	Instruments entirely equity in nature	Reserves and surplus			
Particulars	**Preference shares**	**Retained earning**	**Employee share option outstanding**	**Capital Reserve**	**Total other equity**
Balance at 1 April 2020	**19,901.94**	**3,603.00**	**334.30**	**(16,332.89)**	**7,506.35**
Profit for the year	-	(3,800.79)	-	-	(3,800.79)
Other comprehensive income, net of tax	-	67.38	-	-	67.38
Share-based payments [Note 43]	-	-	327.97	-	327.97
Shares issued during the year	-	-	-	-	-
Dividend paid out of Profits (Including dividend distribution tax)	-	(2,000.00)	-	-	(2,000.00)
Balance at 31 March 2021	**19,901.94**	**(2,130.41)**	**662.27**	**(16,332.89)**	**2,100.91**

Significant accounting policies
The notes from 1 to 47 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
28 April 2021

For and on behalf of the Board of Directors of
Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
New Delhi

Madhavan Menon
Director
[DIN No: 00008542]
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Chief Financial Officer
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Company Secretary

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28 April 2021

TRAVEL CORPORATION (INDIA) LTD.
Tower B.
Delta Square,
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GURGAON-122001

Travel Corporation (India) Limited

(Formerly known as SOTC Travel Management Private Limited)

Notes to the financial statements

for the year ended 31 March 2021

(Currency: Indian rupees in Lakhs, unless otherwise stated)

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 previous financial year 2019-20, a Composite scheme of Arrangement and Amalgamation took place pursuant to which inbound business of the company consisting of business of handling inward foreign tourist activity was 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 wholly owned 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 28th April 2021.The financial statements are presented in Indian Rupees ('INR') or ('Rs') which is also the company's functional currency and all values are rounded off to nearest lakhs ('00,000) except where otherwise indicated.

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 43- 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 17 & 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.

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TRAVEL CORPORATION (INDIA) LTD.

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)
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

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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. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

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.

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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.

TRAVEL CORPORATION (INDIA) LTD.

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.

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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.

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TRAVEL CORPORATION (INDIA) LTD.

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.

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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

(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.

TRAVEL CORPORATION (INDIA) LTD. ★

1B significant accounting policies *(Continued)*

1B.9 Revenue recognition (Continued)

(c) Contract balances

(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.

TRAVEL CORPORATION (INDIA) LTD. ★

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.

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1B Significant accounting policies *(Continued)*

1B.12 Employee benefits (Continued)

(d) Share based payments

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 statement of profit and 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.

TRAVEL CORPORATION (INDIA) LTD.

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.

TRAVEL CORPORATION (INDIA) LTD.

1B Significant accounting policies *(Continued)*

1B.16 Leases

As a lessee

As a lessee, the Company leases mainly Buildings and Vehicles. The Company during the preceding years 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.

The lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate.

The weighted average incremental borrowing rate of 9% Per annum has been applied to lease liabilities. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

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.

After application of Ind AS 116 w.e.f. 1 Apr'2019, 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.

The company recognises the amount of the re-measurement of lease liability due to modification in terms of lease as an adjustment to the right-of-use asset, lease liability and statement of profit and loss depending upon the nature of modification in terms.

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.

TRAVEL CORPORATION (INDIA) LTD.

1B Significant accounting policies *(Continued)*

1B.18 Going Concern

As at 31 March 2021, the Company's net worth is Rs 2,101.91 lakhs. The Company during the year has made a net loss of Rs 3,800.79 lakhs (2020: profit of Rs. 3,661.53 lakhs). On account of the COVID 19 restrictions, the business of the Company has been severely affected and accordingly, the Company is significantly dependent on its holding Company for its financial support. The Company has obtained support letter from its holding company indicating that the holding company will continue to provide financial support as is necessary to maintain the Company as a going concern for the foreseeable future and to meet its liabilities as and when they fall due for the for a period of minimum twelve months from the balance sheet date. Post 31 March 2021, the Company has received Rs 1,000 lakhs as a loan from the Holding Company.

Management believes that the future business plan and continued support from holding company will enable the Company to settle liabilities as they fall due. Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly the financial statements have been prepared on that basis.

1B.19 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

TRAVEL CORPORATION (INDIA) LTD. ★

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1B Significant accounting policies *(Continued)*

1B.19 Recent Pronouncements (Continued)

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(Currency : Indian rupees in Lakhs, unless otherwise stated)

2 Property, plant and equipment

Particulars	Computer hardware	Furniture and fixtures	Vehicles (i)	Office equipment	Total
Gross carrying value as at 31 Mar 2019	417.22	812.70	1,308.17	299.28	2,837.37
Add:Additions during the year	77.05	34.68	661.31	14.58	787.62
Less:Deletion during the year	11.18	1.09	98.77	0.51	111.55
Less: On account of Transition to Ind AS 116 {refer Note (i)}	-	-	79.14	-	79.14
Gross carrying value as at 31 Mar 2020	483.09	846.29	1,791.57	313.35	3,434.30
Add:Additions during the year	1.25	45.08	0.40	10.69	57.42
Less:Deletion during the year	11.54	27.93	62.14	10.76	112.37
Gross carrying value as at 31 Mar 2021	**472.80**	**863.44**	**1,729.83**	**313.28**	**3,379.35**
Accumulated depreciation as at 31 March 2019	276.20	406.45	76.76	210.81	970.22
Add:Depreciation charge during the year	97.61	245.99	226.06	24.18	593.84
Less:Depreciation on Deletion during the year	10.85	1.03	57.99	0.51	70.38
Less: On account of Transition to Ind AS 116 {refer Note (i)}	-	-	5.09	-	5.09
Accumulated depreciation as at 31 March 2020	362.96	651.41	239.74	234.48	1,488.59
Add:Depreciation charge during the year	74.22	153.02	255.30	25.53	508.06
Less:Depreciation on Deletion during the year	11.18	27.49	47.34	4.93	90.94
Accumulated depreciation as at 31 March 2021	**426.00**	776.94	447.70	255.08	**1,905.72**
Carrying value as at 31 March 2020	120.13	194.88	1,551.83	78.87	1,945.71
Carrying value as at 31 March 2021	**46.80**	**86.50**	**1,282.13**	**58.20**	**1,473.63**

(i) **Leased Assets:**

Vehicles included 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
Cost/Deemed Cost	79.14
Less: On account of Transition to Ind AS 116	79.14
Accumulated Depreciation	5.09
Less: On account of Transition to Ind AS 116	5.09
Net Carrying Amount	-

2 Intangible Asset under development

As at 31 March 2019	-
Add:Additions during the year	0.49
Less:Assets capitalised during the year	0.49
As at 31 March 2020	-
Add:Additions during the year	151.73
Less:Assets capitalised during the year	17.12
As at 31 March 2021	134.61

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TRAVEL CORPORATION (INDIA) LTD.

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management limited)

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3 Other intangible assets

Particulars	Computer Software
Gross carrying value as at 31 Mar 2019	257.94
Add:Additions during the year	11.59
Less:Deletion during the year	-
Gross carrying value as at 31 Mar 2020	269.53
Add:Additions during the year	**21.85**
Less:Deletion during the year	-
Gross carrying value as at 31 Mar 2021	**291.38**
Accumulated depreciation as at 31 March 2019	135.34
Add:Amortisation charge during the year	46.14
Less:Amortisation on Deletion during the year	-
Accumulated depreciation as at 31 March 2020	181.48
Add:Amortisation charge during the year	**40.46**
Less:Amortisation on Deletion during the year	-
Accumulated depreciation as at 31 March 2021	**221.94**
Carrying value as at 31 March 2020	88.05
Carrying value as at 31 March 2021	**69.44**

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TRAVEL CORPORATION (INDIA) LTD.

(Currency : Indian rupees in Lakhs, unless otherwise stated)

		31 March 2021	31 March 2020
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)	**42.52**	42.52
	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**	9.17
	Less: Impairment loss	**(9.17)**	-
	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**	98.00
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	**171.73**	171.73
	Less: Impairment loss	**(171.73)**	-
	*** Carried at cost**		
		140.52	321.42
	Aggregate amount of unquoted investments (net of impairment)	**140.52**	321.42
5	**Loans**		
	To Others		
	Security deposits- (Unsecured, Considered Good)	**377.93**	374.04
		377.93	374.04

* Financial asset carried at amortised cost

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(Currency : Indian rupees in Lakhs, unless otherwise stated)

6 Income taxes

	For the year ended 31 March 2021	For the year ended 31 March 2020
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	(26.23)	1,237.45
Deferred tax		
In respect of current year	(1,184.71)	(10.13)
Income Tax expense recognised in Statement of profit and loss	(1,210.94)	1,227.32
(ii) Amounts recognised in other comprehensive income		
Deferred tax expense on remeasurements of defined benefit plans	22.66	(19.29)
Income tax expense recognised in OCI	22.66	(19.29)
B. Reconciliation of tax expense and the accounting profit for the year is as under :		
Profit before tax	(5,011.73)	4,888.85
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	(1,261.35)	1,230.43
Tax effect of:		
Exempt income - dividend from subsidiary	-	(34.53)
Impairment loss	45.53	-
Change in tax rate	-	(25.68)
CSR expense	8.38	-
Others	19.16	37.81
Tax expense as per Statement of profit and loss	(1,188.28)	1,208.03

(Currency : Indian rupees in Lakhs, unless otherwise stated)

6 Income taxes *(Continued)*

C. The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

31 March 2021

	Balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset /(liability)
Deferred tax asset					
Property, plant and equipment	333.93	(59.65)	-	(59.65)	274.28
ROU asset / liability	40.61	(8.40)	-	(8.40)	32.21
Employee benefits	80.33	11.10	(22.66)	(11.56)	68.77
Provisions	9.87	(9.88)	-	(9.88)	(0.01)
Disallowances under IT Act	(7.57)	21.56	-	21.56	13.99
Carry forward losses	-	1,203.52	-	1,203.52	1,203.52
Allowances under IT Act	-	26.46	-	26.46	26.46
Deferred tax assets / (liabilities)	457.17	1,184.71	(22.66)	1,162.05	1,619.22
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-
Deferred tax assets / (liabilities)	457.17	1,184.71	(22.66)	1,162.05	1,619.22

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	441.57	(107.64)	-	(107.64)	333.93
ROU asset / liability	-	40.61	-	40.61	40.61
Employee benefits	(13.16)	74.20	19.29	93.49	80.33
Provisions	(0.66)	10.53	-	10.53	9.87
Disallowances under IT Act	-	(7.57)	-	(7.57)	(7.57)
Deferred tax assets / (liabilities)	427.75	10.13	19.29	29.42	457.17
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-
Deferred tax assets / (liabilities)	427.75	10.13	19.29	29.42	457.17

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		31 March 2021	31 March 2020
7	**Other tax assets**		
	Advance tax [Net of provision for income tax Rs. 1,237.45 lakhs] {31 March 2020 Rs. Nil }	106.90	-
		106.90	-
8	**Other non-current assets**		
	Prepaid expenses	15.44	43.86
	Capital advances	15.45	42.50
		30.89	86.36
9	**Trade receivables**		
	Trade receivables - (Unsecured, Considered Good)	930.67	4,550.86
	Trade receivables - credit impaired	-	39.27
		930.67	4,590.13
	Less: Allowance for doubtful trade receivable	-	(39.27)
		930.67	4,550.86
	Trade receivables includes :		
	Dues from related party (refer Note 44).	218.82	165.34
10(a)	**Cash & Cash Equivalents**		
	Balances with banks :		
	-In current Accounts	601.51	590.97
	-In EEFC Accounts	63.38	761.42
	-Deposit Accounts (with original maturity of 3 months or less)	100.00	3,000.00
	Cash on hand	14.22	95.68
		779.11	4,448.07
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)	19.78	4,018.65
		19.78	4,018.65
11	**Loans**		
	Security deposits - (Unsecured, Considered Good)	75.72	85.69
		75.72	85.69
12	**Other current financial assets**		
	Bank deposit (with original maturity of more than 12 months)	-	3,500.00
	Interest accrued but not due on fixed deposits with banks	0.05	54.99
	Other receivable - (Unsecured, Considered Good)	24.08	40.56
		24.13	3,595.55
13	**Other current assets**		
	Prepaid expenses	124.42	160.94
	Balances with Government Authorities	183.03	212.82
	Advance to vendors - (Unsecured, Considered Good)	1,226.43	2,677.52
	Advance expenses	0.64	39.20
	Staff advances- (Unsecured, Considered Good)	6.19	26.34
	Other assets	15.75	14.13
		1,556.46	3,130.95
	Advance to vendors includes :		
	Dues from related party (refer Note 44).	-	719.01
	Staff Advances includes :		
	Dues from related party (refer Note 44).	6.19	0.30

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TRAVEL CORPORATION (INDIA) LTD.

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	31 March 2021	31 March 2020
14 Share capital		
(a) Equity share capital		
Authorised :		
10,000 (31 March 2020: 10,000) equity Shares of Rs. 10 each	1.00	1.00
Issued, subscribed and paid up:		
10,000 (31 March 2020: 10,000) equity Shares of Rs. 10 each	1.00	1.00
	1.00	1.00

i Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Equity share :

	31 March 2021		31 March 2020	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
At the commencement of the year	10,000	1.00	10,000	1.00
Less: Changes during the year	-	-	-	-
Outstanding at the end of the year	10,000	1.00	10,000	1.00

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 2021		31 March 2020	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Equity shares of Rs 10 each fully paid-up held by:				
Thomas Cook (India) Limited ('Holding Company')	10,000	1.00	10,000	1.00
	10,000	1.00	10,000	1.00

iv Shareholders holding more than 5% shares in the company is set out below:

Equity share	31 March 2021		31 March 2020	
	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%

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	31 March 2021	31 March 2020

15 Other equity

(i) Instruments entirely equity in nature

Preference shares :

i Authorised :	31 March 2021	31 March 2020
300,000,000 (31 March 2020: 300,000,0000) 0.01% Non-Cumulative, Optionally Convertible Redeemable Preference shares of Rs 10 each	30,000.00	30,000.00
Issued and subscribed and paid up:		
199,019,396 (31 March 2020 : 199,019,396) 0.01% Non-Cumulative, Optionally Convertible Redeemable Preference shares of Rs 10 each, fully paid up	19,901.94	19,901.94
	19,901.94	19,901.94

ii Reconciliation of number of Preference shares outstanding at the beginning and end of the year :

	31 March 2021		31 March 2020	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
At the commencement of the year	19,90,19,396	19,901.94	-	-
Add: Shares issued to Thomas Cook (India) Limited (Refer Note 42)	-	-	19,90,19,396	19,901.94
Outstanding at the end of the year	19,90,19,396	19,901.94	19,90,19,396	19,901.94

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 2021		31 March 2020	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Preference shares of Rs 10 each fully paid-up held				
Thomas Cook (India) Limited ('Holding Company')	19,90,19,396	19,901.94	19,90,19,396	19,901.94
	19,90,19,396	19,901.94	19,90,19,396	19,901.94

v Shareholders holding more than 5% shares in the company is set out below:

	31 March 2021		31 March 2020	
	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%	19,90,19,396	100.00%

vi Aggregate Number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash:

	31 March 2021		31 March 2020	
	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%	19,90,19,396	100.00%

vii Movement of instruments entirely equity in nature

	31 March 2021		31 March 2020	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Balance at the beginning of the year	19,90,19,396	19,901.94	-	-
Add: Issued during the year (Refer Note 42)	-	-	19,90,19,396	19,901.94
Less: Redeemed during the year	-	-	-	-
Closing Balance	19,90,19,396	19,901.94	19,90,19,396	19,901.94

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15 Other equity

	31 March 2021	31 March 2020
(ii) **Reserves and surplus:**		
Retained earnings		
At the commencement of the year	3,660.37	(1.16)
Add: (Loss) / profit for the year	(3,800.79)	3,661.53
Less: Dividend paid out of Profits (Including dividend distribution tax of Rs. 150.00 lakhs)	(2,000.00)	-
At the end of the year	(2,140.42)	3,660.37
Other comprehensive income:		
At the commencement of the year	(57.37)	-
Add:Other comprehensive income for the year	67.38	(57.37)
At the end of the year	10.01	(57.37)
Employee share option outstanding		
At the commencement of the year	334.30	-
Add: share based payments	327.97	334.30
At the end of the year	662.27	334.30
Capital reserve		
At the commencement and end of the year	(16,332.89)	(16,332.89)
At the end of the year	(16,332.89)	(16,332.89)
Total Reserve & Surplus	(17,801.03)	(12,395.59)

Nature and purpose of reserves

i.Retained earnings

Retained earnings are the profits 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.

16 Lease liability

	31 March 2021	31 March 2020
Long term maturities of right of use lease liability (including finance lease)	511.42	979.24
	511.42	979.24

17 Provisions

	31 March 2021	31 March 2020
Provision for employee benefits		
Gratuity [refer Note 38]	176.50	193.14
	176.50	193.14

18 Short-term borrowings

	31 March 2021	31 March 2020
Unsecured		
- Bank Overdraft*	975.23	1,149.46
	975.23	1,149.46

*Bank overdraft facility is backed by corporate guarantee of Thomas cook India Limited.

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		31 March 2021	31 March 2020
19	**Lease liability**		
	Current maturities of right of use lease Liability (including finance lease)	611.96	570.36
		611.96	570.36
20	**Trade and other payables**		
	Due to micro, small and medium enterprises [refer Note 35]	-	1.30
	Due to others	2,066.26	11,420.00
		2,066.26	11,421.30
	Trade payables includes :		
	Dues to related party (refer Note 44).	587.43	653.25
21	**Current - other financial liabilities**		
	Accrued salary and benefits	138.75	112.47
	Directors commission payable	-	55.95
	Other financial liability	3.10	9.96
		141.85	178.38
	Current - other financial liabilities includes:		
	Dues to related party (refer Note 44).	0.13	1.94
22	**Derivative liabilities**		
	Derivative liabilities	-	103.79
		-	103.79
23	**Other current liabilities**		
	Customers' advances	1,630.60	1,789.04
	Statutory dues	88.71	506.99
		1,719.31	2,296.03
24	**Short-term provisions**		
	Provision for employee benefits:		
	Compensated absences	20.34	37.58
		20.34	37.58
25	**Income tax liability**		
	Provision for income tax [Net of advance tax Rs. Nil] {31 March 2020 Rs. 1130.27 lakhs }	-	107.18
		-	107.18

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Travel Corporation (India) Limited

(Formerly known as SOTC Travel management limited)

Notes to the financial statements *(Continued)*

for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
26	**Revenue from operations**		
(A)	**Sales and services**		
	Income from tours	**243.15**	42,134.24
		243.15	42,134.24
(B)	**Other operating revenue**		
	Commission income	-	1,145.58
	Marketing fees and other incentive income	**6.11**	36.59
	Unclaimed credit balances no longer required, written back	**17.91**	210.25
	Excess provision written back	**1,526.11**	3,266.15
	Other miscellaneous operating income	**23.08**	34.93
		1,573.21	4,693.50
		1,816.36	46,827.74

(Refer Note 45 for IND AS 115 Disclosure)

27	**Other income**		
	Interest on deposits and investments	**225.60**	106.95
	Interest on Inter-Corporate deposits	-	12.13
	Interest income - others	**33.53**	30.74
	Bad debts recovered	**1.95**	31.98
	Dividend on equity shares - subsidiary	-	137.20
	Profit on sale of fixed assets (net)	**17.91**	15.42
	Management fees income	**0.94**	125.01
	Facility support income	**84.62**	125.98
	Royalty and other income	**0.08**	80.09
	Profit on sale of mutual fund units	-	174.15
	Exchange gain (net) (including forward exchange contract)	**23.52**	-
	Export incentives	-	2,982.99
	Sharing of group cost	-	8.19
		388.15	3,830.83
28	**Cost of tours**	**276.82**	35,911.12
		276.82	35,911.12

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(Currency : Indian rupees in Lakhs, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
29	**Employee benefits expense**		
	Salaries and other allowances	**3,296.65**	4,945.44
	Contribution to provident fund and other funds	**178.07**	202.37
	Compensated absences	**(17.24)**	2.11
	Gratuity	**71.33**	56.45
	Share-based payment to employees	**183.77**	282.95
	Employee stock expense	**144.70**	51.35
	Staff welfare	**50.59**	214.79
		3,907.87	5,755.46
30	**Finance costs**		
	Interest expense	**90.94**	9.99
	Interest expense on ROU lease liability including finance lease	**136.46**	172.64
	Other finance charges	**-**	0.84
		227.40	183.47
31	**Impairment loss**		
	Impairment in value of investment	**180.90**	-
		180.90	-

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		For the year ended 31 March 2021	For the year ended 31 March 2020
32	**Other expenses**		
	Legal and professional charges	**558.16**	930.89
	Operational lease rentals	**283.70**	314.94
	Travelling expenses	-	233.23
	Exchange loss (net) (including forward exchange contract)	-	35.15
	Advertisement and publicity	**15.70**	188.87
	Repairs and maintenance – others	**189.36**	261.92
	Electricity charges	**0.86**	102.06
	Communication	**53.35**	87.59
	Housekeeping charges	**51.23**	77.53
	Rates and taxes	**180.77**	84.50
	Insurance	**33.56**	53.50
	Sales promotion	**3.29**	43.90
	Director commission	**(20.93)**	20.58
	Auditors' remuneration	**37.12**	45.14
	Security services	**16.49**	21.22
	Printing and stationery	**1.77**	24.84
	Corporate social responsibility expenses	**33.31**	-
	Provision for doubtful debts	**(39.27)**	34.49
	Bad debts and advance written off	**39.27**	-
	Donation	-	0.29
	Bank charges	**11.34**	35.42
	Miscellaneous expenses	**17.52**	36.03
		1,466.60	2,632.09

Auditor's remuneration (excluding taxes)		
As auditor		
- Statutory audit	**29.70**	33.00
- Tax Audit	**2.00**	2.00
-Others	-	-
In others Capacity		
-Certification	**4.00**	7.50
-Out of pocket expenses	**1.42**	2.64
	37.12	45.14

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Notes to the financial statements *(Continued)*
for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

33 Earnings per share (EPS)

	31 March 2021	31 March 2020
Profit after tax (A)	(3,800.79)	3,661.53
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	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)	(38,007.89)	36,615.26
E. Diluted earnings per share (A/C)*	(38,007.89)	1.84

For the purpose of calculating equity shares outstanding and the weighted average number of equity shares for the year ended 31 March 2020, the equity shares to be issued pursuant to the Scheme have been considered as outstanding from the beginning of the accounting year.

*The effect of conversion of compulsory convertible preference shares and into equity shares has not been considered, being anti-dilutive.

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for the year ended 31 March 2021

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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 2021*	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	-	-	930.67	-	930.67	-	-	-	-
Cash and cash equivalents	-	-	779.11	-	779.11	-	-	-	-
Bank balances other than cash and cash equivalents abo	-	-	19.78	-	19.78	-	-	-	-
Other financial assets									
- Non-current	-	-	377.93	-	377.93	-	-	-	-
- Current	-	-	99.85	-	99.85	-	-	-	-
	-	-	2,207.34	-	2,207.34	-	-	-	-
Financial liabilities not measured at fair value									
Trade payables	-	-	2,066.26	-	2,066.26	-	-	-	-
Short Term Borrowing	-	-	975.23	-	975.23	-	-	-	-
Other financial liabilities									
- Non-current	-	-	511.42	-	511.42	-	-	-	-
- Current	-	-	753.81	-	753.81	-	-	-	-
Total financial liabilities	-	-	4,306.72	-	4,306.72	-	-	-	-

*Excludes investment in subsidiaries and Joint Venture are being carried at cost amounting Rs. 140.52 lakhs.

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34 Financial instruments – Fair values and risk management *(Continued)*

A. Accounting classification and fair values *(Continued)*

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	-	-	4,550.86	-	4,550.86	-	-	-	-
Cash and cash equivalents	-	-	4,448.07	-	4,448.07	-	-	-	-
Bank balances other than cash and cash equivalents abo	-	-	4,018.65	-	4,018.65	-	-	-	-
Other financial assets									
- Non-current	-	-	374.04	-	374.04	-	-	-	-
- Current	-	-	3,681.24	-	3,681.24	-	-	-	-
	-	-	17,072.86	-	17,072.86	-	-	-	-
Financial liabilities measured at Fair value									
Derivative Liability	-	-	-	103.79	103.79	-	103.79	-	103.79
Financial liabilities not measured at fair value									
Trade payables	-	-	11,421.30	-	11,421.30	-	-	-	-
Short Term Borrowing	-	-	1,149.46	-	1,149.46	-	-	-	-
Other financial liabilities									
- Non-current	-	-	979.24	-	979.24	-	-	-	-
- Current	-	-	748.74	-	748.74	-	-	-	-
Total financial liabilities	-	-	14,298.74	103.79	14,402.53	-	103.79	-	103.79

*Excludes investment in subsidiaries and Joint Venture are being carried at cost amounting Rs. 321.42 lakhs.

Carrying amounts of cash and cash equivalents, trade receivables, unbilled receivables and trade payables as at 31 March 2021 and 31 March 2020 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.

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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.

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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 2021	31 March 2020
Balance at the beginning of the year	**39.27**	4.77
Changes in loss allowance	**(39.27)**	34.49
Balance at the end of the year	-	39.27

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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. 975.23 lakhs. As of 31 March 2021 the company have negative working capital of Rs (2,149.08) lakhs including cash and cash equivalents of Rs. 779.11 lakhs; other bank balance of Rs. 19.78 lakhs and current investments of Rs Nil. As of 31 March 2020 company had working capital of Rs 3,965.69 lakhs including cash and cash equivalent of Rs 4,448.07 lakhs; other bank balance of Rs. 4,018.65 lakhs and current investment of Rs Nil. The company has approved line of credit (fund based) of Rs. 1100.00 lakhs as on balance sheet date and this line of credit can be drawn down to meet short term financing needs.The Company has obtained support letter from its holding company to meet it's working capital requirement, Hence 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)	1,123.38	1,123.38	292.17	319.79	329.74	179.24	2.44
Short Term Borrowing	975.23	975.23	975.23				
Trade and other payables	2,066.26	2,066.26	2,066.26	-	-	-	-
Trade payables due to micro, small and medium enterprises	-	-	-	-	-	-	-
Other financial liabilities	141.85	141.85	141.85	-	-	-	-

			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)	1,549.60	1,549.60	270.56	299.80	639.82	339.42	-
Short Term Borrowing	1,149.46	1,149.46	1,149.46				
Trade and other payables	11,420.00	11,420.00	11,420.00	-	-	-	-
Trade payables due to micro, small and medium enterprises	1.30	1.30	1.30	-	-	-	-
Other financial liabilities	178.38	178.38	178.38	-	-	-	-

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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 2021 and 31 March 2020 are as below:

(Amount in INR lakhs)

	31 March 2021 USD	31 March 2021 EUR	31 March 2021 JPY	31 March 2021 GBP
Financial assets				
Cash and cash equivalents	37.12	17.19	10.75	0.86
Trade and other receivables	42.45	15.26	-	-
	79.57	32.45	10.75	0.86
Financial liabilities				
Trade and other payables	354.15	4.20	-	-
	354.15	4.20	-	-
Net exposure in Rs.	(274.58)	28.25	10.75	0.86

(Amount in INR lakhs)

	31 March 2020 USD	31 March 2020 EUR	31 March 2020 JPY	31 March 2020 GBP
Financial assets				
Cash and cash equivalents	575.01	169.87	10.22	91.88
Trade and other receivables	792.40	362.68	-	145.10
Forward Contract	-	-	-	420.76
	1,367.41	532.55	10.22	657.74
Financial liabilities				
Trade and other payables	171.10	12.09	-	-
Forward Contract	1,683.55	1,324.32	-	350.63
	1,854.65	1,336.41	-	350.63
Net exposure in Rs.	(487.24)	(803.86)	10.22	307.11

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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 2021	31 March 2020	**31 March 2021**	31 March 2020
USD	**74.39**	72.41	**73.11**	75.67
EUR	**84.26**	80.22	**85.75**	82.77
JPY	**67.87**	66.03	**66.12**	69.63
GBP	**97.13**	92.01	**100.75**	93.50

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various currencies as mentioned above at 31 March 2021 and 31 March 2020 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 lakhs	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 March 2021				
1% movement				
USD	**(2.75)**	**2.75**	-	-
EUR	**0.28**	**(0.28)**	-	-
JPY	**0.11**	**(0.11)**	-	-
GBP	**0.01**	**(0.01)**	-	-
	(2.35)	**2.35**	-	-

	Profit or loss		Equity, net of tax	
Effect in INR lakhs	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
1% movement				
USD	(4.87)	4.87	-	-
EUR	(8.04)	8.04	-	-
JPY	0.10	(0.10)	-	-
GBP	3.07	(3.07)	-	-
	(10.24)	10.24	-	-

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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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 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year.		
-- Principal	-	1.30
-- 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.

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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 2021	31 March 2020
Employer's contribution to provident fund	165.70	195.11
Employee's State Insurance Corporation	1.32	1.96
Labour welfare fund	1.59	1.40
NPS Contribution	9.46	3.90

(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 (17.24) lakhs [31 March 2020: Rs. 2.11 lakhs] 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 2021	31 March 2020
Gratuity		
Net defined benefit asset	465.36	480.75
Net defined benefit liability	641.86	675.96
Net defined benefit (asset) / liability	176.50	195.21

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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 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Opening balance	**675.96**	578.30	**480.75**	516.20	**195.21**	62.10
Included in profit or loss						
Current service cost	**61.06**	53.15	-	-	**61.06**	53.15
Adjustment to opening fair value of plan assets	-	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Interest cost (income)	**35.83**	35.85	**25.56**	32.55	**10.27**	3.30
Settlements / benefits paid	-	-	-	-	-	-
	772.85	667.30	**506.31**	548.75	**266.54**	118.55
	Defined benefit obligation		**Fair value of plan assets**		**Net defined benefit (asset) liability**	
	31 March 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Amount not recognised due to asset limit	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	-	49.89	-	-	-	49.89
Experience adjustment	**(1.57)**	30.30	-	-	**(1.57)**	30.30
Effect of Interest on Opening Balance of asset ceiling	-	-	-	-	-	-
Effect of asset ceiling	-	-	-	-	-	-
Return on plan assets excluding interest income	-	-	**88.47**	3.53	**(88.47)**	(3.53)
	(1.57)	80.19	**88.47**	3.53	**(90.04)**	76.66
Other						
Contributions paid by the employer	-	-	-	-	-	-
Liabilities assumed / (settled)	-	-	-	-	-	-
Benefits paid	**(129.42)**	(71.53)	**(129.42)**	(71.53)	-	-
Closing balance	**641.86**	675.96	**465.36**	480.75	**176.50**	195.21
Represented by						
Net defined benefit asset					465.36	480.75
Net defined benefit liability					641.86	675.96
					176.50	195.21

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38 Employee benefits *(Continued)*

C. Plan assets- Gratuity

Plan assets comprise the following

	31-Mar-21	31-Mar-20
Investment in Gratuity Fund	465.36	480.75
	465.36	480.75

The major categories of plans assets for gratuity are as follows:

	March 31, 2021				March 31, 2020			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Insurer (LIC) Managed Funds	-	465.36	465.36	100%	-	480.75	480.75	100%

D. Defined benefit obligations- Gratuity

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	31 March 2021	31 March 2020
Discount rate	5.70%	5.70%
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 March 2021	
	Increase	Decrease
Discount rate (0.5% movement)	(15.85)	16.56
Future salary growth (0.5% movement)	16.43	(15.85)

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.

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, 2022 is Rs. 30 lakhs. The weighted average duration of the defined benefit obligation is 5.05 years (Previous year 6.12 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, 2021 - Post Employment Obligations	**99.30**	**108.33**	**286.74**	**395.40**	**889.77**
March 31, 2020 - Post Employment Obligations	94.57	74.10	299.21	535.79	1,003.67

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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 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Opening balance	**314.22**	282.42	**314.22**	282.42	-	-
Included in profit or loss						
Current service cost	-	0.78	-	-	-	0.78
Interest cost (income)	**17.23**	19.82	**17.23**	19.82	-	-
	331.45	303.02	**331.45**	302.24	-	0.78
Included in SCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:	**(3.41)**	10.22	**(3.41)**	10.22	-	-
	(3.41)	10.22	**(3.41)**	10.22	-	-
Other						
Contributions paid by the employees	-	0.98	-	0.98	-	-
Contributions paid by the employer	-	-	-	0.78	-	(0.78)
Benefits paid	**(24.00)**	-	**(24.00)**	-	-	-
Closing balance	**304.04**	314.22	**304.04**	314.22	-	-
Represented by						
Net defined benefit asset					304.04	314.22
Net defined benefit liability					304.04	314.22
					-	-

F. Plan assets - Provident Fund

Plan assets comprise the following:

	31 March 2021	31 March 2020
Investment in Provident Fund	304.04	314.22
	304.04	314.22

The major categories of plans assets for provident fund are as follows:

	March 31, 2021				March 31, 2020			
	Quoted	**Unquoted**	**Total**	**in %**	Quoted	Unquoted	Total	in %
Government of India Securities	39.15	-	39.15	13%	39.15	-	39.15	12%
Other debt instruments	30.64	199.74	230.38	76%	30.64	199.74	230.38	73%
Others	-	34.50	34.50	11%	-	44.69	44.69	14%

G. Defined benefit obligations - Provident Fund

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	31 March 2021	31 March 2020
Discount rate	**5.70%**	5.70%
Expected rate of return on assets (p.a.)	**8.94%**	8.48%
Discount rate for remaining term to maturity of investment (p.a.)	**5.20%**	5.75%
Average historic yield on the investment (p.a.)	**8.44%**	8.53%
Guaranteed rate of return (p.a.)	**8.50%**	8.50%

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 March 2021	
	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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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 2020 (A)	1,441.29
Additions to right-of-use assets (B)	256.44
Deletion of right-of-use assets (C)	103.85
Depreciation charge for the year (D)	608.11
Balance as at 31 March 2021 (A+B-C-D)	985.77

Right-of-use assets are mainly office premises and vehicles taken on lease.

ii) Lease liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	611.96
One to five year	508.98
More than five years	2.44
Total undiscounted lease liabilities as at 31March 2020	1,123.38

Lease liabilities included in the statement of financial position at 31 March 2021

Current	611.96
Non Current	511.42
Total	1,123.38

iii) Amount recognized in Statement of Profit and Loss

FY 2020-2021 Lease under Ind AS 116

Interest on lease liabilities (Refer note 30)	136.46
Depreciation on right-of-use assets	608.11
short-term leases and low value leases (Refer note 32)	283.70
	1,028.27

FY 2019-2020 Lease under Ind AS 116

Interest on lease liabilities (Refer note 30)	172.64
Depreciation on right-of-use assets	647.60
short-term leases and low value leases (Refer note 32)	314.94
	1,135.18

iv) Amount recognized in Statement of Cash Flow

Repayment of lease liabilities	566.50
Finance cost paid towards lease liabilities	172.64
Total	739.14

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.

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) Modification in Leases

During the current financial year the company has surrendered/vacated some lease before completion of tenure as mentioned in lease Agreements. The company has retired the same in books of accounts and difference of Rs. 12.32 lakhs between ROU asset (103.85 lakhs) & ROU Liability (116.17 lakhs) as on date of retirement has been recognised as profit or loss on retirement of lease in the satement for profit and loss.Further, Impact of same has been considered in Lease Laibilities and ROU Assets as on 31st March 2021.

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40 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2021	31 March 2020
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
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.		
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.		

Capital Commitment:
The company has oustanding capital commitments as on 31st march 2021 against Capex purchase orders amounting to Rs. 4.83 lakhs (31st March 2020 : Rs. 18.20 lakhs).

41 Corporate social responsibility

Particulars	31 March 2021	31 March 2020
Amount required to be spent as per section 135 of the Act:	33.31	-
Fairfax Trust - Contribution for four numbers Dialysis machines	31.01	-
Chameleon Foundation	2.30	
Total	33.31	-

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 were 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 were not applicable on New TCI for FY 19-20

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.

The Scheme has been accounted as specified by NCLT order. The appointed date of the scheme is 1 April 2019.

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.

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43 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.

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43 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 2021	31 Mar 2020
Options outstanding as at the beginning of the year		6,800	10,000
Add: Options granted during the year		-	-
Less: Options lapsed during the year			
Less: Options exercised during the year		-	3,200
Options outstanding as at the year end		6,800	6,800

Thomas Cook ESOP Sch	GT07NOV2016	Number of options	Number of options
		31 Mar 2021	31 Mar 2020
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		1,50,000	-
Options outstanding as at the year end		3,15,594	4,65,594

Thomas Cook ESOP Sch	GT13JUN2018	Number of options	Number of options
		31 Mar 2021	31 Mar 2020
Options outstanding as at the beginning of the year		2,08,900	2,18,900
Add: Options granted during the year			
Less: Options lapsed during the year		-	10,000
Less: Options exercised during the year		-	-
Options outstanding as at the year end		2,08,900	2,08,900

Thomas Cook ESOP Sch	GT05OCT2018	Number of options	Number of options
		31 Mar 2021	31 Mar 2020
Options outstanding as at the beginning of the year		39,989	39,989
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		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, 2021	March 31, 2020
Employee ESOP expenses	183.77	282.95
Employee Stock Expenses	144.70	51.35

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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
Digiphoto Entertainment Imaging LLC	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)

BSR & Co. LLP
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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	2021	54.46	-	-	0.13	-	-	54.59
	2020	877.86	-	-	168.44	-	-	1,046.30
Purchase of services/ (Reversal of purchase)	2021	-	-	(1.72)	-	7.59	-	5.87
	2020	53.79	2,166.53	1,109.13	-	129.74	-	3,459.19
Facility Support Income & Management Fees	2021	-	-	-	85.56	-		85.56
	2020	-	-	-	251.00	-		251.00
ESOP and Stock Expense Charge	2021	328.47	-	-	-	-	-	328.47
	2020	334.30	-	-	-	-	-	334.30
Dividend Income	2021	-	-	-	-	-	-	-
	2020	-	-	-	137.20	-	-	137.20
Rent charges	2021	40.08		-		-		40.08
	2020	33.11		-		-		33.11
Interest Income on Loan Given	2021	-	-	-	-	-	-	-
	2020	-	12.13	-	-	-	-	12.13
Corporate guarantee fees /(Income)	2021	(0.63)	-	-	-	-	-	(0.63)
	2020	0.84	-	-	-	-	-	0.84
Investment in Preference Instrument (ICD converted into investment)	2021	-	-	-	-	-	-	-
	2020	-	171.73	-	-	-	-	171.73
Dividend Paid	2021	2,000.00	-	-	-	-	-	2,000.00
	2020	-	-	-	-	-	-	-
Royalty Income	2021	-	-	-	-	-	-	-
	2020	-	80.09	-	-	-	-	80.09
Expenses reimbursed	2021	499.31	-	15.51	0.90	-	-	515.72
	2020	514.95	-	95.40	1.08	-	-	611.43
Expenses recovered	2021	17.38	-	2.82	-	2.21	-	22.41
	2020	-	-	7.62	1.99	3.42	-	13.03
Salaries and other employee benefits to KMP's	2021	-	-	-	-	-	567.69	567.69
	2020	-	-	-	-	-	788.89	788.89
Commission and other benefits to non-executive/independent directors	2021	-	-	-	-	-	13.23	13.23
	2020	-	-	-	-	-	39.98	39.98

(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	2021	1.71	207.49	-	9.62	-	6.19	225.01
	2020	1.71	207.41	3.42	670.10	1.71	0.30	884.65
Payables	2021	175.01	347.60	60.89	-	3.80	0.13	587.43
	2020	-	359.85	223.67	-	11.84	57.89	653.25

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Central Wing, Tower 4,
Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063

TRAVEL CORPORATION (INDIA) LTD.

(Currency : Indian rupees in Lakhs, unless otherwise stated)

44 Related party transactions *(Continued)*

(I) Related party transactions:

Particulars	Fellow Subsidiaries	2021	2020
Sale of services	SOTC Travel Limited	-	-
Purchases of services	Sterling Group Companies	-	43.94
	SOTC Travel Limited	(1.72)	1,065.19
Expenses reimbursed	SOTC Travel Limited	15.51	95.40
Expenses recovered	SOTC Travel Limited	2.82	5.91
	Sterling Group Companies	-	1.71
Payable:		-	-
Trade Payable	Sterling Group Companies	2.46	1.44
	SOTC Travel Limited	58.43	222.23
Receivable:		-	-
Trade Receivable	SOTC Travel Limited	-	1.71
	Sterling Group Companies	-	1.71

(J) Related party transactions:

Particulars	Subsidiaries	2021	2020
Purchases of services	SITA World Travel Nepal Private Limited	-	2,166.53
	SITA World Travel Lanka (Pvt) Limited	-	-
Interest Income on Loan Given	SITA World Travel Lanka (Pvt) Limited	-	12.13
Royalty Income	SITA World Travel Nepal Private Limited	-	80.09
Investment in Preference Instrument (ICD converted into investment)	SITA World Travel Lanka (Pvt) Limited	-	171.73
Expenses recovered	SITA World Travel Lanka (Pvt) Limited	-	-
Receivable:			
Loan receivable	SITA World Travel Lanka (Pvt) Limited	-	-
Interest Receivable on Loan	SITA World Travel Lanka (Pvt) Limited	-	-
Royalty income Receivable	SITA World Travel Nepal Private Limited	207.49	207.41
Payable:			
Trade Payable	SITA World Travel Nepal Private Limited	347.60	359.85

(K) Related party transactions:

Particulars	Holding Company	2021	2020
Sale of Services	Thomas Cook (India) Limited	54.46	774.95
	Fairfax Financial Holdings Limited	-	102.91
Purchases of services	Thomas Cook (India) Limited	-	53.79
ESOP and Stock Expense Charge	Thomas Cook (India) Limited	328.47	334.30
Rent Charges	Thomas Cook (India) Limited	40.08	33.11
Corporate guarantee fees	Thomas Cook (India) Limited	(0.63)	0.84
Expenses reimbursed	Thomas Cook (India) Limited	499.31	514.95
Expenses recovered	Thomas Cook (India) Limited	17.38	1.71
Dividend Paid	Thomas Cook (India) Limited	2,000.00	-
Receivable:			
Advance to Vendor	Thomas Cook (India) Limited	-	131.18
Trade Receivable	Thomas Cook (India) Limited	1.71	1.71
Payables:			
Rent Payable	Thomas Cook (India) Limited	41.07	-
Trade Payable	Thomas Cook (India) Limited	133.94	-

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TRAVEL CORPORATION (INDIA) LTD.

(Currency : Indian rupees in Lakhs, unless otherwise stated)

44 Related party transactions *(Continued)*

(L) Related party transactions

Particulars	Associate	2021	2020
Sale of Services	TCI Go Vacation Private Limited	0.13	168.44
Facility Support Income & Management Fees	TCI Go Vacation Private Limited	85.56	251.00
Dividend Income	TCI Go Vacation Private Limited	-	137.20
Expenses reimbursed	TCI Go Vacation Private Limited	0.90	1.08
Expenses recovered	TCI Go Vacation Private Limited	-	1.99
Receivables:			
Advance to Vendor	TCI Go Vacation Private Limited	-	587.83
Trade Receivable	TCI Go Vacation Private Limited	9.62	82.27

(M) Related party transactions

Particulars	Other related party	2021	2020
Purchases of services	Luxe Asia Private Limited	-	121.23
	Quess Corp Limited	7.59	8.51
		-	-
Expenses recovered	National Collateral Management Services Limited	-	1.71
	Quess Corp Limited	-	1.71
	Digiphoto Entertainment Imaging LLC	2.21	-
Receivables:			
Trade Receivable	National Collateral Management Services Limited	-	1.71
	Quess Corp Limited	-	1.71
	Luxe Asia Private Limited	2.99	-
	Digiphoto Entertainment Imaging LLC	2.21	
Payables:			
Trade Payable	Luxe Asia Private Limited	-	7.29
	Quess Corp Limited	3.80	4.55

(N) Transactions with key management personnel

Particulars	2021	2020
Salaries and other employee benefits to KMP's	567.69	788.89
Commission and other benefits to non-executive/independent directors	13.23	39.98
Receivables:		
Employee Advance Receivable	6.19	0.30
Payables:		
Commission Payable	-	55.95
Employee Payable	0.13	1.94

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Goregaon (East),
Mumbai - 400 063

TRAVEL CORPORATION (INDIA) LTD.

(Currency : Indian rupees in Lakhs, unless otherwise stated)

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 2021	31 Mar 2020
-Travel and tour related services	272.34	43,351.34
	272.34	43,351.34

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 2021	31 Mar 2019
-Travel and tour related services	272.34	43,351.34
	272.34	43,351.34

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 2021	31 Mar 2020
Balance at the beginning of the year	-	396.46
Revenue recognised during the year	243.15	42,156.81
Invoices raised during the year	(243.15)	(42,553.27)
Balance at the end of the year	-	-

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TRAVEL CORPORATION (INDIA) LTD.

45 Ind AS 115 'Revenue from Contracts with Customers' *(Continued)*

(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 2021	31 Mar 2020
-Advance collected from customers	1,630.60	1,789.04
	1,630.60	1,789.04

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 took 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 lockdown restrictions, the Company started re-opening its branches and other establishments. However, the operations of the Company are still severally affected as prohibition on international travel of passengers for tourism to India still continues. As a result of which the company has not had substantial business in the curreny year.

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 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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TRAVEL CORPORATION (INDIA) LTD.

Travel Corporation (India) Limited

(Formerly known as SOTC Travel management limited)

Notes to the financial statements *(Continued)*

for the year ended 31 March 2021

(Currency : Indian rupees in Lakhs, unless otherwise stated)

47 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.

Significant accounting policies
The notes from 1 to 47 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
28 April 2021

For and on behalf of the Board of Directors of
Travel Corporation (India) Limited
[CIN: U63040MH2001PLC131693]

Dipak Deva
Managing Director
[DIN:02030005]
New Delhi

Madhavan Menon
Director
[DIN No: 00008542]
Mumbai

Sanjay Shroff
Chief Financial Officer
Gurugram
28 April 2021

TRAVEL CORPORATION (INDIA) LTD.
Tower B,
Delta Square,
M G. Road,
Sector-25
GURGAON-122001

Megha Sekharan
Company Secretary

Mumbai
28 April 2021

Travel Circle International (Mauritius) Ltd

FINANCIAL STATEMENTS
YEAR ENDED
31 March 2021

Travel Circle International (Mauritius) Ltd

Contents

Travel Circle International (Mauritius) Ltd

Corporate data

			Date appointed
Directors	:	Mr Mohinder Shakeel Dyall	26 May 2017
		Ms Sangeeta Bissessur	11 September 2018
Company Secretary	:	SANNE Mauritius Sanne House, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	
Registered Office	:	C/o SANNE Mauritius Sanne House, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	
Auditors	:	Grant Thornton Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius	
Bankers	:	The Mauritius Commercial Bank Ltd Sir William Newton Street Port Louis Republic of Mauritius	
		Axis Bank Limited Gift City Branch, Unit No. 403 4th Floor, Hiranandani Signature Gandhinagar, Gujarat – 382355 Republic of India	
		Standard Chartered Bank Crescenzo, 6th Floor Bandra East Mumbai – 400051 Republic of India	
		Standard Chartered Bank Business Centre Khalid Bin Waleed Road Bur Dubaid – P.O Box 999 Dubai United Arab Emirates	

Travel Circle International (Mauritius) Ltd

Commentary of the directors

The directors of **Travel Circle International (Mauritius) Ltd**, the "Company", have the pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2021.

Incorporation

The Company was incorporated in the Republic of Mauritius on 26 May 2017 under the Mauritius Companies Act 2001 as a private company with liability limited by shares.

Principal activity

The principal activity of the Company is to hold investments.

Results and dividends

The results for the year are as shown on page 10.

The directors do not recommend the payment of any dividend for the year under review (2020: USD Nil).

Directors

The present membership of the Board is set out on page 2.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and IFRS. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office.

Certificate from the Secretary to the members of Travel Circle International (Mauritius) Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Travel Circle International (Mauritius) Ltd** under the Mauritius Companies Act 2001, during the financial year ended 31 March 2021.

for **SANNE Mauritius**
Company Secretary

Registered Office:
Sanne House, Bank Street
TwentyEight Cybercity
Ebene 72201
Republic of Mauritius

Date: 12 July 2021

Grant Thornton

Independent auditors' report
To the members of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Travel Circle International (Mauritius) Ltd**, the "Company", which comprise the statement of financial position as at 31 March 2021, and the statement of 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 on pages 9 to 31 give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data and the Commentary of the Directors sections, 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.

Independent auditors' report (Continued)
To the members of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

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

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 International Standards on Auditing 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 International Standards on Auditing, 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.

Independent auditors' report (Continued)
To the members of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 auditors' 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;

- we have obtained all the information and explanations we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Independent auditors' report (Continued)
To the members of Travel Circle International (Mauritius) Ltd

Other Matter

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Date: 12 JUL 2021

Ebene 72201, Republic of Mauritius

Travel Circle International (Mauritius) Ltd

Statement of financial position as at 31 March

	Notes	2021 USD	2020 USD
Assets			
Non-current			
Investments in subsidiaries	7	**24,606,816**	24,606,816
Loans	8	**3,345,000**	4,445,000
Non-current assets		**27,951,816**	29,051,816
Current			
Loans	8	**33,782,325**	14,181,472
Receivables	9	**192,794**	266,356
Investment in fixed deposits	10	**1,542,429**	1,517,043
Cash and cash equivalents	11	**1,173,327**	2,717,083
Current assets		**36,690,875**	18,681,954
Total assets		**64,642,691**	47,733,770
Equity and liabilities			
Equity			
Stated capital	12.1	**4,133,001**	4,133,000
Share premium	12.2	**5**	-
Optionally convertible redeemable preference shares	13	**25,910,000**	25,910,000
Accumulated losses		**(2,019,182)**	(2,452,394)
Total equity		**28,023,824**	27,590,606
Liabilities			
Non-current liabilities			
Borrowings	14	**10,000,000**	15,000,000
Current			
Borrowings	14	**26,374,810**	5,087,129
Payables	15	**244,057**	56,035
Current liabilities		**26,618,867**	5,143,164
Total liabilities		**36,618,867**	20,143,164
Total equity and liabilities		**64,642,691**	47,733,770

Approved by the Board on **12 July 2021** and signed on its behalf by:

Director

Director

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of comprehensive income for the year ended 31 March

	Notes	2021 USD	2020 USD
Income			
Interest income	8(iii) & 10(ii)	**501,507**	463,878
Net foreign exchange gains		**1,178,947**	-
Payables written back	16	**10,089**	-
Dividend income	7.7	**-**	264,000
Total income		**1,690,543**	727,878
Expenditure			
Legal and secretarial expenses		**75,598**	182,839
Professional fees		**197,790**	320,670
Fines	21	**137,783**	-
Other expenses		**30,272**	42,347
Audit fees		**5,501**	4,600
Accounting fees		**12,000**	12,000
Processing fees		**65,001**	65,179
Corporate guarantee fees		**37,730**	38,867
Net foreign exchange losses		**-**	773,876
Interest expense	14(iii)	**695,656**	797,264
Total expenditure		**1,257,331**	2,237,642
Profit/(loss) before tax		**433,212**	(1,509,764)
Tax expense	17	**-**	-
Profit/(loss) for the year		**433,212**	(1,509,764)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified subsequently to profit or loss		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**433,212**	(1,509,764)

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of changes in equity for the year ended 31 March

	Stated capital USD	Share premium USD	Optionally convertible redeemable preference shares USD	Accumulated losses USD	Total USD
At 01 April 2020	**4,133,000**	**-**	**25,910,000**	**(2,452,394)**	**27,590,606**
Issue of shares (Notes 12.1 & 12.2)	**1**	**5**	**-**	**-**	**6**
Transaction with the shareholders	**1**	**5**	**-**	**-**	**6**
Profit for the year	**-**	**-**	**-**	**433,212**	**433,212**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**433,212**	**433,212**
At 31 March 2021	**4,133,001**	**5**	**25,910,000**	**(2,019,182)**	**28,023,824**
At 01 April 2019	4,133,000	-	25,910,000	(942,630)	29,100,370
Loss for the year	-	-	-	(1,509,764)	(1,509,764)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,509,764)	(1,509,764)
At 31 March 2020	4,133,000	-	25,910,000	(2,452,394)	27,590,606

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of cash flows for the year 31 March

	2021 USD	2020 USD
Operating activities		
Profit/(loss) before tax	**433,212**	(1,509,764)
Adjustments for:		
Net foreign exchange (gains)/losses	**(1,178,947)**	773,876
Payables written back	**(10,089)**	-
Receivables written off	**8,562**	-
Interest income	**(501,507)**	(463,878)
Interest expense	**695,656**	797,264
Operating loss before working capital changes	**(553,113)**	(402,502)
Changes in working capital:		
Change in payables	**202,325**	(231,803)
Change in receivables	**65,000**	65,179
Total changes in working capital	**267,325**	(166,624)
Net cash used in operating activities	**(285,788)**	(569,126)
Investing activities		
Investment in fixed deposits	**(1,501,561)**	(2,236,325)
Fixed deposits encashed	**1,501,562**	740,000
Net cash from/(used in) investing activities	**1**	(1,496,325)
Financing activities		
Proceeds from issue of shares	**6**	-
Loans from related parties	**21,000,000**	-
Loans to related parties	**(16,850,000)**	368,322
Loans from banks	**(5,000,000)**	-
Interest paid	**(407,975)**	(803,281)
Net cash used in financing activities	**(1,257,969)**	(434,959)
Net change in cash and cash equivalents	**(1,543,756)**	(2,500,410)
Cash and cash equivalents, at beginning of the year	**2,717,083**	5,217,493
Cash and cash equivalents, at end of the year	**1,173,327**	2,717,083
Cash and cash equivalents made up of:		
Cash at bank (Note 11)	**1,173,327**	2,717,083

For reconciliation of liabilities arising from financing activities, refer to **Note 19**.

The notes on pages 13 to 31 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2021

1. General information and statement of compliance with the International Financial Reporting Standards ("IFRS")

Travel Circle International (Mauritius) Ltd, the "Company", was incorporated on 26 May 2017 in the Republic of Mauritius under the Mauritius Companies Act 2001 as a private company with liability limited by shares. The Company holds a Global Business Licence issued (formerly Category 1 Global Business Licence) by the Financial Services Commission. The Company's registered office is Sanne House, Bank Street, TwentyEight Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual year beginning on 01 April 2020

In the current year, the following new and revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 April 2020:

IFRS 3	Definition of a Business (Amendments to IFRS 3)
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Management has assessed the impact of these revised standards and concluded that none of them have an impact on the Company's financial statements.

2.2 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activity, will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below:

IFRS 16	COVID-19-Related Rent Concessions (Amendment to IFRS 16)
Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 17	Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management has yet to assess the impact of the above standards and amendments to existing standards on the Company's financial statements.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company 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.

Investments in subsidiaries are initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

The Company does not present consolidated financial statements as it is wholly-owned by a parent company (see Note 7.4).

3.3 Foreign currency

Functional and presentation currency

The financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.4 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is accounted on an accrual basis unless collectability is in doubt.

3.5 Operating expenses

Operating expenses are accounted on an accrual basis in the statement of comprehensive income.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the year of the borrowings using the effective interest method.

Borrowing costs are expensed in the year in which they are incurred.

3.7 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of an impairment loss exists, the carrying amount of the asset is assessed and is written down to its recoverable amount.

3.8 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of receivables which is presented within other expenses.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.8 Financial instruments (Continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's loans, investment in fixed deposits, cash and cash equivalents and most receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of these requirements include mainly loans.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for its loans and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company writes off a financial asset when there is information indicating that the borrowers are in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include payables and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.8 Financial instruments (Continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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.

3.9 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Equity and reserves

Stated capital is determined using the nominal values of shares that have been issued. The amount received in excess of the nominal values is classified as share premium.

Accumulated losses include all the current and prior years' results as disclosed in the statement of comprehensive income.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.12 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from, or obligations to fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.13 Provisions

Provisions 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 embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses.

All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.14 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.15 Significant management judgements in applying accounting policies and estimation uncertainties

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Significant management judgements

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Impact of COVID-19 and going concern

In January 2020, the World Health Organisation has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of COVID-19 on the Company's investment activities and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the holding companies' financial capacity to provide continuing financial support to the Company, future investment strategies of the group and global economic conditions.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.15 Significant management judgements in applying accounting policies and estimation uncertainties (Continued)

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of loans

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its loans. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Impairment of investments in subsidiaries

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts have not suffered any impairment in value at the reporting date.

4. Financial instrument risk

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company risk management policies are designed to identify and analyse these risks, to set up appropriate risk limits and controls, and to monitor the risks.

The Company's risk is managed at group level and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

The Company's financial assets and financial liabilities by category are summarised below:

	2021 USD	2020 USD
Financial assets		
Amortised cost		
Non-current assets		
Loans	**3,345,000**	4,445,000
Current		
Loans	**33,782,325**	14,181,472
Receivables*	**-**	8,562
Investment in fixed deposits	**1,542,429**	1,517,043
Cash and cash equivalents	**1,173,327**	2,717,083
Current assets	**36,498,081**	18,424,160
Total financial assets	**39,843,081**	22,869,160

	2021 USD	2020 USD
Financial liabilities		
Amortised cost		
Non-current		
Borrowings	**10,000,000**	15,000,000
Current		
Borrowings	**26,374,810**	5,087,129
Payables	**244,057**	56,035
	26,618,867	5,143,164
Total financial liabilities	**36,618,867**	20,143,164

* *Receivables considered as financial assets exclude prepayments.*

The most significant financial risks to which the Company is exposed are described below.

4.1 Market risks analysis

Foreign currency exchange risk

The Company's exposure to foreign exchange risk relates mostly to its financial assets and liabilities denominated in Australian Dollars ("AUD").

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.1 Market risks analysis (Continued)

Foreign currency exchange risk (Continued)

The currency profile of the Company's financial assets and liabilities is as follows:

	Financial assets 2021 USD	Financial assets 2020 USD	Financial liabilities 2021 USD	Financial liabilities 2020 USD
Australian Dollar ("AUD")	**5,977,704**	4,713,011	-	-
United States Dollar ("USD")	**33,865,377**	18,156,149	**36,618,867**	20,143,164
Total	**39,843,081**	22,869,160	**36,618,867**	20,143,164

It assumes a 10% change in the AUD/USD exchange rates for the year ended 31 March 2021 (2020: 10%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the AUD by 10%, profit would have decreased by USD 597,770 at 31 March 2021 (2020: loss would have increased by USD 471,301). If the USD had weakened by the same percentage against the foreign currency, profit would have increased by USD 597,770 (2020: loss would have decreased by USD 471,301).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest-bearing financial assets and financial liabilities in the form of loans and borrowings respectively. The interests thereon are at fixed rate.

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised overleaf:

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.2 Credit risk analysis (Continued)

	2021 USD	2020 USD
Non-current assets		
Loans	**3,345,000**	4,445,000
Current		
Loans	**33,782,325**	14,181,472
Receivables*	-	8,562
Investment in fixed deposits	**1,542,429**	1,517,043
Cash and cash equivalents	**1,173,327**	2,717,083
Current assets	**36,498,081**	18,424,160
Total	**39,843,081**	22,869,160

* *Receivables considered as financial assets exclude prepayments.*

The directors have assessed the loans due from related parties and concluded that these loans have not suffered from any impairment at the reporting date, hence no expected credit loss is to be recognised. Furthermore, the holding companies have undertaken to make good any loss suffered by the Company in the event of any default arising out from these loans. Also, the Company, acting as an investment vehicle, forms part of a group where the treasury functions are centrally managed and all loans within group companies are managed at the holding company level.

The credit risk for the investment in fixed deposits and cash and cash equivalents is considered negligible, since the Company transacts with reputable banks.

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk 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 Company's reputation. The Company manages its liquidity needs by carefully monitoring its cash outflows due in day-to-day business and also by securing the financial support of its holding companies and financial institutions.

The Company considers expected cash flows from financial assets in assessing liquidity risk, in particular its cash resources and loans.

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.3 Liquidity risk analysis (Continued)

The following are the contractual maturities of financial liabilities:

31 March 2021	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Borrowings	**36,374,810**	**37,616,566**	**27,412,119**	**10,204,447**
Payables	**244,057**	**244,057**	**244,057**	**-**
	36,618,867	**37,860,623**	**27,656,176**	**10,204,447**

31 March 2020	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Borrowings	20,087,129	23,189,056	5,797,264	17,391,792
Payables	56,035	56,035	56,035	-
	20,143,164	23,245,091	5,853,299	17,391,792

5. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to shareholders and stakeholders.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital:

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

5. Capital management policies and procedures (Continued)

	2021 USD	2020 USD
Debt	**15,008,735**	20,022,177
Cash and cash equivalents	**(1,173,327)**	(2,717,083)
Net debt	**13,835,408**	17,305,094
Equity	**28,023,824**	27,590,606
Total capital	**41,859,232**	44,895,700
Gearing ratio	**33.05%**	38.55%

Debt includes loans from banks but excludes loans from related parties (Note 14).

6. Fair value measurement

6.1 Fair value measurement of financial instruments

The Company's financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

The Company, acting as an investment vehicle in the group, has invested in a number of unquoted companies engaged in diversified business activities. The Company's policy is to revalue its financial assets on an annual basis for financial reporting purposes in collaboration with its holding company. The valuation is discussed at appropriate authority level and due consideration is given to impairment losses. The directors consider that it is not relevant and practicable to adjust for any fair value movement at the Company's level given the business model in which the Company operates within the group.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of investments in subsidiaries and prepayments and it did not have any non-financial liabilities.

For non-financial assets, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

7. Investments in subsidiaries

7.1 Movement during the year

	2021 USD	2020 USD
At 01 April and 31 March	**24,606,816**	24,606,816

7.2 Details pertaining to the investments are as follows:

Name of companies	Country of Incorporation	% Holding
Kuoni Australia Holding Pty Ltd	Australia	100%
Asian Trails Holdings Ltd	Republic of Mauritius	100%
Reem Tours and Travel LLC (Note 7.5)	United Arab Emirates	100%
Gulf Dunes LLC (Note 7.5)	United Arab Emirates	100%
Desert Adventures Tourism LLC (Note 7.5)	United Arab Emirates	100%
Kuoni Private Safaris (Pty) Ltd	Republic of South Africa	100%
Private Safaris (EA) Ltd	Kenya	100%
DEI Holdings Limited	United Arab Emirates	51%

7.3 As the Company forms part of a group, the impairment assessment for financial reporting is done at group level. The directors consider that these investments have not suffered any impairment at the reporting date.

7.4 No consolidated financial statements are presented as the Company's ultimate holding company, Thomas Cook (India) Limited, will present consolidated financial statements under IFRS. The registered office of Thomas Cook (India) Limited is Thomas Cook Building, Dr Dadabhai Naoroji Road, Fort, Mumbai – 400001, Maharashtra, Republic of India.

7.5 The Company holds 49% each of the shares of Reem Tours and Travel LLC, Gulf Dunes LLC and Desert Adventures Tourism LLC and the remaining shares are indirectly held by the Company through distinct nominees. The Company maintains beneficial ownership of these investments.

7.6 The Company has not received any dividend income during the current financial year (2020: USD 264,000).

Notes to the financial statements

For the year ended 31 March 2021

8. Loans

	2021 USD	2020 USD
Non-current		
Loan to a related company (Note (i))	**3,345,000**	4,445,000
Current		
Loans to related companies (Note (ii))	**33,782,325**	14,181,472
Total	**37,127,325**	18,626,472

(i) The loan is unsecured, receivable over a period of twelve months and interest-free.

(ii) The loans are unsecured, receivable within twelve months, partly interest-free and partly bear interest.

(iii) Interest accrued on the loans to related companies for the year amounted to USD 476,120 (2020: USD 436,835).

(iv) Expected credit losses

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all its loans receivable as these items do not have a significant financing component.

The directors consider no expected credit loss is to be recognised for the loans receivable as the borrowers form part of the same group of companies and the holding companies have undertaken to make good of any loss suffered by the Company in the event of any default arising out from these loans receivable.

9. Receivables

	2021 USD	2020 USD
Prepayments	**192,794**	257,794
Other receivables	**-**	8,562
Total	**192,794**	266,356

10. Investment in fixed deposits

	2021 USD	2020 USD
At 01 April 2020	**1,517,043**	-
Investment during the year	**1,502,561**	2,230,000
Redeemed during the year	**(1,502,562)**	(740,000)
Interest element	**25,387**	27,043
At 31 March 2021	**1,542,429**	1,517,043

(i) At 31 March 2021, the Company held fixed deposits with maturity dates of 03 August 2021 and 10 June 2024 and interest rates which vary from 0.10% to 3%.

(ii) Interest accrued on the investment in fixed deposits for the year amounted to USD 25,387 (2020: USD 27,043).

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

11. Cash and cash equivalents

	2021 USD	2020 USD
Cash at bank (USD)	**1,173,327**	2,717,083

12.1 Stated capital

	2021 USD	2020 USD
4,133,001 ordinary shares of USD 1 each	**4,133,001**	4,133,000

Pursuant to board meeting held on 25 January 2021, the Board approved the issue of 1 ordinary share of par value USD 1 to Thomas Cook (Mauritius) Holding Company Limited, at a price of USD 6.18, thus resulting in a premium of USD 5.18 (Note 12.2).

12.2 Share premium

	2021 USD
Share premium	**5**

13. Optionally convertible redeemable preference shares ("OCRPS")

	2021 USD	2020 USD
Nominal value	**23,649,535**	23,649,535
Share premium (Note 13.3)	**2,260,465**	2,260,465
Total	**25,910,000**	25,910,000

13.1 The OCRPS are redeemable at the option of the issuer anytime during the tenure of these shares. At the end of 20 years from date of issue, the OCRPS shall be converted into ordinary shares.

13.2 The OCRPS carry the following rights:

- to receive notice of and attend shareholder meetings generally and class meetings of the OCRPS but no right to vote on any matters to be considered by the shareholders generally, provided that each OCRPS shall have the right to vote on any matter to be considered by holders of the OCRPS shares.

- right to dividend out of profits, only if, dividend is also declared to equity shareholders. OCRPS dividend would be non-cumulative. However, the Board would have the right to change the dividend rights at any time during the tenure of the OCRPS.

13.3 In prior years, 3,139,535 OCRPS have been issued at a premium of USD 0.72 per share, resulting in a premium of USD 2,260,465.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

14. Borrowings

	2021 USD	2020 USD
Non-current		
Loans from banks (Note (i))	**10,000,000**	15,000,000
Current		
Loans from banks (Note (i))	**5,008,735**	5,022,177
Loans from related parties (Note (ii))	**21,366,075**	64,952
Total current	**26,374,810**	5,087,129
Total borrowings	**36,374,810**	20,087,129

(i) The loans from the banks are interest-bearing and secured by a fixed charge on the Company's investment in DEI Holdings Limited and Desert Adventures Tourism LLC, a corporate guarantee by Thomas Cook (India) Limited and an exclusive charge on the next quarter payment of the principal and interest amount that should be deposited in the debt service reserve account.

(ii) The loans from the related parties are interest-bearing, unsecured and repayable within twelve months. The directors consider the carrying amount of the loans to be a reasonable approximation of the fair values.

(iii) Interest accrued on the loans for the year amounted to USD 695,656 (2020: USD 797,264).

15. Payables

	2021 USD	2020 USD
Accruals	**229,057**	53,035
Due to a related party	**15,000**	3,000
Total	**244,057**	56,035

The amount due to the related party is interest-free, unsecured and repayable within twelve months.

16. Payables written back

During the year, an amount of USD 10,089 was written back as it no longer represents a valid liability.

17. Taxation

17.1 Income tax expense

The taxation of income and capital gains of the Company are subject to the fiscal laws and practice of the Republic of Mauritius and the countries in which the Company invests. The following is a summary in the key jurisdictions based on the taxation laws and practice currently in force; these may be subject to change.

Notes to the financial statements

For the year ended 31 March 2021

17. Taxation (Continued)

17.1 Income tax expense (Continued)

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of the income of the Company from tax in Mauritius, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

At 31 March 2021, the Company had no income tax liability due to accumulated tax losses of USD 1,455,881 (2020: USD 912,877) carried forward.

17.2 Income tax reconciliation

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2021 USD	2020 USD
Profit/(loss) before tax	**433,212**	(1,509,764)
Tax at 3%	**12,996**	(45,293)
Non-allowable expenses	**6,024**	39,131
Exempt income	**(35,368)**	(7,920)
Deferred tax not recognised	**16,348**	14,082
Tax expense	**-**	-

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

18. Related party transactions

During the year ended 31 March 2021, the Company had transactions with related entities. The nature, volume of transactions and balances with related parties are as follows.

Name of related party	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2021 USD	Debit/(credit) balances at 31 March 2020 USD
Asian Trails Holdings Ltd	Borrowings	-	**(53,944)**	(53,944)
PT Asian Trails Indonesia	Borrowings	-	**(6,823)**	(6,823)
Asian Trails (Vietnam) Co. Ltd	Borrowings	-	**(4,185)**	(4,185)
Thomas Cook (India) Limited	Borrowings	**14,721,346**	**(14,721,346)**	-
SOTC Travel Limited	Borrowings	**5,623,019**	**(5,623,019)**	-
Thomas Cook (Mauritius) Holding Company Limited	Borrowings	**956,758**	**(956,758)**	-
Asian Trails Holdings Ltd	Loan receivable	**2,751,694**	**13,356,006**	10,604,312
DEI Holdings Limited	Loan receivable	**7,936,443**	**10,237,758**	2,301,315
Desert Adventures Tourism LLC	Loan receivable	**3,810,284**	**3,810,284**	-
Kuoni Australia Holding Pty. Ltd	Loan receivable	**1,264,693**	**5,977,704**	4,713,011
Private Safaris Africa	Loan receivable	**861,311**	**861,311**	-
Private Safaris (EA) Ltd	Loan receivable	**100,000**	**100,000**	-
Horizon Travel Services	Loan receivable	**1,776,428**	**2,784,262**	1,007,834
Thomas Cook (Mauritius) Holding Company Limited	Payables	**12,000**	**(15,000)**	(3,000)
SOTC Travel Limited	OCRPS	-	**(11,600,000)**	(11,600,000)
Thomas Cook (India) Limited	OCRPS	-	**(14,310,000)**	(14,310,000)

The terms and conditions are described in Notes 8, 13, 14 and 15 to these financial statements.

19. Reconciliation of liabilities arising from financing activities

2021	At 01 April 2020 USD	Cash flows USD	Non-cash flows USD	At 31 March 2021 USD
Loans from related parties	**64,952**	**21,000,000**	**301,123**	**21,366,075**
Loans from banks	**20,022,177**	**(5,407,975)**	**394,533**	**15,008,735**
Total	**20,087,129**	**15,592,025**	**695,656**	**36,374,810**

2020	At 01 April 2019 USD	Cash flows USD	Non-cash flows USD	At 31 March 2020 USD
Loans from related parties	64,952	-	-	64,952
Loans from banks	20,028,194	(803,281)	797,264	20,022,177
Total	20,093,146	(803,281)	797,264	20,087,129

Notes to the financial statements

For the year ended 31 March 2021

20. Holding companies

The holding companies are SOTC Travel Limited and Thomas Cook (India) Limited, companies incorporated in the Republic of India and Thomas Cook (Mauritius) Holding Company Limited, a company incorporated in the Republic of Mauritius.

21. Events after reporting date

The Covid-19 outbreak was declared as a pandemic by the World Health Organisation and this pandemic globally is causing disturbance and slowdown of economic activity. The directors with the assistance of the holding companies have performed an assessment to determine the extent of the effects on the Company's activities and certain strategic measures have already been taken to ensure that there is no major disruption and that obligations are met as and when they fall due. The directors are closely monitoring the evolution given the high level of unpredictability and uncertainties and other measures will be taken to alleviate any potential negative effects on the Company's activities.

In addition, the decision for the sanction imposed by the Business Competition Supervisory Commission (KPPU) of Indonesia regarding the late notifications for the acquisition of shares in Asian Trails Holdings Ltd and DEI Holdings Limited, was read out on 12 April 2021. The fines payable to the Indonesian Authorities amount to Indonesian Rupiah 2 billion, equivalent to USD 137,783 at the reporting date. This is considered as an adjusting event and a provision has been made in the financial statements.

Except from the above, there has been no significant event after the reporting date which requires disclosures or amendments to the 31 March 2021 financial statements.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Contents

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Corporate data

			Date appointed	Date resigned
Directors	:	Mr Madhavan Menon	19 November 2001	-
		Mr Mahesh Chandran Iyer	04 January 2013	-
		Mr Mohinder Dyall	04 September 2013	-
		Mr Ramakrishna Sithanen	19 January 2016	-
		Mr Mathew John Lamport	19 January 2016	15 February 2021
		Mr Debasis Nandy	20 August 2018	-
		Mrs Lovina Devina Ouma Pertab	01 April 2019	-

Administrator and Secretary : Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port Louis
Republic of Mauritius

Registered office : C/o Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port Louis
Republic of Mauritius

Auditors : Grant Thornton
Ebene Tower
52 Cybercity
Ebene 72201
Republic of Mauritius

Banker : The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Republic of Mauritius

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Annual report

The directors present their annual report together with the audited financial statements of Thomas Cook (Mauritius) Holding Company Limited, the "Company", for the year ended 31 March 2021.

Principal activity

The principal activity of the Company is to hold investments.

Results and dividends

The results for the year are as shown on page 11.

The directors did not recommend the payment of a dividend for the year under review (2020: Nil).

Directors

The present membership of the Board is set out on page 2.

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' interests

The directors do not hold any interests in the ordinary shares of the Company.

Significant contracts

No contracts of significance exist between the Company and its directors.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Annual report (Contd)

Donations

The Company has not made any donations during the year under review (2020: Nil).

Directors' remuneration

	2021 USD	2020 USD
Directors' remuneration including sitting fees:		
Mr Ramakrishna Sithanen	**2,314**	456
Mr Mathew John Lamport	**1,157**	1,825
Mrs Lovina Devina Ouma Pertab	**1,543**	1,368
	5,014	3,649

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting. The fees of USD 3,730 (2020: USD 3,680) (including VAT) payable to the auditors are exclusively for audit services.

Director

Director

Date: 06 AUG 2021

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Certificate from the Secretary to the member of Thomas Cook (Mauritius) Holding Company Limited

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Thomas Cook (Mauritius) Holding Company Limited,** under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 31 March 2021.

for **Executive Services Limited**
Company Secretary
Per Didier Angseesing

Registered office:

2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port Louis
Republic of Mauritius

EXECUTIVE SERVICES LTD

Date: 06 AUG 2021

Independent auditors' report
To the member of Thomas Cook (Mauritius) Holding Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thomas Cook (Mauritius) Holding Company Limited, the "Company", which comprise the statement of financial position as at 31 March 2021, and the statement of 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 on pages 10 to 25 give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data and the Annual Report sections, 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.

Grant Thornton

Independent auditors' report (Contd)
To the member of Thomas Cook (Mauritius) Holding Company Limited

Report on the Audit of the Financial Statements (Contd)

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

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 International Standards on Auditing 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 International Standards on Auditing, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditors' report (Contd)
To the member of Thomas Cook (Mauritius) Holding Company Limited

Report on the Audit of the Financial Statements (Contd)

Auditors' Responsibilities for the Audit of the Financial Statements (Contd)

- 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 auditors' 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;

- we have obtained all the information and explanations we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Independent auditors' report (Contd)
To the member of Thomas Cook (Mauritius) Holding Company Limited

Other matter

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Date: 06 AUG 2021

Ebene 72201, Republic of Mauritius

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Statement of financial position as at 31 March

	Notes	2021 USD	2020 USD
Assets			
Non-current assets			
Investments in subsidiaries	7	**716,790**	1,596,417
Financial assets at fair value through profit or loss	8	**6**	-
Total non-current assets		**716,796**	1,596,417
Current			
Loan	9	**950,000**	-
Receivables	10	**32,268**	3,000
Cash and cash equivalents	11	**803**	29,839
Total current assets		**983,071**	32,839
Total assets		**1,699,867**	1,629,256
Equity and liabilities			
Equity			
Stated capital	12	**1,655,500**	1,655,500
Retained earnings/(accumulated losses)		**35,452**	(34,232)
Total equity		**1,690,952**	1,621,268
Liabilities			
Current			
Payables	13	**8,915**	7,988
Total liabilities		**8,915**	7,988
Total equity and liabilities		**1,699,867**	1,629,256

Approved by the Board of Directors on 06 AUG 2021 and signed on its behalf by:

Director

Director

The notes on pages 14 to 25 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Statement of comprehensive income for the year ended 31 March

	Notes	2021 USD	2020 USD
INCOME			
Gain on disposal	7	**70,373**	-
Interest income	9	**6,768**	-
Other income	14	**12,000**	12,000
Total income		**89,141**	12,000
EXPENDITURE			
Secretarial fees		**1,034**	895
Directors' fees		**5,014**	3,649
Audit fees		**3,730**	3,880
Taxation fees		**1,208**	1,150
Bank charges		**602**	277
Penalty fees		**30**	30
Other expenses		**39**	13
Accounting services		**7,800**	7,000
Total expenditure		**19,457**	16,894
Operating profit/(loss)		**69,684**	(4,894)
Tax expense	15	-	-
Profit/(loss) for the year		**69,684**	(4,894)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income the year		**69,684**	(4,894)

The notes on pages 14 to 25 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Statement of changes in equity for the year ended 31 March

	Stated capital USD	(Accumulated losses)/retained earnings USD	Total USD
At 01 April 2020	**1,655,500**	**(34,232)**	**1,621,268**
Profit for the year	**-**	**69,684**	**69,684**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**69,684**	**69,684**
At 31 March 2021	**1,655,500**	**35,452**	**1,690,952**
At 01 April 2019	1,655,500	(29,338)	1,626,162
Loss for the year	-	(4,894)	(4,894)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(4,894)	(4,894)
At 31 March 2020	1,655,500	(34,232)	1,621,268

The notes on pages 14 to 25 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Statement of cash flows for the year ended 31 March

	Note	2021 USD	2020 USD
Operating activities			
Profit/(loss) before tax		**69,684**	(4,894)
Adjustment for:			
Gain on disposal	7	**(70,373)**	-
Operating cash flows before movements in working capital		**(689)**	(4,894)
Net changes in working capital:			
Change in receivables		**(29,268)**	(3,000)
Change in accruals		**927**	(4,724)
Total changes in working capital		**(28,341)**	(7,724)
Net cash used in operating activities		**(29,030)**	(12,618)
Investing activity			
Acquisition of financial assets		**(6)**	-
Loan granted to a related party	9	**(950,000)**	-
Net cash used in investing activity		**(950,006)**	-
Financing activity			
Proceeds from disposal	7	**950,000**	-
Net cash from financing activity		**950,000**	-
Net change in cash and cash equivalents		**(29,036)**	(12,618)
Cash and cash equivalents, beginning of the year		**29,839**	42,457
Cash and cash equivalents, end of the year		**803**	29,839
Cash and cash equivalents made up of:			
Cash at bank	9	**803**	29,839

The notes on pages 14 to 25 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Notes to the financial statements

For the year ended 31 March 2021

1. General information and statement of compliance with International Financial Reporting Standards ("IFRS")

Thomas Cook (Mauritius) Holding Company Limited, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 20 December 1994 as a private company with liability limited by shares. The Company's registered office is C/o Executive Services Limited, 2nd Floor, Les Jamalacs Building, Vieux Conseil Street, Republic of Mauritius.

The principal activity of the Company is to hold investments. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual periods beginning on 01 April 2020

In the current year, the following new and revised standards issued by the IASB became mandatory for the first time for the financial period beginning on 01 April 2020:

IFRS 3	Definition of a Business (Amendments to IFRS 3)
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Management have assessed the impact of these new and revised standards and concluded that none of these have an impact on the disclosures of these financial statements.

2.2 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activity, will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below:

IFRS 16	COVID-19-Related Rent Concessions (Amendment to IFRS 16)
Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 17	Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management have yet to assess the impact of the above standards and amendments to existing standards on the Company's financial statements.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, where appropriate.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance income or finance costs, except for impairment losses which are presented within other expenses.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.2 Financial instruments (Contd)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loan to related party and most of its receivables fall into this category of financial instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include payables and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Company holds investment in Travel Circle International (Mauritius) Ltd, an unquoted company and the objective of holding this investment is not for returns from capital appreciation or investment income. Hence the directors consider the cost of this investment to be a fair reflection of the fair value.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.3 Investments in subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated at cost less impairment. Where an indication of impairment exists, the recoverable amounts of the investments are assessed. Where the carrying amounts of the investments are greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to statement of comprehensive income. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

The Company does not present consolidated financial statements as it is wholly-owned by a parent company (see note 7)).

3.4 Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3.6 Equity and reserves

Stated capital is determined using the nominal value of shares that have been issued.

Retained earnings/accumulated losses include all current and prior years' results.

3.7 Foreign currency

Functional and presentation currency

The financial statements are presented in currency United State Dollar ("USD"), which is also the functional currency of the Company.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.7 Foreign currency (Contd)

Foreign currency translations and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.8 Revenue

Interest income is accounted on an accrual basis unless collectability is in doubt.

Dividend income is recognised when the right to receive payment is established.

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company also earns service fees from the provision of accounting services to a sister company which are recognised over time, that is when the Company satisfies performance obligations by transferring the promised services to its client.

3.9 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.10 Provisions

Provisions 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 embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Contd)

3.12 Expense recognition

All expenses are accounted for on the accrual basis.

3.13 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.14 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Impairment of investments in subsidiaries

The determination of impairment of investments in subsidiaries requires significant judgement. In making this judgement, management evaluates, among other factors, the duration and extent to which the fair value of an investments is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impact of COVID 19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of COVID 19 on the Company's investment activity and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the financial performance and future plan of the investee companies, the financial support from the holding company, the group short term and long term strategies and the global economic conditions.

Notes to the financial statements

For the year ended 31 March 2021

3.14 Significant management judgements in applying accounting policies and estimation uncertainty (Contd)

Estimation uncertainty

At 31 March 2021, there were no estimates and assumptions that would have a significant effect on the recognition and measurement of assets, liabilities, income and expenses.

4. Financial instrument risk

Risk management objectives and policies

The Company's activity exposes it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's risk management is carried out under policies approved by the Board of Directors and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the Company is exposed are described below:

4.1 Market risk analysis

Foreign exchange sensitivity

The Company is not exposed to foreign currency risk at the reporting date as all transactions are carried out in USD.

Interest rate sensitivity

The exposure to interest rates for the Company's bank balance is considered immaterial.

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The financial assets that potentially expose the Company to credit risk consist only of cash and cash equivalents. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2021 USD	2020 USD
Non-current asset		
Financial assets at fair value	**6**	-
Current assets		
Loan to a related party	**950,000**	-
Receivables	**32,268**	-
Cash and cash equivalents	**803**	29,839
	983,077	29,839

The credit risk for the bank balance is considered negligible since the Company transacts with a reputable bank. The directors do not expect any default on the loan advanced to the related party as it operates under a single treasury management where the credit risk is considered low.

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity risk 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 Company's reputation. Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements.

The following are the contractual maturities of financial liabilities.

31 March 2021	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Accruals	**8,915**	**8,915**	**8,915**	-

31 March 2020	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 Years USD
Accruals	7,988	7,988	7,988	-

5. Capital management policies and procedures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member and other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. The Company was not geared at the reporting date.

6 Fair value measurement

6.1 Fair value measurement of financial instruments

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the level of significance inputs used in fair value measurement, as follows:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 unobservable inputs for the asset or liability.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Notes to the financial statements

For the year ended 31 March 2021

6 Fair value measurement (Contd)

6.1 Fair value measurement of financial instruments (Contd)

The Company's financial assets at fair value through profit or loss are classified under Level 3.

The hierarchy of the fair value measurement of the Company's financial assets are as follows:

31 March 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Investment in an unquoted company	-	-	6	6

The directors consider the cost of the investment to be a reflection of the fair value.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company did not have any non-financial instruments at the reporting date.

7. Investments in subsidiaries

(i) Unquoted and at cost:

	2021 USD	2020 USD
At 01 April	**1,596,417**	1,596,417
Disposal	**(879,627)**	-
At 31 March	**716,790**	1,596,417

(ii) Details of the investments are as follows:

Name of investee company	Country of incorporation	Type of investment	% Holding
Thomas Cook (Mauritius) Operations Company Limited	Republic of Mauritius	Ordinary shares	100
Thomas Cook (Mauritius) Holidays Ltd	Republic of Mauritius	Ordinary shares	100

(iii) No consolidated financial statements are presented as the Company's immediate holding company, Thomas Cook (India) Limited, will present consolidated financial statements under IFRS. The registered office of Thomas Cook (India) Limited, is A Wing, 11th Floor, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai, 400 013.

(iv) On 23 November 2020, the Board took note that Thomas Cook (Operations) Mauritius Limited approved to buyback 351,851 of its shares of a nominal value of MUR 100 per share from the Company at a premium price of MUR 108 per share (equivalent to USD 950,000). The buyback resulted in a gain of USD 70,373.

Notes to the financial statements

For the year ended 31 March 2021

7. Investments in subsidiaries (Contd)

(vi) The cost of the investments is regarded as a reflection of the fair values. As the Company forms part of a group, all impairment assessment is done at the holding company's level.

8. Financial assets at fair value through profit or loss

Name of investee company	Country of incorporation	Type of investment	% Holding	2021 Cost and fair value USD
Travel Circle International (Mauritius) Ltd	Republic of Mauritius	Ordinary shares	0.00002	6

(i) The Company subscribed to 1 share in Travel Circle International (Mauritius) Ltd, a related company incorporated in Mauritius, during the year.

(ii) The cost of the investments is regarded as a reflection of the fair values. As the Company forms part of a group, all impairment assessment is done at the holding company's level.

9. Loan

The loan to a related party bears an interest rate of 3.94% or the benchmarked rate per annum, is unsecured and receivable on demand based on group treasury management. Interest income for the year amounted to USD 6,768.

10. Receivables

	2021 USD	2020 USD
Receivable from related party	10,500	-
Other receivables	21,768	3,000
	32,268	3,000

The receivable from related party is unsecured, interest-free and repayable on demand.

11. Cash and cash equivalents

	2021 USD	2020 USD
Cash at bank	803	29,839

12. Stated capital

	2021 USD	2020 USD
1,655,500 ordinary shares of USD 1 each	1,655,500	1,655,500

Notes to the financial statements

For the year ended 31 March 2021

13. Payables

	2021 USD	2020 USD
Accrued expenses	**8,915**	7,988

14. Other income

	2021 USD	2020 USD
Accounting services fees	**12,000**	12,000

15. Taxation

(i) Income tax

The Company is liable to income tax at the rate of 15% and at 31 March 2021 it had no income tax liability due to accumulated tax losses of **USD 18,370** (2020: USD 17,711) carried forward.

(ii) Income tax reconciliation

The income tax on the Company's profit/loss before tax differs from the theoretical amount that would arise using the effective tax rate is as follows:

	2021 USD	2020 USD
Profit/(loss) before tax	**69,684**	(4,894)
Tax at effective rate of 15%	**10,453**	(734)
Non-allowable expenses	**5**	-
Exempt income	**(10,556)**	-
Deferred tax asset not recognised	**98**	734
Tax expense	**-**	-

(iii) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15%. No provision for deferred tax asset has been recognised as no taxable income is probable in the foreseeable future.

THOMAS COOK (MAURITIUS) HOLDING COMPANY LIMITED

Notes to the financial statements

For the year ended 31 March 2021

16. Related party transactions

For the year ended 31 March 2021, the Company had transactions with its related parties. The nature, volume of transactions and the balances are as follows:

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balance at 31 March 2021 USD	Credit balance at 31 March 2020 USD
Investee company	Loan	**950,000**	**950,000**	-
Subsidiary company	Amount receivable	**10,500**	**10,500**	-
Key management personnel	Director fees	**5,014**	**(1,800)**	1,185
Sister company	Other income	**12,000**	**15,000**	3,000

All related party transactions are done at arm's length.

17. Holding companies

The directors consider Thomas Cook (India) Limited, a company listed on the Bombay Stock Exchange, India, as the immediate holding company and Fairfax Financial Holdings Limited, a company listed on the Toronto Stock Exchange, Canada, as the ultimate holding company.

Thomas Cook (India) Limited holds 100% of the shares of Thomas Cook (Mauritius) Holding Company Limited.

Fairbridge Capital (Mauritius) Limited ("Fairbridge"), a subsidiary of Fairfax Financial Holdings Limited (the "ultimate parent"), Canada and its affiliates, held 248,153,725 equity shares of INR 1 each corresponding to 66.94% stake in Thomas Cook (India) Limited as on 31 March 2019. As at the financial year ended 31 March 2021, the Fairbridge held 248,153,725 equity shares if INR 1 each corresponding to 65.60% stake in Thomas Cook (India) Limited.

18. Events after the reporting date

COVID-19 outbreak was declared a pandemic by the World Health Organization in January 2020 with financial and non-financial effects still being felt as at the date of this report. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. There are meaningful direct and indirect effects developing with companies across multiple industries and the world.

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these financial statements and at 31 March 2021 no events or conditions have been identified that may cast significant doubt on the Company's ability to continue as a going concern. The prolonged effects of the outbreak as well as the resultant lockdown will have an impact on business activities and cash flows. However, such impact cannot be determined with certainty at present.

Except for the above, there have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2021.

G. M. KAPADIA & 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, 2021, 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, 2021 and its loss (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 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.

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

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.

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 misstatemet 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.

G.M. KAPADIA & CO.
MUMBAI
Chartered Accountants

- 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.
- 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;

G.M. KAPADIA & CO. ★ MUMBAI ★ Chartered Accountants

(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 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, 2021 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 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: 21039569AAAAIA6966

Place: Mumbai
Dated: 25/05/2021

G. M. KAPADIA & CO.

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, 2021

i. In respect of its property, plant and equipment:

(a) & (b) The Company does not have any property, plant and equipment except right of use assets and hence, provision of para 3(i)(a) and (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. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under register maintained under section 189 of the Act, except unsecured loan to its associate which is now doubtful of recovery, amounting to Rs. 150 million. The Company has fully provided for impairment of outstanding loan and interest thereon.

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, service tax, goods and services tax, cess and other applicable statutory dues with the appropriate authorities. There are no arrears as at March 31, 2021 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 which have not been deposited on account of any dispute.

G.M. KAPADIA & CO.
MUMBAI
Chartered Accountants

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 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: 21039569AAAAIA6966

Place: Mumbai
Dated: 25/05/2021

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, 2021

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, 2021 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, 2021, 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 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

G.M. KAPADIA & CO. MUMBAI Chartered Accountants

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 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: 21039569AAAAIA6966

Place: Mumbai
Dated: 25/05/2021

TC TOURS LIMITED
Balance Sheet as at March 31, 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Right of Use Assets	3(a)	95.1	103.7
Financial assets			
- Loans			
- Investments	5(a)	-	400.0
Deferred tax assets (net)	3(b)	393.0	100.3
Total non-current assets		**488.1**	**604.0**
Current assets			
Financial assets			
- Trade receivables	5(b)	5,880.8	10,046.2
- Cash and cash equivalents	5(c)	878.7	952.7
- Loans	5(d)	-	150.0
- Other financial assets	5(e)	366.8	1,983.7
Current Tax Assets	4	128.8	950.8
Other current assets	6	4,814.1	6,877.8
Total current assets		**12,069.2**	**20,961.2**
TOTAL ASSETS		**12,557.3**	**21,565.2**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7	300.0	300.0
Other equity			
-Reserve & surplus	8	1,086.4	2,505.8
Total Equity		**1,386.4**	**2,805.8**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities		65.7	73.5
Employee Benefit Obligations	9	94.9	82.6
Other non-current liabilities	10	-	-
Total non-current liabilities		**160.6**	**156.1**
Current liabilities			
Financial liabilities			
- Borrowing	11(a)	1,230.7	893.3
- Lease liabilities		39.6	37.0
- Trade payables	11(b)		
-Dues of micro enterprises and small enterprises		-	-
-Dues of creditors other than micro enterprises and small enterprises		9,544.2	16,092.8
- Other financial liabilities	11(c)	-	0.9
Employee Benefit Obligations	9	63.7	25.1
Other current liabilities	12	132.1	1,554.2
Total current liabilities		**11,010.3**	**18,603.3**
TOTAL LIABILITIES		**11,170.9**	**18,759.4**
TOTAL EQUITY AND LIABILITIES		**12,557.3**	**21,565.2**

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Debasis Nandy
Director
DIN: 06368365

Date: May 25, 2021
Place: Mumbai

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

TC TOURS LIMITED
Statement of Profit And Loss for the year ended March 31, 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	13	3,365.7	20,062.9
Other income	14	202.4	474.7
Total income		**3,568.1**	**20,537.6**
Expenses			
Cost of services		2,052.4	14,169.3
Employee benefits expense	15	1,031.4	1,824.0
Depreciation	3	37.0	35.9
Finance Cost	16	177.2	837.3
Other expenses	17	2,023.8	2,643.6
Total expenses		**5,321.7**	**19,510.1**
Profit before tax		**(1,753.7)**	**1,027.5**
Less : Tax expense	18		
Current tax		-	269.7
Deferred tax		(292.0)	0.8
Total tax expenses		**(292.0)**	**270.5**
Profit for the year (A)		**(1,461.6)**	**757.0**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		13.1	0.3
Income tax relating to items that will not be reclassified to profit or loss		0.7	(0.2)
Total other comprehensive income for the year, net of taxes (B)		**13.8**	**0.1**
Total comprehensive income for the year (A+B)		**(1,447.8)**	**757.1**
Earnings per equity share (Face value of INR 10 each)	23		
- Basic earnings per share (In INR)		(48.7)	25.2
- Diluted earnings per share (In INR)		(48.7)	25.2

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

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DIN: 06368365

Date: May 25, 2021
Place: Mumbai

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

TC TOURS LIMITED
Statement of Cash Flows for the year ended March 31 , 2021
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
A) Cash flow from operating activities			
Profit before income tax		**(1,753.7)**	**1,027.5**
Adjustments for:			
Interest Income	14	(19.0)	(8.9)
Gains from Mutual Fund		-	(0.7)
ESOP Expense	15	28.4	18.3
Depreciation on ROU assets		37.0	35.9
Interest on lease liability		9.1	10.9
Provision for Doubtful Advances (Net) and Impairment charge	17	854.1	323.4
Operating profit before changes in operating assets and liabilities		**(913.2)**	**1,406.4**
Change in operating assets and liabilities:			
Decrease / (Increase) in Trade Receivables		4,165.4	11,516.8
(Increase) in Other Financial Assets		1,594.7	207.0
Decrease / (Increase) in Other Current Assets		1,781.7	2,891.1
Increase in Employee Benefits Obligation		64.1	10.9
(Decrease) / Increase in Trade Payables		(6,548.6)	(14,502.2)
Increase in Other Financial Liabilities		(0.9)	(12.9)
(Decrease) / Increase in Other Liabilities		(1,422.1)	(501.7)
Cash generated from operations		**(1,278.9)**	**1,015.4**
Income taxes paid		822.0	(894.2)
Net cash inflow from operating activities		**(456.9)**	**121.2**
B) Cash flow from investing activities:			
Interest Received		19.0	8.9
Movement of ROU Assets		(28.3)	-
Investment (made)/sold in Associates		-	(200.0)
Interest on Income tax refund		69.1	-
Loan given to related party		-	(150.0)
Proceeds from redemption of units of mutual fund		-	40.7
Net cash inflow / (outflow) from investing activities		**59.8**	**(300.6)**
C) Cash flow from financing activities:			
Repayment of lease liabilities		(5.2)	(29.1)
Interest on lease liabilty made		(9.1)	(10.9)
Net cash inflow / (outflow) from finnacing activities		**(14.3)**	**(40.0)**
Net increase in cash and cash equivalents		(411.3)	(219.4)
Add: Cash and cash equivalents at the beginning of the financial year		59.4	278.8
Cash and cash equivalents at the end of the year		**(352.0)**	**59.4**
Reconciliation of Cash Flow statements as per the cash flow statement		**Year ended March 31, 2021**	**Year ended March 31, 2020**
Cash Flow statement as per above comprises of the following			
Cash and cash equivalents		878.7	952.7
Bank Overdrafts		(1,230.7)	(893.3)
Balances as per statement of cash flows		(352.0)	59.4

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Debasis Nandy
Director
DIN: 06368365

Date: May 25, 2021
Place: Mumbai

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2021
(All amounts in INR Lakhs, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

Equity share capital

Particulars	Amount
Balance as at April 1, 2019	**300.0**
changes in equity share capital during the year	-
Balance as at March 31, 2020	**300.0**
changes in equity share capital during the year	-
Balance as at March 31, 2021	**300.0**

Other Equity

	Reserves and Surplus		
Particulars	**ESOP Reserve**	**Retained Earnings**	**Total Other Equity**
Balance as at April 1, 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 at the March 31, 2020	**44.2**	**2,461.6**	**2,505.8**
Profit for the year	-	(1,461.6)	(1,461.6)
Other Comprehensive Income	-	13.8	13.8
Total Comprehensive Income for the year	-	**(1,447.8)**	**(1,447.8)**
Transaction with owners in their capacity as owners			
Employee Stock Option Expense	28.4	-	28.4
Balance as at March 31, 2021	**72.6**	**1,013.8**	**1,086.3**

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. 039569

Date: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Debasis Nandy
Director
DIN: 06368365

Date: May 25, 2021
Place: Mumbai

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai

TC TOURS LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2021
(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. Its main object is 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, 2021. 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 recognized 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.

TC Tours Limited

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 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

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 lessor:

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).

(b) 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.

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.

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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 at 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 established.

(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.

2.4 **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.

3 **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.

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Note 3(a) - Right of Use Assets

Particulars	Building	Total
Gross Carrying Amount		
Opening Balance as at 1 April 2020	139.6	139.6
Transition Adjustment (as at 1 April 2019)	-	-
Additions	32.9	32.9
Disposals/Transfer	(25.3)	(25.3)
Closing Balance as at 31 March 2021	**147.2**	**147.2**
Accumulated Depreciation		
Opening Balance as at 1 April 2020	35.9	35.9
Transition Adjustment (as at 1 April 2019)	-	-
Depreciation	**37.0**	37.0
Disposals/Transfer	(20.8)	(20.8)
Closing Balance as at 31 March 2021	**52.1**	52.1
Net carrying amount as at 31 March 2021	**95.1**	**95.1**

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Note 3(b): Deferred Tax Assets (Net)

The balance comprises of temporary differences attributable to:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Carry forward of losses	152.3	
On provisions allowable for tax purpose when paid	159.3	21.5
On Provision for Doubtful Advances	79.4	77.4
Other items (ROU)	2.0	1.4
Net Deferred Tax Assets	**393.0**	**100.3**

Movement in Deferred Tax Assets

Particulars	On provisions allowable for tax purpose when paid	On Provision for Doubtful Advances	Other items (ROU)	Carry Forward of Losses	Total
As at March 31, 2020	21.5	77.4	1.4	-	100.3
charged/(credited)					
-to profit or loss	137.0	2.0	0.7	152.3	292.0
-to other comprehensive income	0.7	-	-	-	0.7
As at March 31, 2021	159.2	79.4	2.1	152.3	393.0

Note 4: Current Tax Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	950.8	326.3
Less: Current Tax payable for the year	-	(269.7)
Add: Taxes Paid	(822.0)	894.2
Closing Balances - Current Tax Asset/(Liabilities)	**128.8**	**950.8**

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Note 5: Financial Assets

5(a)Investments

Particulars	Non-current	Current	Non-current	Current
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
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 28]*	400.0	-	400.0	-
Less: Provision for Investment Impairment	(400.0)	-	-	-
Sub total	-	-	**400.0**	-
Quoted - Investment in mutual funds fair valued through Profit and Loss account				
Nil	-	-	-	-
Total	-	-	**400.0**	-
Aggregate amount of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	400.0	-	400.0	-
Aggregate market value of quoted investments	-	-	-	-
Aggregate amount of impairment in the value of investments	(400.0)	-	-	-

5(b)Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	6,088.2	10,061.9
Less: Allowance for doubtful debts	(207.4)	(15.7)
Total recievables	**5,880.8**	**10,046.2**
Break up of Security Details		
Unsecured, considered good	5,880.8	10,046.2
Unsecured, considered Doubtful	207.4	15.7
Total	**6,088.2**	**10,061.9**
Less: Allowance for doubtful debts	(207.4)	(15.7)
Total Trade Recievables	**5,880.8**	**10,046.2**

5(c) Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In current accounts	830.8	32.3
Fixed Deposits with original maturity of less than three months	-	920.0
Cash in hand	47.9	0.4
Total Cash and cash equivalents	**878.7**	**952.7**

5(d) Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Loans to Related Parties	150.0	150.0
Less: Provision for Doubtful Loans and Advances	(150.0)	-
Total Loans	-	**150.0**

5(e) Other financial Assets

Particulars	Non-current	Current	Non-current	Current
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
Accrued Revenue	-	63.5	-	1,972.9
Interest Receivables from Related Parties	-	22.1	-	7.0
Less: Provision for Doubtful Loans & Advances (Interest)	-	(22.1)	-	-
Sub total	-	-	-	**7.0**
Other Receivables from Related Parties	-	303.3	-	3.8
Total Other Financial Assets	-	**366.8**	-	**1,983.7**

Note 6: Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to Suppliers		
Considered good	4,159.4	6,039.4
Considered Doubtful	105.1	370.5
Less: Allowance for doubtful advances	(105.1)	(370.5)
Sub total	**4,159.4**	**6,039.4**
Advance to Employees		
Considered good	11.1	13.9
Considered Doubtful	0.3	0.3
Less: Allowance for doubtful debts	(0.3)	(0.3)
Sub total	**11.1**	**13.9**
Prepaid expenses	21.6	27.4
Balances with Government authorities	621.9	797.1
Total	4,814.1	6,877.8

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Note 7: Equity Share Capital

Equity Share capital

Particulars	No of Shares (In lakhs)	Amount
AUTHORISED		
As at March 31, 2020	**30.0**	**300.0**
Increase during the year	-	-
As at March 31, 2021	**30.0**	**300.0**

(i) Movement in Equity Share Capital during the Year

Particulars	No of Shares (In lakhs)	Amount
As at March 31, 2020	**30.0**	**300.0**
Add: No of Shares issued during the year	-	-
As at March 31, 2021	**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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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, 2021	As at March 31, 2020
Retained Earnings	1013.8	2461.6
ESOP Reserve	72.6	44.2
Total reserves and surplus	**1086.4**	**2505.8**

Retained Earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	2461.6	1704.5
Net Profit for the year	(1,461.6)	757.0
Items of other Comprehensive income recognised directly in retained earnings	-	-
Remeasurements of post-employement benefit obligtion, net of tax	13.8	0.1
Closing Balance	**1013.8**	**2461.6**

ESOP Reserve

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	44.2	25.9
Capital Contribution towards ESOP Expenses	28.4	18.3
Closing Balance	**72.6**	**44.2**

ESOP Reserve

ESOP Reserve has been created for ESOPs issued by the group company - Thomas Cook (India) Limited to the employees of the company.

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Note 9: Employee Benefit Obligations

Particulars	March 31, 2021			March 31, 2020		
	Non Current	Current	Total	Non Current	Current	Total
Leave Entitlement	-	12.5	12.5	-	0.0	0.0
Gratuity	94.9	-	94.9	82.6	-	82.6
Employee Benefit Payables	-	51.2	51.2	-	25.1	25.1
Total	**94.9**	**63.7**	**158.6**	**82.6**	**25.1**	**107.7**

(i)Leave Obligations - Leave Entitlement
The leave obligations cover the Company's liability for earned leave.
The amount of the provision of INR 12.5 (31 March 2020 - INR NIL) 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, 2021	As at March 31, 2020
Current leave obligations expected to be settled within next 12 months	12.5	0.0

(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 54.1 Lakhs (31 March 2020 - INR 74.5 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, 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	**(1.7)**	**(1.4)**	**(0.3)**
Employer contributions	-	1.0	(1.0)
Benefit payments	(0.6)	(0.5)	(0.1)
March 31, 2020	**182.3**	**99.8**	**82.5**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2020	**182.3**	**99.8**	**82.5**
Current service cost	23.1	-	23.1
Interest expense/(income)	9.2	5.9	3.3
Total amount recognised in profit and loss	**32.3**	**5.9**	**26.4**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(1.0)	1.0
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(14.1)	-	(14.1)
Total amount recognised in other comprehensive income	**(14.1)**	**(1.0)**	**(13.1)**
Employer contributions	-	1.0	(1.0)
Benefit payments	(68.8)	(68.8)	-
March 31, 2021	**131.7**	**36.9**	**94.8**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	131.7	182.3
Fair value of plan assets	36.9	99.8
Deficit of funded plan	94.8	82.5
Unfunded plans	-	-
Deficit of gratuity plan	**94.8**	**82.5**

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Significant estimates: Actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	5.70%	5.70%
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 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Discount rate	50 basis point	50 basis point	-2.53%	-2.62%	2.66%	2.77%
Salary growth rate	50 basis point	50 basis point	2.64%	2.75%	-2.53%	-2.63%

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 5.19 years (2020 - 5.45 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, 2021	25.9	21.6	51.5	87.7	**186.7**
Post Employment Obligations as at March 31, 2020	43.6	[illegible]	65.1	128.8	**262.8**

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Notes to financial statements for the year ended March 31, 2021
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Note 11: Financial Liabilities

11(a) Current Borrowings

Particulars	Maturity Date	Terms of Payment	Coupon/ Interest Rate	As at March 31, 2021	As at March 31, 2020
Unsecured					
Bank Overdrafts	Payable on Demand		9.1%	880.7	893.3
Loans and advances from related parties	Payable on Demand		8.6%	350.0	-
				1,230.7	**893.3**

Note 11(b): Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
-Dues of micro enterprises and small enterprises	-	-
-Dues of creditors other than micro enterprises and small enterprises	9,544.2	16,092.8
Total Trade Payables	**9,544.2**	**16,092.8**

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, 2021		As at March 31, 2020
	Non-Current	**Current**	**Current**
Other Payables to Related Parties	-	-	0.9
Total Other Financial Liablities	-	-	**0.9**

Note 12: Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Income Received In Advance	-	1,062.7
Statutory Dues	132.1	491.5
Total	**132.1**	**1,554.2**

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Notes to financial statements for the year ended March 31, 2021
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Note 13: Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Services		
- Travel and Related Services	3,365.7	20,062.9
Total	3,365.7	20,062.9

Also refer note 27 for IND AS 115 disclosure

Note 14: Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on Bank Deposits	0.2	1.8
Interest Income on Loan Given	18.7	7.1
Interest on Income tax refund	69.1	-
Profit on disposal of asset	0.6	-
Gains from Mutual Fund	-	0.7
Claims Written back	65.5	84.8
PGSI Cashback Income	10.8	321.3
Miscellaneous Income	37.5	59.0
Total	202.4	474.7

Note 15: Employee Benefit Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries Wages and Bonus	922.3	1,694.8
Contribution to Provident and Other Funds	54.1	74.5
Gratuity (Refer note 9)	26.4	23.3
ESOP Expense	15.9	15.5
ESOP stock option Expense	12.5	2.8
Staff Welfare Expenses	0.2	13.1
Total	1,031.4	1,824.0

Note 16: Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Bank Overdraft	68.4	8.3
Other Finance Charges	95.4	818.1
Interest on shortfall of Advance tax	4.3	-
Interest on Lease liabilty	9.1	10.9
Total	177.2	837.3

Note 17: Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent (Refer note 26)	166.6	213.4
Electricity	0.8	0.7
Repairs and Maintenance	69.3	341.9
Rates and Taxes	2.9	7.5
Security Services	69.2	74.3
Travelling Expenses	2.4	19.3
Legal and Professional Charges #(Refer note below "a")	597.2	1,404.4
Printing, Stationery and Communication Cost	23.1	53.4
Bad Debt / Advances written off	282.0	539.0
Provisions for doubtful debts and Advances (net)	40.7	(196.7)
Advertisment Expenses	0.8	11.9
CSR Expenses (Refer note below "b")	40.9	14.9
Provision for other than temporary diminution in long-term investments and loans (including interest)	572.1	-
Miscellaneous Expenses	155.8	159.7
Total	2,023.8	2,643.6

Legal and Professional charges include auditors remuneration

(a): Details of payments to auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors		
As auditor:		
-Statutory Audit	5.9	4.4
-Tax Audit	1.5	1.5
In other capacities		
-Re-imbursement of expenses	-	-
Total payments to auditors	7.4	5.9

(b): Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent by the Company during the year	-	14.9
(b) Amount spent and paid during the year on		
(1) Eradicating Hunger, Poverty & Malnutrition, Promoting Health-Care Including Preventive Health-Care And Sanitation	40.9	14.9

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(All amounts in INR Lakhs, unless otherwise stated)

Note 18: Income Tax Expense

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	269.7
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	**269.7**
Deferred tax		
increase in deferred tax assets	(292.0)	0.8
Total deferred tax credit	**(292.0)**	**0.8**
Income tax expense	**(292.0)**	**270.5**

(b) The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Profit from continuing operations before income tax expense	(1,753.7)	1,027.5
Tax at the Indian tax rate of 25.168% (PY - 25.168%%)	**(441.4)**	**258.6**
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Interest on shortfall of advance tax	-	-
CSR Expenditure	10.3	3.7
Buffer tax created	-	-
Dividend income	-	-
Sec 14A Disallowance	-	-
On account of rate difference as compared to previous year		9.5
Other items	139.0	(1.3)
Income tax expense	**(292.0)**	**270.5**

TC TOURS LIMITED
Notes to financial statements for the year ended March 31, 2021
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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, 2021	As at March 31, 2020
Past due 1–90 days		6,544.5	891.5
Past due 91–180 days		(302.0)	1,264.3
Past due 180–365 days		195.5	4,894.4
Past due > 365 days		(349.8)	3,011.7
		6,088.2	**10,061.9**

Reconciliation of loss allowance provision – Trade receivables

Reconciliation of loss allowance	Amount
Loss allowance on March 31, 2019	**(41.5)**
Changes in loss allowance	25.7
Loss allowance on March 31, 2020	**(15.8)**
Changes in loss allowance	(191.6)
Loss allowance on March 31, 2021	**(207.4)**

Expected credit loss assessment for customers as at March 31, 2021 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 55.8 Lacs and INR 952.7 Lacs as at March 31, 2021 and March 31, 2020 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 1050.6 as at March 31, 2021 and 2357.1 as at March 31, 2020.

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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			
March 31, 2021	**Carrying amount**	**Total**	**1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	9,544.2	9,544.2	9,544.2	-	-	-
Other financial liabilities	-	-	-	-	-	-
Total	**9,544.2**	**9,544.2**	**9,544.2**	-	-	-

			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**	-	-	-

(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.

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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, 2021	As at March 31, 2020
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

(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, 2021	March 31, 2020
(i) Ultimate Holding Company		
Reimbursement of Expenses (Net)		
Fairfax Financial Holdings Limited	-	-
(ii) Holding Company		
Sale of Services		
Thomas Cook (India) Limited	13,102.4	1,41,006.7
Facilities and Support Services Availed		
Thomas Cook (India) Limited	461.7	1,107.3
PLB and GDS Incentive		
Thomas Cook (India) Limited	-	1,907.7
ESOP Share Issue Push Down Cost/(Benefit)		
Thomas Cook (India) Limited	15.9	18.3
ESOP stock option Expense		
Thomas Cook (India) Limited	12.5	-
Corporate Gurantee fees		
Thomas Cook (India) Limited	3.7	-0.7
Commission expense		
Thomas Cook (India) Limited	66.1	-
Loan given		
Thomas Cook (India) Limited	350.0	-
Interest received on loan given		
Thomas Cook (India) Limited	3.7	-
(ii) Fellow subsidiaries		
Sale of Services		
SOTC Travel Limited	731.4	2,842.5
PLB and GDS Incentive		
SOTC Travel Limited	-	279.0
Facilities and Support Services Availed		
SOTC Travel Limited	59.2	-
Loan taken from related party		
TC Visa Services (India) Limited	350.0	-
Interest on loan taken		
TC Visa Services (India) Limited	3.7	-
(ii) Fellow Associates		
Interest received on loan given		
TravelJunkie Solutions Pvt .Ltd.	15.0	7.1
Other Professional Chagres (Outsourced Staff)		
Quess Corp Limited	-	195.7

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(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, 2021	March 31, 2020
Trade Payables		
Thomas Cook (India) Limited	1072.4	2,171.9
SOTC Travel Limited	178.7	1,672.7
Quess Corp Limited	-	13.8
Travel Corporation (India) Limited	-	7.3
Other Payables		
Thomas Cook (India) Limited	33.4	-
Advances from Related Parties		
Thomas Cook (India) Limited	926.0	-
SOTC Travel Limited	5.1	-
Loan from Related Parties		
TC Visa Services (India) Limited	350.0	-
Interest payable on Loan from Related Parties		
TC Visa Services (India) Limited	3.7	-
Total payables to related parties	**2,569.2**	**3,865.7**

Particulars	March 31, 2021	March 31, 2020
Advances to Related Parties		
SOTC Travel Limited	19.4	-
Trade Receivables		
Thomas Cook (India) Limited	4532.2	7,180.1
SOTC Travel Limited	1547.2	1,626.9
Loan Given to Related parties		
Thomas Cook (India) Limited	350.0	-
TravelJunkie Solutions Pvt .Ltd.	-	150.0
Investment in Related Parties		
TravelJunkie Solutions Pvt .Ltd.	-	400.0
Interest Receivable		
Thomas Cook (India) Limited	3.7	-
TravelJunkie Solutions Pvt .Ltd.	-	7.1
Total receivables from related parties	**6,452.5**	**9,364.2**

Note 23: Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit attributable to equity shareholders	(1,461.6)	757.0
Weighted average number of outstanding shares	30.0	30.0
(a) Basic earnings per share		
Attributable to the equity holder of the company	(48.7)	25.2
(b) Diluted earnings per share		
Attributable to the equity holder of the company	(48.7)	25.2

(c) Reconciliation of earnings used in calculating earnings per share

Particulars	March 31, 2021	March 31, 2020
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	(1,461.6)	757.0
Profits attributable to the equity holders of the company used in calculating diluted earnings per share	(1,461.6)	757.0

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

Particulars	March 31, 2021	March 31, 2020
Weighted average number of equity shares used as the denominator in calculating basic earning per share	30.0	30.0
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earning per share	30.0	30.0

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Note 24: Leases
[illegible] "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 [illegible] 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 [illegible] months or less and leases for which the underlying asset is of low value.
[illegible] 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 [illegible] 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 [illegible]

[illegible] 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, 2021;

Particulars	Amount
Balance as at March 31, 2020	110.5
On account of Transition to Ind AS 116	-
Interest on lease liabilities	9.1
Addition during the year	32.9
Disposal during the year	(5.1)
Payment of lease liabilities	(42.0)
Balance at the end of the year	**105.3**
Classification as	
Non current	65.7
Current	39.6

Below are the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

Particulars	Amount
Less than one year	4.73
One to Five years	70.70
More than Five year	-

Rental expense recognised for short-term leases and low value leases for the year ended March 31,2021	166.62
Interest on Lease Liability	9.06
Depreciation on ROU Assets	36.99

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, 2021. 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.

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, 2021	For the year ended March 31, 2020
Travel and Related Services	3,365.7	20,062.9
	3,365.7	20,062.9

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, 2021	For the year ended March 31, 2020
India	3,366.6	18,011.7
Overseas	(0.9)	2,051.2
	3,365.7	20,062.9

Revenue based on product and services

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Travel and Related Services	3,365.7	20,062.9
Human Resource Services	-	-
	3,365.7	20,062.9

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, 2021	As at April 01, 2020
Income Received In Advance	-	1,062.7
	-	1,062.7

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"). The Company assessed the recoverable amount of Investment and advances provided to its associate Travel Junkie as at 31 March 2021. Due to adverse business conditions, the recovery of invested amount and advances provided to the associate is doubtful and this has resulted in an impairment provision of Rs. 572.1 lakhs recorded in the income statement for the year ended March 31, 2021

TC Tours Limited

TC TOURS LIMITED
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(All amounts in INR Lakhs, unless otherwise stated)

Note : 29 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 had taken a series of measures to contain the outbreak, which included imposing 'lock-downs' across the country. The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to all the businesses of TC Tours Limited. 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 partial lifting of the 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, all travel restrictions are removed and the confidence of corporates / travellers 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 standalone financial results has used internal and external sources of information to the extent available. The Company, based on current estimates and information, expects the carrying amount of these assets to be recovered. The 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. The Company has undertaken various cost saving initiatives to maximise operating cash flows and conserve cash position in the given situation. 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.

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: May 25, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Debasis Nandy
Director
DIN: 063683[illegible]

Date: May 25, 2021
Place: Mumbai

Rambhau Kenkare
Director
DIN No. 01272743

Date: May 25, 2021
Place: Mumbai