

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Sterling Holiday Resorts Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling Holiday Resorts Limited (the "Company") which comprise the balance sheet as at 31 March 2023, 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 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 2023, and its profit and other comprehensive loss, 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.

Management's and Board of Directors Responsibilities 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 the 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.

Independent Auditor's Report (Continued)

Sterling Holiday Resorts Limited

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 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 in preparation of financial statements 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.

Independent Auditor's Report (Continued)

Sterling Holiday Resorts Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, except that the back-up of customer reservation system which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India.
 - 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of backup of certain books of accounts in servers physically located in India, therewith as stated in the paragraph 2(A)(b) above.
 - g. 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:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 44 to the financial statements.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 27 to the financial statements.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 57 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

Sterling Holiday Resorts Limited

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in Note 57 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The Company has neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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 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



Satish Vaidyanathan

Partner

Place: Chennai

Date: 18 May 2023

Membership No.: 217042

ICAI UDIN:23217042BGRWHI7344

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value(Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land	40,592.50	Sterling Holiday Resorts(India) Limited	No	August 18, 2015 onwards	Refer Note 4 and 49 of the financial statements
Building	22,959.79	Sterling Holiday Resorts(India) Limited	No	August 18, 2015 onwards	Refer Note 4 and 49 of the financial statements
Freehold land	3,981.30	Sterling Holiday Resorts(India) Limited	No	August 18, 2015 onwards	Refer Note 4, 49 and 46(a) of the financial statements
Building	4,666.62	Sterling Holiday Resorts(India) Limited	No	August 18, 2015 onwards	Refer Note 4, 49 and 46(a) of the financial statements
Freehold land	761.7	Sterling Holiday Resorts(India) Limited	No	August 18, 2015 onwards	Refer Note 4 and 46(c) of the financial statements

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Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

Freehold land	9,158.00	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 4, 49 and 46(d(i)) of the financial statements
Building	3,595.57	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 4, 49 and 46(d(i)) of the financial statements
Freehold land	570.00	Manchanda Resorts Private Limited	No	March 20, 1990 onwards	SHRIL had acquired the resort from Manchanda Resorts Pvt Ltd, title deeds are yet to be transferred.
Building	2,767.63	Manchanda Resorts Private Limited	No	March 20, 1990 onwards	

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, revaluation model is followed for recording Property, Plant and Equipment. The Company revalues the Property, Plant and Equipment every three years. During the year, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both.
- (e) 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 proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No material discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in companies, firms, limited liability partnership or any other parties. The Company has granted loans to Companies during the year and provided guarantee, in respect of which the requisite information is as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year	Nil	Nil	400.56	Nil
Subsidiaries				
Sterling Holidays (Ooty) Limited				
Sterling Holiday Resorts (Kodaikanal) Limited			400.56	
Nature Trails Resorts Private Limited				
Balance outstanding as at balance sheet date		Nil	3,361.89	Nil
Subsidiaries				
Sterling Holidays (Ooty) Limited	Nil		-	
Sterling Holiday Resorts (Kodaikanal) Limited	Nil		906.95	
Nature Trails Resorts Private Limited	579.07		2,454.94	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, principal is repayable on demand and schedule for the payment of interest has not been stipulated. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. We are unable to comment on the regularity of payment of interest. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of loans, the principal is repayable on demand and the schedule for repayment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	3,361.89	Nil	3,361.89
- Agreement does not specify any terms or period of Repayment (B)	Nil	Nil	Nil
Total (A+B)	3,361.89	Nil	3,361.89
Percentage of loans/advances in nature of loan to the total loans	100%	NA	100%

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax and Duty of excise during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Value Added Tax or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Value Added Tax or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

Name of the statute	Nature of the dues	Amount (Rs in Lakhs)	Period to which the amount relates	Due date	Date of payment
Kerala general Sales Tax Act, 1963	Sales tax	1.80	June 22- March 23	20th of next month	Unpaid

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	527.03	AY 2005-06 to 2006-07	Central Excise and Service tax Appellate Tribunal
The Uttarakhand Value Added Tax Act. 2005	VAT	18.75	AY 2016-17	Deputy Commissioner
Himachal Pradesh GST Act	GST	113.28	AY 2017-18 & 2018-19	The Asst Commissioner, State Taxes & Excise
Himachal Pradesh Luxury Tax Act	Luxury tax	88.53	AY 1999-00 to 2004-05	The Commissioner, Shimla
Kerala Luxury Tax Act	Luxury tax	871.82	AY 2012-13 to 2015-16	The Deputy Commissioner - Appeals
Kerala Luxury Tax Act	Luxury tax	462.69	AY 2012-13 to 2015-16	Kerala High Court
Kerala Luxury Tax Act	Luxury tax	6.20	AY 2016-17 & 2017-18	Deputy Commissioner
Kerala Luxury Tax Act	Luxury tax	45.80	AY 2016-17 & 2017-18	Deputy Commissioner
Tamil Nadu Luxury tax Act	Luxury tax	6,050.13	AY 1998-99 to 2017-18	Madras High Court

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

Name of the statute	Nature of the dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Luxury tax Act	Luxury tax	137.33	AY 2010-11 to 2014-15	Deputy Commissioner
The Income Tax Act, 1961	Income tax	2,362.58	AY 2015-16	The Commissioner of Income Tax (Appeals), Mumbai
The Income Tax Act, 1961	Income tax	6,660.94	AY 2017-18	The Commissioner of Income Tax (Appeals), Mumbai
The Income Tax Act, 1961	Income tax	723.32	AY 2014-15	Income Tax Appellate Tribunal, Mumbai
The Income Tax Act, 1961	Income tax	694.35	AY 2001-02 and 2006-07	The Commissioner of Income Tax (Appeals), Mumbai
The Income Tax Act, 1961	Income tax	201.84	AY 2018-19	Assessing Officer

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Satish Vaidyanathan

Partner

Place: Chennai

Date: 18 May 2023

Membership No.: 217042

ICAI UDIN:23217042BGRWHI7344

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(g) 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 Sterling Holiday Resorts Limited ("the Company") as of 31 March 2023 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 2023, 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 and Board of Directors' Responsibilities 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 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 if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holiday Resorts Limited for the year ended 31 March 2023 (Continued)

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



Satish Vaidyanathan

Partner

Place: Chennai

Date: 18 May 2023

Membership No.: 217042

ICAI UDIN:23217042BGRWHI7344

Sterling Holiday Resorts Limited
Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, Plant and Equipment	3	89,046.77	93,601.02
Right of use assets	53	6,369.75	7,076.06
Capital work-in-progress	4	374.37	240.41
Intangible assets	5	137.62	534.59
Intangible assets under development	6	116.96	-
Financial assets			
i. Investments	7(a)	1,975.72	1,975.82
ii. Trade receivables	8(a)	146.82	226.22
iii. Other financial assets	10	521.06	584.10
Other tax assets (net)	11	2,108.58	1,636.40
Deferred acquisition cost	12	8,824.20	8,438.09
Other non-current assets	13	623.54	780.83
Total non-current assets		110,245.39	115,093.54
Current assets			
Inventories	14	116.06	71.72
Financial assets			
i. Investments	7(b)	3,882.34	2,704.52
ii. Trade receivables	8(b)	2,861.33	3,129.19
iii. Cash and cash equivalents	15	3,805.05	646.77
iv. Bank balances other than (iii) above	16	5,308.55	1,072.12
v. Loans	9	4,297.71	4,691.12
vi. Other financial assets	10	227.81	90.43
Deferred acquisition cost	12	876.11	649.34
Other current assets	17	690.09	670.39
Total current assets		22,065.05	13,725.60
Total assets		132,310.44	128,819.14
Equity and Liabilities			
Equity			
Equity share capital	18	2,905.00	2,905.00
Other equity			
Reserves and surplus	19	(8,512.19)	(16,605.37)
Other reserves	20	51,699.36	54,079.93
Total equity		46,092.17	40,379.56
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	21(a)	791.15	2,300.56
ii. Lease liabilities	53	3,552.02	5,078.31
iii. Other financial liabilities	22(a)	23.93	13.49
Provision for employee benefit obligations	23	461.67	380.04
Other non-current liabilities			
Contract liability - Deferred revenue	25	66,901.01	66,921.34
Total non-current liabilities		71,729.78	74,693.74
Current liabilities			
Financial liabilities			
i. Borrowings	21(b)	1,507.77	2,613.79
ii. Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	26	183.17	87.88
b) total outstanding dues of creditors other than micro enterprises and small enterprises	26	2,450.07	2,181.70
iii. Lease liabilities	53	2,072.78	1,097.32
iv. Other financial liabilities	22(b)	170.75	364.01
Provisions			
i. Provision for employee benefit obligations	23	314.54	219.53
ii. Other provisions	27	493.79	1,000.00
Other current liabilities			
Contract liability - Deferred revenue	28	5,735.13	4,978.92
Others	29	1,560.49	1,202.69
Total current liabilities		14,488.49	13,745.84
Total liabilities		86,218.27	88,439.58
Total equity and liabilities		132,310.44	128,819.14
Significant accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

for BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 18, 2023

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

Vikram Dayal Lalvani
Managing Director
DIN No.: 07115464
Place: Chennai
Date: May 3, 2023

Krishna Kumar L
Chief Financial Officer
Place: Chennai
Date: May 3, 2023

Pravir Kumar Vohra
Director
DIN No.: 00082545
Place: Chennai
Date: May 3, 2023

Muthukumar A
Company Secretary
Place: Chennai
Date: May 3, 2023

Sterling Holiday Resorts Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	30	32,182.57	24,548.75
Other income	31	2,443.25	1,909.11
Total income		34,625.82	26,457.86
Expenses			
Cost of materials consumed	32	1,840.90	1,068.04
Employee benefits expense	33	10,754.88	7,470.43
Finance costs	34	1,385.81	1,415.09
Depreciation and amortisation expense	35	3,597.37	3,763.91
Other expenses	36	11,406.08	7,900.39
Total expenses		28,985.04	21,617.86
Profit before tax		5,640.78	4,840.00
Tax expense:			
Current tax	37	-	-
Deferred tax		(100.09)	(896.15)
Fringe benefit tax related to prior years		-	72.94
Total tax expense		(100.09)	(823.21)
Profit for the year		5,540.69	4,016.79
Other comprehensive income (OCI)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of the defined benefit (asset)/liability		(117.07)	(83.70)
Income tax effect on revaluation of property, plant & equipment		100.09	896.15
Net other comprehensive income not to be reclassified subsequently to profit or loss		(16.98)	812.45
Total comprehensive income for the year		5,523.71	4,829.24
Earnings per share (Face value of INR 10 each)			
Basic and diluted earnings per share	56	19.07	13.83

Significant accounting policies

1.3

The notes referred to above from an integral part of the financial statements.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Satish Vaidyanathan

Partner

Membership No.: 217042

Place: Chennai

Date: May 18, 2023

For and on behalf of the Board of Directors of

Sterling Holiday Resorts Limited

CIN: U63040TN1989PLC114064



Vikram Dayal Lalvani

Managing Director

DIN No.: 07115464

Place: Chennai

Date: May 3, 2023



Pravir Kumar Vohra

Director

DIN No.: 00082545

Place: Chennai

Date: May 3, 2023



Krishna Kumar L

Chief Financial Officer

Place: Chennai

Date: May 3, 2023



Muthukumar A

Company Secretary

Place: Chennai

Date: May 3, 2023

Sterling Holiday Resorts Limited
Statement of cash flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Profit before tax		5,640.78	4,840.00
Adjustments for:			
Depreciation and amortisation	35	3,597.37	3,763.91
Finance costs	34	1,385.81	1,149.28
Income from cancellation of memberships	30	(1,675.34)	(4,023.64)
Interest income	31	(581.88)	(471.24)
Loss on sale of assets	36	(83.14)	16.45
Stock compensation expense	51	188.90	187.01
Change in fair value of financial assets at fair value through profit or loss	31	(127.70)	(63.53)
Capital work in progress written off	36	-	6.99
Impairment loss on investment in subsidiaries	36	-	281.08
Liabilities no longer required written back	31	(171.52)	(87.35)
Provision for doubtful advances	36	127.30	29.47
Income from termination of lease contracts	31	(3.05)	3.12
Working capital adjustments:			
Decrease in trade receivables		347.26	408.37
Increase in inventories		(44.25)	(5.58)
(Increase)/Decrease in other financial assets		(74.34)	118.15
(Increase)/Decrease in other assets		747.85	(664.70)
Increase/(Decrease) in trade payables		535.18	(136.48)
Increase in other liabilities		1,038.96	999.20
Increase/(Decrease) in provision for employee benefit obligations		59.57	(135.27)
Decrease in other financial liabilities		(310.12)	(65.88)
Cash generated from operating activities		10,597.64	6,149.36
Income taxes paid		(472.18)	(169.93)
Net cash from operating activities		10,125.46	5,979.43
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(506.39)	(623.90)
Proceeds from sale of property, plant and equipment		2,976.27	12.53
Loans to subsidiaries (net)	9	606.43	(551.93)
Investment in fixed deposits (net)		(4,236.43)	(523.64)
Investment in mutual funds		(1,900.00)	(1,000.00)
Proceeds from sale of mutual funds		849.99	-
Interest received		369.60	213.20
Net cash used in investing activities		(1,840.53)	(2,473.74)
Cash flows from financing activities			
Finance costs paid		(828.24)	(474.68)
Repayment of borrowings		(2,615.43)	(1,496.03)
Payment of lease liabilities		(1,682.98)	(1,850.79)
Proceeds from borrowings		-	772.00
Net cash used in financing activities		(5,126.65)	(3,049.50)
Net increase in cash and cash equivalents		3,158.28	456.19
Cash and cash equivalents as at April 1, 2022		646.77	190.58
Cash and cash equivalents as at March 31, 2023	15	3,805.05	646.77

Significant accounting policies

1.3

The notes referred to above form an integral part of the financial statements.

for BSR & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Satish Vaidyanathan

Partner

Membership No.: 217042

Place: Chennai

Date: May 18, 2023

For and on behalf of the Board of Directors of

Sterling Holiday Resorts Limited

CIN: U63040TN1989PLC114064



Vikram Dayal Lalvani

Managing Director

DIN No.: 07115464

Place: Chennai

Date: May 3, 2023



Pravir Kumar Vohra

Director

DIN No.: 00082545

Place: Chennai

Date: May 3, 2023



Krishna Kumar L

Chief Financial Officer

Place: Chennai

Date: May 3, 2023



Mathukumar A

Company Secretary

Place: Chennai

Date: May 3, 2023

Sterling Holiday Resorts Limited
Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2021		2,905.00
Changes in equity share capital during the year	18	-
Balance as at March 31, 2022		2,905.00
Changes in equity share capital during the year	18	-
Balance as at March 31, 2023		2,905.00

II) Other equity

Note	Reserves and surplus				Other reserves			Grand total
	Securities premium	General reserve	Retained earnings	Total	Share options outstanding account	Revaluation reserve	Total	
Balance as at April 1, 2021	32,057.94	4.70	(52,601.10)	(20,538.46)	1,592.89	51,403.88	52,996.77	32,458.31
Profit for the year	19	-	4,016.79	4,016.79	-	-	-	4,016.79
Stock compensation expense for the year	51	-	-	-	187.01	-	187.01	187.01
Other comprehensive income for the year	20	-	(83.70)	(83.70)	-	896.15	896.15	812.45
Balance as at March 31, 2022	32,057.94	4.70	(48,668.01)	(16,605.37)	1,779.90	52,300.03	54,079.93	37,474.56
Profit for the year	19	-	5,540.69	5,540.69	-	-	-	5,540.69
Stock compensation expense for the year	51	-	-	-	188.90	-	188.90	188.90
Other comprehensive income for the year	20	-	(117.07)	(117.07)	-	100.09	100.09	(16.98)
Transfer to retain earnings	-	-	2,669.56	2,669.56	-	(2,669.56)	(2,669.56)	-
Balance as at March 31, 2023	32,057.94	4.70	(40,574.83)	(8,512.19)	1,968.80	49,730.56	51,699.36	43,187.17


Significant accounting policies 1.3

The notes referred to above from an integral part of the financial statements.

for BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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

Satish Valdyannathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 18, 2023



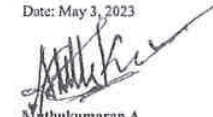
Vikram Dayal Lalvani
Managing Director
DIN No.: 07115464
Place: Chennai
Date: May 3, 2023



Pravir Kumar Vohra
Director
DIN No.: 00082545
Place: Chennai
Date: May 3, 2023



Krishna Kumar L
Chief Financial Officer
Place: Chennai
Date: May 3, 2023



Mythukumaran A
Company Secretary
Place: Chennai
Date: May 3, 2023

Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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

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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 weighted average 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 Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 39 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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 52



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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 56).

b) Diluted earnings per share

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

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

1.3.15. 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.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

1.3. Significant accounting policies (contd.)

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

Judgements

Information about judgements 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 30 – Revenue – Recognition of offer revenue

Note 53 – Leases - whether the Company is reasonably certain to exercise extension options

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

The areas involving critical estimate or judgement are:

Note 23 - Provision for employee benefit obligations: Key actuarial assumptions

Note 30 - Recognition of revenue including provision for cancellation of contracts

Note 44 - 46 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 52 - Valuation of freehold and leasehold land

Note 53 - Leases: Discount rate

Note 7 - Impairment of investments

Note 8 - Measurement of ECL allowance on trade receivables

Note 4 - Determining the useful life of property, plant and equipment and intangible assets

Note 24 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Note 51 – Share based payments: Key assumptions

3. Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023

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

The quantum of revenue deferred due to uncertainty of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

Customer unexercised rights. The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer. The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Reconciliation of carrying amount for the year ended March 31, 2022:

Asset description	Land - freehold						Plant and machinery		Furniture and fixtures		Office equipment		Vehicles		Electrical installations		Total
	Buildings	Computer equipment	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Electrical installations	Total									
I. Gross Block																	
Balance as at April 1, 2021	34,181.10	538.06	2,402.08	3,774.93	149.91	156.98	4,981.84	104,084.42									
Additions / Adjustments	1,965.87	10.76	22.62	47.72	1.15	49.64	62.19	2,464.98									
Disposals / Transfer	-	(38.84)	(109.41)	(179.30)	(69.19)	(1.21)	(55.54)	(453.49)									
Balance as at March 31, 2022	34,186.13	509.98	2,315.29	3,643.35	81.87	205.41	4,988.49	106,095.92									
II. Accumulated depreciation																	
Balance as at April 1, 2021	4,229.19	455.11	961.20	2,469.01	141.30	82.42	2,613.29	10,951.52									
Depreciation for the year	806.36	37.18	159.40	417.34	4.93	19.76	522.92	1,967.89									
Disposals / Adjustments	-	(18.83)	(94.65)	(176.68)	(69.08)	(0.95)	(44.32)	(421.51)									
Balance as at March 31, 2022	5,035.55	453.46	1,025.95	2,709.67	77.15	101.23	3,091.89	12,494.90									
Net block (I-II)																	
Balance as at 31st March, 2022	59,865.39	56.52	1,289.34	933.68	4.73	104.19	1,896.60	93,601.02									
Balance as at 31st March, 2021	57,899.52	82.95	1,400.88	1,305.92	8.61	74.36	2,368.55	93,132.90									

Reconciliation of carrying amount for the year ended March 31, 2023:

Asset description	Land - freehold						Plant and machinery		Furniture and fixtures		Office equipment		Vehicles		Electrical installations		Total
	Buildings	Computer equipment	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Electrical installations	Total									
I. Gross Block																	
Balance as at April 1, 2022	34,486.13	509.98	2,315.29	3,643.35	81.87	205.41	4,988.49	106,095.91									
Additions / Adjustments	2.05	7.83	37.50	55.96	10.61	-	120.70	234.65									
Disposals / Transfer	(2836.00)	(13.87)	(16.99)	(11.15)	(0.96)	(49.64)	(29.48)	(2964.16)									
Balance as at March 31, 2023	34,482.11	503.94	2,335.80	3,688.16	91.52	155.77	5,079.71	103,366.40									
II. Accumulated depreciation																	
Balance as at April 1, 2022	5,035.55	453.46	1,025.95	2,709.67	77.15	101.23	3,091.89	12,494.90									
Depreciation for the year	805.34	30.71	155.74	389.30	4.68	20.93	488.97	1,895.67									
Disposals / Adjustments	(6.07)	(13.87)	(14.42)	(9.83)	(0.96)	(7.80)	(18.08)	(71.03)									
Balance as at March 31, 2023	5,834.82	470.30	1,167.27	3,089.14	80.87	114.36	3,562.78	14,319.54									
Net block (I-II)																	
Balance as at March 31, 2023	57,029.39	33.64	1,168.53	599.02	10.65	41.41	1,516.93	89,046.86									
Balance as at March 31, 2022	59,865.39	56.52	1,289.34	933.68	4.72	104.18	1,896.60	93,601.01									

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Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

3 Property, Plant and Equipment (contd.)

Revaluation of land

The revalued land consists of both freehold and leasehold (Refer note 52).

Fair value of the properties was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation on March 31, 2021, the properties' fair values are based on valuations performed by Knight Frank (I) Pvt Ltd, an accredited independent valuer who has relevant valuation experience for similar properties in India and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. If land and leasehold properties were measured using the cost model. The carrying amounts would be as follows:

Nature	Revaluation model		Cost model	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Freehold land	57,029.39	59,865.39	5,439.02	5,606.36
Leasehold land	1,540.83	1,561.98	161.91	161.91
Total	58,570.22	61,427.37	5,601.83	5,768.27

(a) Consequent to the Scheme referred in Note 49 becoming effective, the Company is in the process of transferring the title of land and buildings in the name of Company.

(b) Refer Note 45 for capital commitments.

(c) Refer Note 46 for certain property related matters.

(d) The Company has written off assets with net carrying amount of INR 28.03 lakhs based on physical verification conducted (Previous year: INR 8.83 lakhs).

(e) 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 financial year 2020-21 and the increase in valuation is duly considered as part of adjustments in the above schedule. The carrying amounts as at March 31, 2023 & March 31, 2022, under revaluation and cost models are given above.

Details of title deeds of immovable properties not held in the name of the Company

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company
Property, Plant and Equipment	Freehold land	40,592.50	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 49
Property, Plant and Equipment	Building	22,959.79	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 49
Property, Plant and Equipment	Freehold land	3,981.30	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 49 & 46 (a)
Property, Plant and Equipment	Building	4,666.62	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 49 & 46 (c)
Property, Plant and Equipment	Freehold land	761.70	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 46 (c)
Property, Plant and Equipment	Freehold land	9,158.00	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 49 & 46 (d (i))
Property, Plant and Equipment	Building	3,595.57	Sterling Holiday Resorts (India) Limited	No	August 18, 2015 onwards	Refer Note 49 & 46 (d (i))
Property, Plant and Equipment	Freehold land	570.00	Manchanda Resorts Private Limited	No	March 20, 1990 onwards	SHRL had acquired Manchanda Resorts Pvt Ltd, title deeds are yet to be transferred.
Property, Plant and Equipment	Building	2,767.63	Manchanda Resorts Private Limited	No	March 20, 1990 onwards	

4 Capital work-in-progress

Particulars

	As at March 31, 2023	As at March 31, 2022
Balance as at April 1, 2022	240.41	283.83
Additions during the year	318.93	276.57
Capitalisation during the year	184.96	319.99
Balance as at March 31, 2023	374.37	240.41

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



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

4 Capital work-in-progress (contd.)
Ageing of Capital work-in-progress

As at March 31, 2022:

Amount in CWIP for a period of	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	130.43	-	-	130.43
Projects temporarily suspended	-	10.38	99.60	109.98
Total	130.43	10.38	99.60	240.41

As at March 31, 2023:

Amount in CWIP for a period of	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	275.03	95.72	-	374.36
Projects temporarily suspended	-	-	3.60	-
Total	275.03	95.72	3.60	374.36

5 Intangible assets

Reconciliation of carrying amount for the year ended March 31, 2022:

Asset description	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	As at April 1, 2021	As at April 1, 2022	As at April 1, 2021	As at April 1, 2022	As at March 31, 2021	As at March 31, 2022
Computer software	1,985.42	22.08	1,168.69	304.22	816.73	534.59
Total	1,985.42	22.08	1,168.69	304.22	816.73	534.59

Reconciliation of carrying amount for the year ended March 31, 2023:

Asset description	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	As at April 1, 2022	As at April 1, 2023	As at April 1, 2022	As at April 1, 2023	As at March 31, 2022	As at March 31, 2023
Computer software	1,993.04	20.81	2,013.85	417.78	534.59	137.62
Total	1,993.04	20.81	2,013.85	417.78	534.59	137.62

6 Intangible assets under development

Particulars

Balance as at April 1, 2022
Additions during the year
Capitalisation during the year
Balance as at March 31, 2023

	As at March 31, 2022	As at March 31, 2023
	-	24.71
	134.51	6.28
	17.55	30.99
	116.96	-

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

Ageing of Intangible assets under development

As at March 31, 2023:

Amount in Intangible assets under development for a period of	Amount in Intangible assets under development for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in progress	116.96	-	-	116.96
Projects temporarily suspended	-	-	-	-
Total	116.96	-	-	116.96



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
7(a) Non-current Investments		
Unquoted Equity Investments at Cost (fully paid)		
In Equity Investment of subsidiaries:		
49,000 (March 31, 2022: 49,000) equity shares of INR 10 each in Sterling Holidays (Ooty) Limited	73.48	73.48
49,000 (March 31, 2022: 49,000) equity shares of INR 10 each in Sterling Holiday Resorts (Kodaikanal) Limited	116.68	116.68
147,578 (March 31, 2022: 147,578) equity shares of INR 100 each in Nature Trails Resorts Private Limited	1,785.01	1,785.01
Unquoted Equity Investments at FVTPL (fully paid)		
In Equity Investment of other entities:		
100,000 (March 31, 2022: 100,000) equity shares of Sterling Holiday Finvest Limited	-	-
100,000 (March 31, 2022: 100,000) equity shares of Sterling Securities & Futures Limited	-	-
520,000 (March 31, 2022: 520,000) equity shares of Sterling Resorts Home Finance Limited	-	-
700,000 (March 31, 2022: 700,000) equity shares of Sterling Holiday Financial Services Limited	-	-
Investment in no. of tenk units:		
28,765 (March 31, 2022: 28,765) equity shares of Sterling Tree-Magnum (India) Limited	-	-
Quoted Equity investments at FVTPL (fully paid)		
1,100 (March 31, 2022: 1,100) equity shares of INR 10 each in Tourism Finance Corporation of India Limited	0.55	0.65
Total	<u>1,975.72</u>	<u>1,975.82</u>
Aggregate amount of quoted investments and market value thereof	0.55	0.65
Aggregate value of unquoted investments	1,975.17	1,975.17
Aggregate amount of impairment in the value of investments	1,426.08	1,426.08
Note: During the previous year, as a result of impact of COVID 19, the Company had performed an impairment analysis on its non-current investments. Basis the approved business plan, projected cashflows from operations of the subsidiaries, the Company has identified an impairment of INR 281.08 lakhs towards investment in Nature Trails Resorts Private Limited. The impairment loss was recognised in statement of profit and loss during the previous year. During the year, the Company had performed impairment analysis, based on the analysis, the Company considers no impairment loss/reversals required to be made on the non-current investments.		
7(b) Current Investments		
Quoted investments at FVTPL	As at	As at
Investments in Mutual funds	March 31, 2023	March 31, 2022
10,985 (March 31, 2022: 10,985) units of TATA Floater Fund - Growth	367.75	351.16
Nil (March 31, 2022: 16,58,099) units of IDFC Low Duration Fund - Reg - Growth	-	519.94
140,560 (March 31, 2022: 140,650) units of ABSL Money Manager Fund - Reg - Growth	440.27	416.71
11,559 (March 31, 2022: 11,559) units of Kotak Money Market - Reg - Growth	439.59	416.17
1,556,358 (March 31, 2022: 783,690) units of ABSL Short Term Fund - Reg - Growth	624.13	300.15
822,293 (March 31, 2022: 822,293) units of Kotak Bond Fund - Reg - Growth	362.86	350.19
Nil (March 31, 2022: 1,340,082) units of HDFC Corporate Bond Fund - Reg - Growth	-	350.20
235,831 (March 31, 2022: Nil) units of Kotak Bond Short Fund - Reg - Growth	104.13	-
377,451 (March 31, 2022: Nil) units of Kotak Banking and PSU Debt Fund - Reg - Growth	207.90	-
595,045 (March 31, 2022: Nil) units of Nippon India Banking and PSU Debt Fund - Reg - Growth	104.13	-
2,912 (March 31, 2022: Nil) units of Nippon India Money Market Fund - Reg - Growth	102.27	-
108,136 (March 31, 2022: Nil) units of ABSL Corporate Bond Fund - Reg - Growth-Short Term Fund	102.06	-
375,130 (March 31, 2022: Nil) units of ICICI Prudential Banking and PSU Debt Fund	103.33	-
1,244,247 (March 31, 2022: Nil) units of ICICI Prudential Corporate Bond Fund - Reg - Growth	310.71	-
44,569 (March 31, 2022: Nil) units of ICICI Prudential Savings Fund	203.90	-
809,641 (March 31, 2022: Nil) units of ICICI Prudential Short Term Fund	409.31	-
Total	<u>3,882.34</u>	<u>2,704.52</u>
Aggregate amount of quoted investments and market value thereof	3,882.34	2,704.52
8(a) Trade receivables non-current		
Considered good - Unsecured	146.82	226.22
8(b) Trade receivables - current		
Considered good - Unsecured	2,861.33	3,129.19
Credit impaired	65.30	109.28
	<u>2,926.63</u>	<u>3,238.47</u>
Less: Loss allowance (refer note 39)	(65.30)	(109.28)
Total	<u>2,861.33</u>	<u>3,129.19</u>
Current portion	2,861.33	3,129.19
Non-current portion	146.82	226.22
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (Refer note 43)	14.95	8.46
Less: Loss allowance	-	-
Net trade receivables from related parties	<u>14.95</u>	<u>8.46</u>

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. If a member is considered as a overdue member, he is not allowed to use the benefits of membership until the overdue amount is regularised or fully paid in that relevant period. The company proceeds to evaluate cancellation of such contracts and adjusts such overdue customer's unbilled receivables against deferred income.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

8(b) Trade receivables (contd.)
Ageing of trade receivables
As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	1,889.29	665.02	299.33	265.21	74.43	52.83	3,246.11
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	0.50	3.28	4.88	35.74	7.82	57.07	109.29
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	1,889.79	668.30	304.21	300.95	82.25	109.90	3,355.40

As at March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled dues	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	2,322.67	348.35	94.05	77.83	41.96	58.00	2,942.85
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	0.82	2.75	0.09	11.66	26.93	23.04	65.30
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	2,323.49	351.10	94.14	89.49	68.89	81.04	3,008.15

9 Loans

Loans to related parties

Loans to subsidiaries - Unsecured, considered good (Refer note 43)

Interest accrued on loans to subsidiaries (Refer note 43)

Other loans

Employee advances

Total

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Loans to subsidiaries - Unsecured, considered good (Refer note 43)	3,361.89	-	3,968.32	-
Interest accrued on loans to subsidiaries (Refer note 43)	928.50	-	716.20	-
Other loans	-	-	-	-
Employee advances	7.32	-	6.60	-
Total	4,297.71	-	4,691.12	-

10 Other financial assets

Security deposits

Other receivables

Bank deposits with more than 12 months original maturity

Total

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Security deposits	44.37	521.06	-	584.10
Other receivables	65.05	-	71.38	-
Bank deposits with more than 12 months original maturity	118.39	-	19.05	-
Total	227.81	521.06	90.43	584.10

11 Other tax assets (net)

TDS receivable net of provision for tax

	As at March 31, 2023	As at March 31, 2022
TDS receivable net of provision for tax	2,108.58	1,636.40

12 Deferred acquisition cost*

	As at March 31, 2023		As at March 31, 2022	
	Current	Non current	Current	Non current
Deferred acquisition cost	876.11	8,824.20	649.34	8,438.09

*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 Other non-current assets

Prepaid expenses

Receivable on sale of fixed assets (Refer note 46(b))

Capital advances

- Considered good

- Considered doubtful

- Less: Loss allowance

Total

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	21.72	148.06
Receivable on sale of fixed assets (Refer note 46(b))	597.59	597.59
Capital advances		
- Considered good	4.23	35.18
- Considered doubtful	-	2.30
- Less: Loss allowance	4.23	37.48
	-	(2.30)
Total	623.54	780.83



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

14	Inventories		
	Food and beverages	52.20	36.53
	Operating supplies	63.86	35.19
	Total	<u>116.06</u>	<u>71.72</u>
15	Cash and cash equivalents		
	Balances with banks on current account	3,784.11	634.07
	Cash on hand	20.94	12.70
	Total	<u>3,805.05</u>	<u>646.77</u>
16	Bank balances other than cash and cash equivalents	As at	As at
	Deposits with original maturity of more than 3 months but less than 12 months	March 31, 2023	March 31, 2022
		5,308.55	1,072.12
17	Other current assets		
	Prepaid expenses	249.81	200.04
	Advances to vendors		
	Considered good	223.62	96.52
	Considered doubtful	23.05	38.12
		<u>246.67</u>	<u>134.64</u>
	Less: Loss allowance	(23.05)	(38.12)
		<u>223.62</u>	<u>96.52</u>
	Balances with government authorities	216.66	373.83
	Total	<u>690.09</u>	<u>670.39</u>

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Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

18 Equity share capital

Authorised	March 31, 2023	March 31, 2022
400 lakhs (March 31, 2022: 400 lakhs) equity shares of Rs.10 each	4,000.00	4,000.00
Issued, subscribed and paid-up		
290.50 lakhs (March 31, 2022: 290.50 lakhs) equity shares of Rs.10 each	2,905.00	2,905.00
As at March 31, 2023	2,905.00	2,905.00

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

	March 31, 2023		March 31, 2022	
	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, 2023		March 31, 2022	
	Number in lakhs	Amount in lakhs	Number in lakhs	Amount in lakhs
Equity shares of INR 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, 2023		March 31, 2022	
	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 Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
19 Other equity - Reserves and surplus		
Securities premium	32,057.94	32,057.94
General reserve	4.70	4.70
Retained earnings	(40,574.83)	(48,668.01)
Total	(8,512.19)	(16,605.37)
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	(48,668.01)	(52,601.10)
Profit for the year	5,540.69	4,016.79
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Actuarial (loss)	(117.07)	(83.70)
Revaluation reserve	2,669.56	-
Closing balance	(40,574.83)	(48,668.01)

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company

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	Other comprehensive income			
	Share options outstanding account	Remeasurement of defined benefit plans	Revaluation Reserve	Total
As at April 1, 2021	1,592.89	-	51,403.88	52,996.77
Additions during the year	187.01	(83.70)	-	103.31
Income tax effect on revaluation of property, plant & equipment	-	-	896.15	896.15
Transferred to retained earnings	-	83.70	-	83.70
As at March 31, 2022	1,779.90	-	52,300.03	54,079.93
Additions during the year	188.90	(117.07)	-	71.83
Income tax effect on revaluation of property, plant & equipment	-	-	100.09	100.09
Transferred to retained earnings	-	117.07	(2,669.56)	(2,552.49)
As at March 31, 2023	1,968.80	-	49,730.56	51,699.36

Share options outstanding account

Share options outstanding account 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.

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 1, 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 52.

Remeasurement of defined benefit plans

Remeasurement of defined benefit plans represents remeasurement of the net defined benefit liabilities comprise of actuarial gain / loss.

Movement in revaluation reserve

	Amount
As at March 31, 2021	51,403.88
Revaluation surplus during the year	-
Income tax effect	896.15
As at March 31, 2022	52,300.03
Revaluation surplus during the year	-
Transfer to retained earnings	(2,669.56)
Income tax effect	100.09
As at March 31, 2023	49,730.56

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Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated.)

	As at March 31, 2023	As at March 31, 2022
21(a) Non-current borrowings		
Term loan		
- From banks		
Secured bank loans (Refer note (i) below)	760.85	2,270.26
Optionally convertible cumulative redeemable preference shares (OCCRPS) (Refer note (ii) below)	30.30	30.30
Total	791.15	2,300.56
21(b) Current borrowings		
Loans from banks		
Current portion of secured bank loans	1,492.17	1,653.19
Interest accrued but not due on borrowings	15.60	26.60
Secured short-term working capital loan (Refer note (iii) below)	-	934.00
Total	1,507.77	2,613.79

- 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. 529.89 lakhs (March 31, 2022: Rs. 1,355.69 lakhs). Entire loan outstanding is repayable within 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. 24.83 lakhs (March 31, 2022: Rs. 95 lakhs). Entire loan outstanding is repayable within 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. 2.51 lakhs (March 31, 2022: Rs. 8.87 lakhs). Entire loan outstanding is repayable within 1 year from the balance sheet date.
- d 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 Mussoorie and negative lien of the property at Yercaud. The loan amount outstanding as at year end is Rs. 389.50 lakhs (March 31, 2022: Rs. 635.50 lakhs). Out of this loan, Rs. 246.00 lakhs (March 31, 2022: Rs. 246.00 lakhs) is repayable within 1 year and the balance amount of Rs. 143.50 lakhs (March 31, 2022: Rs. 389.50 lakhs) is repayable after 1 year from the balance sheet date.
- e 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 Mussoorie and negative lien of the property at Yercaud. The loan amount outstanding as at year end is Rs. 90.41 lakhs (March 31, 2022: Rs. 142.08 lakhs). Out of this loan, Rs. 51.66 lakhs (March 31, 2022: 51.67) is repayable within 1 year and the balance amount of Rs. 38.75 lakhs (March 31, 2022: Rs. 90.41 lakhs) is repayable after 1 year from the balance sheet date.
- f 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 loan amount outstanding as at year end is Rs. 479.12 lakhs (March 31, 2022: 906.72 lakhs). Entire loan outstanding is repayable within 1 year from the balance sheet date.
- g Loan amounting to Rs. 737 lakhs from HDFC Bank Limited availed in May 2021 is repayable in 48 quarterly instalments including a moratorium of 24 months from the date of loan along with an interest rate of 7.50% 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 Mussoorie and negative lien of the property at Yercaud. Out of this loan, Rs. 153.54 lakhs (March 31, 2022: Nil lakhs) is repayable within 1 year and the balance amount of Rs. 583.45 (March 31, 2022: Rs. 737 lakhs) repayable after 1 year from the balance sheet date.
- (ii) **Optionally convertible cumulative redeemable preference shares (OCCRPS)**
The Company issued 303,000 Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs.10 each to its parent company Thomas Cook (India) Limited in April 2018. The OCCRPS carries a fixed Cumulative dividend at a rate of 8.5% payable from the date of allotment. Every 303,000 OCCRPS shall be converted at the option of the Company into 10 equity shares of Rs.10 each. Such conversion shall be at the option of the Company at any time after 1 year from the date of allotment of shares but not later than 7 years from the date of allotment. The redemption shall be made out of the profits of the Company or proceeds of fresh issue of shares made for the purpose of redemption. The conversion will result in allotment of 10,000 equity shares of Rs.10 each. As per the terms of the OCCRPS, there is a contractual obligation to deliver cash to the holder (dividend is non-discretionary). The holder does not have the right to convert the instrument into equity shares any time during the tenure of the preference shares, right to conversion lies with the issuer. Further, the OCCRPS is neither a derivative instrument, nor does it fall within the scope of puttable instruments. Therefore, the OCCRPS has been classified as a financial liability. The corresponding dividend paid or accrued has been disclosed as finance cost.
- (iii) **Short-term working capital loan**
During the year, the Company had settled working capital loan (March 31, 2022: Rs.934 lakhs) from HDFC Bank that had an interest rate of 10.00% p.a. and was secured by charge on current and movable fixed assets and was further secured by extension of collateral property at Mussoorie and negative lien on property located at Yercaud.
- (iv) The carrying amounts of certain financial and non-financial assets pledged as security for non-current borrowings are disclosed in Note 50.
- (v) Owing to the losses in past years, the Company has not complied on certain financial covenants with respect to loans availed from HDFC Bank in the previous years and in the current year. However, based on the review of periodic filings made by the Company to the Bank, the Bank has continued with the facilities, has not placed any demand on the loans and the facility was renewed during the year. Accordingly, the Company continues to classify these loans as current and non-current based on the original maturity.



Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars

Term loan and other borrowings

Working capital loans

Total

Particulars

Balance as at April 1, 2021

Proceeds from loans and borrowings

Repayment of borrowings

Non-cash changes

- Impact of effective interest amortisation

Balance as at March 31, 2022

Repayment of borrowings

Non-cash changes

- Impact of effective interest amortisation

Balance as at March 31, 2023

	March 31, 2023	March 31, 2022	
Term loan and other borrowings	2,283.32	3,953.75	
Working capital loans	-	934.00	
Total	2,283.32	4,887.75	
	Current borrowings	Non-current borrowings	Total
Balance as at April 1, 2021	1,000.00	4,570.01	5,570.01
Proceeds from loans and borrowings	-	772.00	772.00
Repayment of borrowings	(66.00)	(1,424.86)	(1,490.86)
Non-cash changes	-	36.60	36.60
- Impact of effective interest amortisation	-	36.60	36.60
Balance as at March 31, 2022	934.00	3,953.75	4,887.75
Repayment of borrowings	(934.00)	(1,682.59)	(2,616.59)
Non-cash changes	-	12.16	12.16
- Impact of effective interest amortisation	-	12.16	12.16
Balance as at March 31, 2023	-	2,283.32	2,283.32

22 Other financial liabilities

22(a) Non-current

Creditors for capital expenditure

Retention payable

Total

22(b) Current

Dividend payable on optionally convertible cumulative redeemable preference shares

Creditors for capital expenditure

Retention payable

Security deposits

Interest payable to micro enterprises and small enterprises (Refer note 48)

Other liabilities

Total

	As at March 31, 2023	As at March 31, 2022
Creditors for capital expenditure	8.79	4.91
Retention payable	15.14	8.58
Total	23.93	13.49
Dividend payable on optionally convertible cumulative redeemable preference shares	12.76	10.23
Creditors for capital expenditure	22.78	26.78
Retention payable	16.06	45.03
Security deposits	39.62	75.13
Interest payable to micro enterprises and small enterprises (Refer note 48)	27.52	27.53
Other liabilities	52.01	179.31
Total	170.75	364.01

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Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

23 Provision for employee benefit obligations

	As at March 31, 2023		As at March 31, 2022		Total
	Current	Non-current	Current	Non-current	
Compensated absences	88.64	65.10	74.55	57.56	132.11
Gratuity	225.90	396.57	144.98	322.48	467.46
Total	314.54	461.67	219.53	380.04	599.57

(i) Compensated absences

Current compensated absences expected to be settled within the next 12 months

(ii) 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 in 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 Fair value of plan assets		Present value Fair value of plan obligations		Net amount
April 1, 2022	529.20	24.65	504.55	490.76	52.34
Current service cost	57.38	-	57.38	50.88	-
Past service cost	-	-	-	-	-
Interest expense/(income)	32.75	1.68	31.07	27.89	3.34
Total amount recognised in profit or loss	90.13	1.68	88.46	78.77	3.34
April 1, 2021					
Current service cost	-	-	-	-	-
Past service cost	-	-	-	-	-
Interest expense/(income)	-	-	-	-	-
Total amount recognised in profit or loss	-	-	-	-	-

Remeasurements

Return on plan assets, excluding amounts included in interest expense/(income)
(Gain)/loss from change in demographic assumptions
(Gain)/loss from change in financial assumptions
Experience (gains)/losses
Changes in asset ceiling excluding amounts included in interest expense

	19.27	(16.50)	49.60	64.70	-
Total amount recognised in other comprehensive income	97.80	(87.48)	83.49	(83.37)	7.18

Total amount recognised in other comprehensive income

Employer contributions
Benefit payments

March 31, 2023	629.65	7.18	622.47	529.20	24.65
March 31, 2021					
Employer contributions	(87.48)	83.49	(170.97)	(71.67)	46.88
Benefit payments	-	(83.37)	83.37	(55.09)	(71.67)
Total amount recognised in other comprehensive income	97.80	(19.27)	117.97	86.43	(6.24)

March 31, 2021

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23 Provision for employee benefit obligations (contd.)

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

	March 31, 2023	March 31, 2022
Present value of funded obligations	629.65	492.10
Fair value of plan assets	7.18	24.65
Deficit of funded plan	622.47	467.45
Current benefit obligation	225.90	144.98
Non-current benefit obligation	396.57	322.47
Unfunded plans	-	-
Deficit of gratuity plan	622.47	467.45

(iii) Defined contribution plans

The Company has also certain defined contributon 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 INR 379.60 lakhs (March 31, 2022: INR 407.09 lakhs).

(iv) Principal actuarial assumptions used in valuation of Gratuity

	March 31, 2023	March 31, 2022
Discount rate	7.27%	6.81%
Expected rate of return on plan assets	7.27%	6.81%
Salary growth rate	8.00%	5.00%
Attrition rate	43.00%	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

(v) Sensitivity Analysis

a) Gratuity

	March 31, 2023	March 31, 2022
Discount rate:		
+ 100 basis points	(12.66)	(14.23)
- 100 basis points	13.30	15.13

Salary escalation rate:

+ 100 basis points	15.36	17.48
- 100 basis points	(14.91)	(16.74)

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.

b) Compensated absentees

	March 31, 2023	March 31, 2022
Discount rate:		
+ 100 basis points	(2.98)	(3.67)
- 100 basis points	3.10	4.17

Salary escalation rate:

+ 100 basis points	3.98	3.76
- 100 basis points	(3.90)	(3.41)



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24 Deferred tax

The balance comprises temporary differences attributable to:

	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	3,786.76	3,654.99
On account of land revaluation	3,342.55	3,442.64
MTM gain on investments	63.46	-
Total deferred tax liabilities	7,192.77	7,097.63
Set-off of deferred tax liabilities pursuant to set-off provisions	7,192.77	7,097.63
Deferred tax liability as per the balance sheet	-	-
Net unrecognised deferred tax liabilities	-	-
Unabsorbed depreciation allowance and business loss carried forward	9,085.94	9,783.36
Provision for employee benefits	243.56	150.90
Provision for doubtful debts	35.14	27.50
Total deferred tax assets	9,364.64	9,961.76
Set-off of deferred tax liabilities pursuant to set-off provisions	7,192.77	7,097.63
Deferred tax asset as per the balance sheet	-	-
Net unrecognised deferred tax assets	2,171.87	2,864.13

Movement in deferred tax liabilities:

	Property, plant and equipment and MTM gain on investments	On account of land revaluation	Unabsorbed depreciation allowance and business loss carried forward	Provision for employee benefits	Provision for doubtful debts	Total
At April 1, 2021 charged/(credited):	(3,911.14)	(4,338.79)	8,935.24	219.62	459.47	1,364.40
- to profit or loss	-	-	(896.15)	-	-	(896.15)
- unrecognised deferred tax assets for the year	256.15	-	1,744.26	(68.72)	(431.97)	1,499.72
- to other comprehensive income	-	896.15	-	-	-	896.15
At March 31, 2022 Charged/(Credited):	(3,654.99)	(3,442.64)	9,783.36	150.90	27.50	2,864.12
- to profit or loss	-	-	(100.09)	-	-	(100.09)
- unrecognised deferred tax assets for the year	(195.23)	-	(597.33)	92.66	7.64	(692.26)
- to other comprehensive income	-	100.09	-	-	-	100.09
At March 31, 2023	(3,850.22)	(3,342.55)	9,085.94	243.56	35.14	2,171.87

The Company had recognized deferred tax asset on carried forward losses only to the extent of deferred tax liabilities. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

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Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

25 Other non-current liabilities - Deferred revenue

Contract liability - Deferred income (Refer note 54)

Contract liability - Advance received from customers (Refer note 54)

Total

66,437.75	66,675.50
463.26	245.84
<u>66,901.01</u>	<u>66,921.34</u>

26 Trade payables

Dues to micro enterprises and small enterprises (Refer note 48)

Dues to creditors other than micro enterprises and small enterprises

Total

183.17	87.88
2,450.07	2,181.70
<u>2,633.24</u>	<u>2,269.58</u>

Of the above, trade payables to related parties: (Refer note 43(h))

Micro and small enterprises have been identified by the Company on the basis of the information available with the Company.

The Company's exposure to liquidity risks related to trade payables is disclosed in note 39.

Ageing schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro, small and medium enterprises	-	87.88	-	-	-	87.88
Total outstanding dues of creditors other than micro, small and medium enterprises	1,430.15	744.23	-	-	7.32	2,181.70
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
	<u>1,430.15</u>	<u>832.11</u>	<u>-</u>	<u>-</u>	<u>7.32</u>	<u>2,269.58</u>

As at March 31, 2023

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro, small and medium enterprises	157.12	26.05	-	-	-	183.17
Total outstanding dues of creditors other than micro, small and medium enterprises	1,487.07	947.97	7.79	7.23	-	2,450.05
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-
	<u>1,644.19</u>	<u>974.02</u>	<u>7.79</u>	<u>7.23</u>	<u>-</u>	<u>2,633.23</u>

27 Other provisions

Provision for stamp duty (Refer note below)

Total

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. The Company has assessed and accounted provision based on independent legal advice. During the year, this litigation is settled through Maharashtra amnesty scheme. The Company had paid the amount as per scheme and adjusted provision accordingly.

493.79	1,000.00
<u>493.79</u>	<u>1,000.00</u>

28 Other current liabilities - Deferred revenue

Contract liability - Deferred income (Refer note 54)

Contract liability - Advance received from customers (Refer note 54)

Total

3,388.26	3,287.71
2,346.87	1,691.21
<u>5,735.13</u>	<u>4,978.92</u>

29 Other current liabilities - Others

Salaries, wages, bonus and employee payables

Statutory liabilities

Advance received towards management & brand fees

Total

762.78	613.85
637.48	588.84
160.23	-
<u>1,560.49</u>	<u>1,202.69</u>



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
30 Revenue from operations		
Revenue from contract with customers		
Income from sale of membership:		
- Membership fee/Admission fees (net of provision for cancellation) (refer notes below)	5,963.01	9,152.97
- Annual subscription fees/ Annual amenity charges	4,824.21	3,993.99
Income from resorts:		
- Room rentals	14,215.47	7,528.39
- Others	2,090.95	794.18
- Management contract income	445.62	236.75
-Food and beverages	4,360.04	2,597.98
Other operating revenues		
Service charges	232.76	155.38
Interest income on installment sales	50.51	89.11
Total	32,182.57	24,548.75

Disaggregation of revenue from contracts with customers

The Company derives income from sale of membership fee over a period of time and income from resorts at a point in time.

At a point in time	21,344.84	11,312.68
Over a period of time	10,837.73	13,236.07
Total Revenue from contract with customers	32,182.57	24,548.75

Notes:

- a) The Company uses the historical trends/percentage 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. 70.70 lakhs (March 31, 2022: Rs. 100.34 lakhs).
- 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) / Annual subscription fees (ASF) 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 (net of receivables) Rs. 1,333.80 lakhs (March 31, 2022: Rs. 4,914.40 lakhs) and write-off of the related unamortised cost Rs. 429.37 lakhs (March 31, 2022: Rs. 890.37 lakhs). (also refer note 54).

31 Other income

Interest income on:		
- Loans and advances to related parties	360.59	340.09
- Deposits with bank	140.43	21.95
- Income tax refund	-	58.66
- Others	80.86	50.54
Profit on sale of property, plant and equipment (net)	83.14	-
Net gain on financial assets measured at fair value through profit or loss	127.70	63.53
Rental income	494.41	214.65
Management fees	821.08	757.83
Income from skill development training	41.72	131.25
Provision/Liabilities no longer required written back	171.52	87.35
Gain on variable lease payments	27.03	173.42
Income from termination of lease contracts	-	3.12
Miscellaneous income	94.77	6.72
Total	2,443.25	1,909.11

32 Cost of materials consumed

Inventory at the beginning of the year	36.53	39.57
Add: Purchases	1,856.57	1,065.00
Less: Inventory at the end of the year	52.20	36.53
Cost of materials consumed	1,840.90	1,068.04



Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
33 Employee benefits expense		
Salaries, wages and bonus	9,259.72	6,397.29
Contribution to provident and other funds	545.22	426.60
Employee share-based payment expense	118.85	121.24
Compensated absences	83.73	82.67
Staff welfare expenses	747.36	442.63
Total	10,754.88	7,470.43
34 Finance costs		
Interest and finance charges on financial liabilities measured at amortized cost	396.16	516.24
Interest on lease liabilities	557.58	630.46
Bank charges	429.54	265.81
Dividend on OCCRPS	2.53	2.58
Total	1,385.81	1,415.09
35 Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	1,895.68	1,967.90
Amortisation of intangible assets	417.78	304.22
Depreciation of right of use assets	1,283.91	1,491.79
Total	3,597.37	3,763.91
36 Other expenses		
Consumption of stores and spares	486.82	240.33
Power and fuel	1,731.19	1,217.83
Rent	681.64	216.32
Repairs and maintenance:		
-Buildings	384.89	146.84
-Plant and machinery	470.48	260.43
-Others	392.54	358.47
Insurance	77.76	83.61
Business support expenses	527.54	75.69
Rates and taxes	286.08	186.03
Guest supplies	380.97	183.52
Laundry expenses	233.08	153.12
Communication	224.70	195.14
Recruitment and training	37.88	58.33
Travel and tours	534.12	236.88
Legal and professional	672.71	548.85
Directors' sitting fees	18.70	23.34
Payment to statutory auditors:		
As Auditor:		
- Statutory audit	20.46	12.00
- Limited review	22.00	22.00
For other audit services:		
- Other services	2.49	-
-Reimbursement of expenses	6.12	1.69
Travel and conveyance	404.17	225.32
Security charges	287.24	248.16
Water charges	125.83	85.71
Sales commission	1,952.63	1,862.97
Sales promotion	671.49	525.02
Provision for doubtful advances	127.30	29.47
Loss on sale of property, plant and equipment (net)	-	16.45
Impairment of investment in subsidiary	-	281.08
Capital work in progress written off	-	6.99
Printing and stationery	58.49	33.22
Miscellaneous expenses	586.76	365.58
Total	11,406.08	7,900.39



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
37 Income tax expenses		
a) Amount recognised in profit or loss		
<i>Current tax</i>		
Current tax for the year	-	-
Fringe benefit tax related to prior years	-	(72.94)
Total	-	(72.94)
<i>Deferred tax expense</i>		
(Increase)/Decrease in deferred tax assets	100.09	896.15
Increase/(Decrease) in deferred tax liabilities	-	-
Total	100.09	896.15
Total tax expense/(benefit)	100.09	823.21
b) Reconciliation of tax expense and the accounting profit multiplied by Company's domestic Tax Rate:		
Profit before income tax expense	5,640.78	4,840.00
Tax expense computed at Indian Tax rate of 25.168% (Previous year: 25.168%)	1,419.67	1,218.13
Net Tax effects of amount which are deductible in calculating taxable income - other than temporary differences	(1,419.67)	(1,218.13)
	-	-
Unrecognised deferred tax assets for the year	-	-
Deferred tax asset recognised / (derecognised) on brought forward losses	100.09	896.15
Decrease in deferred tax liability on account of indexation of land	-	-
Tax income	100.09	896.15
Tax losses		
Unused tax losses for which no deferred tax assets have been recognised	8,632.86	11,380.00
Potential tax benefit at 25.168% (Previous year: 25.168%)	2,172.72	2,864.12
Tax losses available		
Date of expiry to carry forward	As at	As at
	March 31, 2023	March 31, 2023
31-Mar-30	-	183.41
31-Mar-29	4,912.93	4,912.93
31-Mar-28	1,423.17	1,449.31
31-Mar-27	2,296.76	4,355.75
31-Mar-26	-	-
31-Mar-24	-	478.60
Total	8,632.86	11,380.00

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38 Fair value measurements

Financial instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	3,882.89	-	-	2,705.17	-	-
Trade receivables	-	-	3,008.15	-	-	3,355.41
Loans	-	-	3,361.89	-	-	3,968.32
Interest accrued on loans and advances to related parties	-	-	928.50	-	-	716.20
Employee advances	-	-	7.32	-	-	6.60
Cash and cash equivalents	-	-	3,805.05	-	-	646.77
Other bank balances	-	-	5,308.55	-	-	1,072.12
Bank deposits with more than 12 months maturity	-	-	118.39	-	-	-
Security deposits	-	-	565.43	-	-	584.10
Other receivables	-	-	65.05	-	-	71.38
Total financial assets	3,882.89	-	17,168.33	2,705.17	-	10,420.90
Financial liabilities						
Borrowings	-	-	2,298.92	-	-	4,914.35
Trade payables	-	-	2,633.24	-	-	2,269.58
Capital creditors	-	-	46.71	-	-	31.69
Security deposits	-	-	39.62	-	-	75.13
Other liabilities	-	-	79.53	-	-	206.84
Lease liabilities	-	-	-	-	-	-
Total financial liabilities	-	-	5,098.02	-	-	7,497.59

The summary of financial instruments above does not include investments held by the Company in its subsidiaries/associates amounting to Rs. 1975.17 lakhs as on March 31, 2023 (March 31, 2022: Rs. 1975.17 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, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Investments at FVTPL:</i>					
Equity instruments	7(a)	0.55	-	-	0.55
Mutual funds	7(b)	3,882.34	-	-	3,882.34
Total financial assets		3,882.89	-	-	3,882.89

Assets and liabilities which are measured at amortised cost for which fair values are disclosed same as carrying value

As at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to subsidiaries	9	-	-	3,361.89	3,361.89
Interest accrued on loans and advances to related parties	9	-	-	928.50	928.50
Employee advances	9	-	-	7.32	7.32
Security deposits	10	-	-	565.43	565.43
Total financial assets		-	-	4,863.14	4,863.14
Financial liabilities					
Borrowings	21(a)	-	-	2,298.92	2,298.92
Total financial liabilities		-	-	2,298.92	2,298.92

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

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Financial investments at FVTPL:</i>					
Equity instruments	7(a)	0.65	-	-	0.65
Mutual funds	7(b)	2,704.52	-	-	2,704.52
Total financial assets		2,705.17	-	-	2,705.17



38 Fair value measurements (contd.)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed same as carrying value

As at March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to subsidiaries	9	-	-	3,968.32	3,968.32
Interest accrued on loans and advances to related parties	9	-	-	716.20	716.20
Employee advances	9	-	-	6.60	6.60
Security deposits	10	-	-	584.10	584.10
Total financial assets		-	-	5,275.22	5,275.22
Financial Liabilities					
Borrowings	21(a)	-	-	4,914.35	4,914.35
Total financial liabilities		-	-	4,914.35	4,914.35

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, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<i>Loans</i>				
Loans to subsidiaries	3,361.89	3,361.89	3,968.32	3,968.32
Interest accrued on loans and advances to related parties	928.50	928.50	716.20	716.20
Employee advances	7.32	7.32	6.60	6.60
Security deposits	565.43	565.43	584.10	584.10
Total financial assets	4,863.14	4,863.14	5,275.22	5,275.22
Financial Liabilities				
Borrowings	2,298.92	2,298.92	4,914.35	4,914.35
Total financial liabilities	2,298.92	2,298.92	4,914.35	4,914.35

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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39 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	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 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 nil.	12 month expected credit losses	12 month expected credit losses	Lifetime expected credit loss
C2	Doubtful assets, credit impaired	Assets are provided for when there is no reasonable expectation of recovery. The Company categorises a loan or receivable for provisioning when the debtor fails to make the contractual payments for over 12 months. When the loans or receivables have been provided for, the Company continues to engage in enforcement activity to attempt to recover the receivable/cancel contracts as appropriate. When recoveries are made these are recognised in profit or loss.	Asset is provided for fully		



39 Financial risk management (contd.)

For the year ended March 31, 2023:

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

The estimated gross carrying amount at default is Nil (March 31, 2022: Nil) for investments, 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 customer is treated as overdue. (refer note 25 and note 28).

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.

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

	March 31, 2023	March 31, 2022
Carrying value of receivables (refer note 8)	3,073.45	3,464.69
Credit loss allowance	65.30	109.28
Loss allowance %	2%	3%

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 30) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

	Amount
(iii) (a) Reconciliation of carrying value of receivables	
Receivables as on April 1, 2021	4,197.11
Sale made during the year	4,523.17
Collections during the year	(5,399.56)
Write off on account of contracts cancelled during the year	(250.35)
Adjustment on account of provision	394.32
Receivables as on March 31, 2022	3,464.69
Sale made during the year	6,466.37
Collections during the year	(6,028.79)
Write off on account of contracts cancelled during the year	(172.92)
Adjustment on account of provision	(655.90)
Receivables as on March 31, 2023	3,073.45
(iii) (b) Reconciliation of loss allowance provision	
Loss allowance on March 31, 2022	433.33
Allowance for credit loss recognised during the year	111.07
Adjustment on account of contracts cancelled during the year	(250.35)
Provision no longer required	(31.77)
Amounts written off during the year	(153.00)
Loss allowance on March 31, 2022	109.28
Allowance for credit loss recognised during the year	130.41
Adjustment on account of contracts cancelled during the year	(172.92)
Provision no longer required	(1.47)
Amounts written off during the year	-
Loss allowance on March 31, 2023	65.30

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39 Financial risk management (contd.)

(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, 2023	March 31, 2022
Floating rate		
- Expiring within one year	-	-
Marketable securities	3,882.34	2,704.52
(including investments held for sale)		

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.

(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:

	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
March 31, 2023							
Non-derivatives							
Borrowings	2,298.92	807.25	282.26	568.39	372.59	453.92	2,484.42
Trade payables	2,633.24	2,633.24	-	-	-	-	2,633.24
Other financial liabilities	194.68	170.72	-	-	23.96	-	194.68
Total non-derivative liabilities	5,126.84	3,611.21	282.26	568.39	396.55	453.92	5,312.34
March 31, 2022							
Non-derivatives							
Borrowings	4,951.18	1,346.00	415.75	1,142.05	1,630.02	1,399.59	5,933.40
Trade payables	2,269.58	2,185.06	55.63	7.84	4.14	16.91	2,269.58
Other financial liabilities	340.67	335.76	-	-	4.91	-	340.67
Total non-derivative liabilities	7,561.43	3,866.82	471.38	1,149.89	1,639.07	1,416.50	8,543.65

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, 2023	March 31, 2022
Variable rate borrowings	2,253.02	3,923.45
Fixed rate borrowings	2.51	1,566.33
	2,255.53	5,489.78

	March 31, 2023			March 31, 2022		
	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	9.79%	2,253.02	99.89%	9.10%	3,923.45	17.83%

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. 22.53 lakhs (March 31, 2022: Rs. Rs.39.23 lakhs)

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40 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, 2023	As at March 31, 2022
Total debt	2,298.92	4,914.35
Less: Cash and cash equivalents and other bank balances	(9,113.60)	(1,718.89)
Adjusted net debt	(6,814.68)	3,195.46
Total equity	46,092.17	40,379.56
Adjusted net debt to equity ratio	(0.15)	0.08

41 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, 2023	March 31, 2022
Sterling Holidays (Ooty) Limited	98%	98%
Sterling Holiday Resorts (Kodaikanal) Limited	98%	98%
Nature Trails Resorts Private Limited	100%	100%

42 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-Whole Time Director (CWD) 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 - "Leisure Hospitality and Resorts"

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Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

43 Related party transactions

(a) Nature of related party and related party relationship

Description of related party	Name of the related party
Ultimate Holding Company	Fairfax Financial Holdings Limited, Canada
Holding Company	Thomas Cook (India) Limited
Subsidiaries	Sterling Holiday Resorts (Kodaikanal) Limited Sterling Holidays (Ooty) Limited Nature Trails Resorts Private Limited
Key Managerial Personnel	Ramesh Ramanathan (Resigned as Whole Time Director with effect from Dec 31, 2022) Vikram Dayal Lalvani (Appointed as Managing Director with effect from April 01, 2022) Anand Raghavan (Ceased to be Independent Director on October 27, 2022 due to expiry of the term on October 26, 2022) Madhavan Menon Karunakaran (Director) Sumit Maheshwari (Director) Ravindra Dhariwal (Ceased to be Independent Director on October 27, 2022 due to expiry of the term on 26th October, 2022) Pravir Kumar Vohra (Independent Director) Latha Ramanathan (Independent Director) L. Krishna Kumar (Chief Financial Officer) M. Balasubramanian (Company Secretary Resigned with effect from January 24, 2022) A Muthukumar (Company Secretary with effect from January 24, 2022)

(b) Parent entities
The Company is controlled by following entity:

Name of entity	Type	Ownership Interest held by the Group	
		March 31, 2023	March 31, 2022
Fairfax Financial Holdings Limited, Canada	Ultimate Holding Company	-	-
Thomas Cook (India) Limited	Holding Company	100%	100%

(c) Subsidiaries

Name of entity	Principal Activities	Ownership interest held by the Group	
		March 31, 2023	March 31, 2022
Sterling Holidays (Ooty) Limited ('Ooty')	Timeshare & resorts business	98%	98%
Sterling Holiday Resorts (Kodaikanal) Limited ('Kodaik')	Timeshare & resorts business	98%	98%
Nature Trails Resorts (Private) Limited ('NT')	Adventure holiday activities business	100%	100%

(d) 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

(e) Key management personnel compensation	March 31, 2023	March 31, 2022
Mr. Ramesh Ramanathan (Chairman-Whole Time Director)*		
Short-term employee benefits	1,740.60	351.07
Post-employment benefits	31.88	14.92
Employee stock options	296.61	-
Total	2,069.09	365.99

* Mr. Ramesh Ramanathan has resigned as Managing Director with effect from March 31, 2022 and appointed as Whole Time Director with effect from April 01, 2022 and subsequently resigned from board of director effective from Dec 31, 2022. The Company approved paid a one time ex-gratia payment amounting to INR 15.60 crores to Mr. Ramesh Ramanathan during the year.

Mr. Vikram Dayal Lalvani (Managing Director)*		
Short-term employee benefits	121.47	23.11
Post-employment benefits	6.00	0.53
Total	127.47	23.64

* Mr. Vikram Dayal Lalvani is appointed as Whole Time Director with effect from January 24, 2022 and then appointed as Managing Director with effect from April 01, 2022.



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

43 Related party transactions (contd.)

	March 31, 2023	March 31, 2022
Mr. Krishna Kumar (Chief Financial Officer)	86.83	82.82
Short-term employee benefits	2.39	2.14
Post-employment benefits	89.22	84.96
Total	89.22	84.96
Mr. M. Balasubramanian (Company Secretary)*		
Short-term employee benefits	-	12.32
*Resigned with effect from January 24, 2022		
Mr. Muthukuraman Audikesavan (Company Secretary)*		
Short-term employee benefits	17.97	4.61
Post-employment benefits	0.55	0.15
Total	18.52	4.76
*Appointed as Company Secretary with effect from January 24, 2022		
(f) Sitting fees paid to directors		
Latha Ramanathan (Director)	6.50	5.60
Pravir Kumar Vohra (Director)	4.60	1.80
Anand Raghavan (Director)	3.60	4.30
Ravindra Dhariwal (Director)	4.50	5.60
Sidharth Shankar (Director till 31 August 2021)	-	1.50
Total	19.20	18.80
(g) Transactions with related parties		
Transactions with related parties are as follows:		
Sale of services		
TC Tours Private Limited	55.13	22.64
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited)	48.46	-
Total	103.59	22.64
Interest Income		
Sterling Holidays (Ooty) Limited	50.39	56.06
Sterling Holiday Resorts (Kodaikanal) Limited	113.24	120.94
Nature Trails Resorts Private Limited	196.96	163.09
Total	360.59	340.09
Rental income		
Sterling Holidays (Ooty) Limited	276.32	122.96
Sterling Holiday Resorts (Kodaikanal) Limited	213.89	94.81
Nature Trails Resorts Private Limited	9.68	5.95
Total	499.89	223.72
Income from use of brand		
Sterling Holidays (Ooty) Limited	53.34	24.04
Sterling Holiday Resorts (Kodaikanal) Limited	34.41	24.04
Total	87.75	48.08
Reimbursement of expenses		
Thomas Cook (India) Limited	370.83	-
Rent expense		
Thomas Cook (India) Limited	1.47	-
Sterling Holidays (Ooty) Limited	249.53	46.70
Sterling Holiday Resorts (Kodaikanal) Limited	278.01	29.00
Total	529.01	75.70
Management fees		
Sterling Holidays (Ooty) Limited	403.49	373.74
Sterling Holiday Resorts (Kodaikanal) Limited	329.85	336.01
Total	733.33	709.75
Income from Business support service		
Sterling Holidays (Ooty) Limited	244.83	-
Sterling Holiday Resorts (Kodaikanal) Limited	204.55	-
Nature Trails Resorts Private Limited	17.40	-
Total	466.79	-



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

43 Related party transactions (contd.)

(g) Transactions with related parties (contd.)

	March 31, 2023	March 31, 2022
Travel booking & other support services		
Thomas Cook (India) Limited	76.99	54.81
Services availed		
Quess Corp Limited	-	159.63
Coachive Solutions Pvt Ltd	-	0.02
Allsec Technologies Limited	20.64	26.74
Terrier Security Services (India) Pvt Ltd	-	7.74
Go Digit General Insurance Limited	53.90	17.36
Total	<u>74.53</u>	<u>227.46</u>
Service charges paid		
Terrier Security Services (India) Pvt Ltd	-	7.39
Allsec Technologies Limited	19.86	26.64
Go Digit General Insurance Limited	56.63	16.25
Quess Corp Limited	-	141.96
Thomas Cook (India) Limited	62.78	59.15
Total	<u>139.26</u>	<u>251.39</u>
Amount received towards sale of service		
TC Tours Private Limited	55.91	33.46
SOTC Travel Services Private Limited	-	-
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited)	41.20	-
Total	<u>97.10</u>	<u>33.46</u>
Dividend on OCCPRS		
Thomas Cook (India) Limited	2.53	2.58
Employee stock option expense (ESOP)		
Thomas Cook (India) Limited	188.90	187.01
Advances granted		
Sterling Holidays (Ooty) Limited	1,993.10	1,378.97
Sterling Holiday Resorts (Kodaikanal) Limited	740.83	1,307.03
Nature Trails Resorts Private Limited	8.93	905.12
Total	<u>2,742.87</u>	<u>3,591.12</u>
Advances received		
Sterling Holidays (Ooty) Limited	3,251.88	1,240.97
Sterling Holiday Resorts (Kodaikanal) Limited	1,553.01	1,265.10
Nature Trails Resorts Private Limited	56.63	533.10
Total	<u>4,861.52</u>	<u>3,039.17</u>
Reimbursement received		
Sterling Holidays (Ooty) Limited	39.97	46.70
Sterling Holiday Resorts (Kodaikanal) Limited	68.87	30.61
Total	<u>108.84</u>	<u>77.31</u>
Loan payment received		
Sterling Holidays (Ooty) Limited	220.37	-
Sterling Holiday Resorts (Kodaikanal) Limited	123.63	-
Total	<u>344.00</u>	<u>-</u>
(h) Outstanding balances as at the year end		
Trade payables		
Thomas Cook (India) Limited	15.20	-
Go Digit General Insurance Limited	-	1.91
Allsec Technologies Ltd	3.82	3.03
Total	<u>19.02</u>	<u>4.95</u>



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2023	March 31, 2022
Dividend payable on OCCRPS		
Thomas Cook (India) Limited	12.76	10.23
Advances to suppliers		
Go Digit General Insurance Limited	3.53	-
Trade Receivable		
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited)	7.27	-
TC Tours Private Limited	7.68	8.46
Total	<u>14.95</u>	<u>8.46</u>
Advance received towards management & brand fees		
Sterling Holidays (Ooty) Limited	160.23	-
Total	<u>160.23</u>	<u>-</u>
(l) Loans to related parties		
<i>Loans to subsidiaries</i>		
Sterling Holidays (Ooty) Limited	-	624.14
Sterling Holiday Resorts (Kodaikanal) Limited	906.95	1,269.20
Nature Trails Resorts Private Limited	2,454.94	2,074.98
Total	<u>3,361.89</u>	<u>3,968.32</u>
Interest accrued on loans given		
Sterling Holidays (Ooty) Limited	0.19	5.86
Sterling Holiday Resorts (Kodaikanal) Limited	59.79	19.08
Nature Trails Resorts Private Limited	868.52	691.26
Total	<u>928.50</u>	<u>928.50</u>

(j) Terms and conditions

The loans to Ooty, Kodai are given at an interest rate of 9.25% p.a. (March 31, 2022: 9.25% p.a) and to Nature Trails at 13.25% p.a. (March 31, 2022: 13.25% p.a) and are repayable on demand. The accumulated losses as at March 31, 2023 of Ooty, Kodai and NT are Rs. 75.20 lakhs, Rs.1,091.28 lakhs and Rs. 2,150.38 lakhs respectively (Previous year Rs. 683.20 lakhs, Rs.1,489.84 lakhs and Rs.1,996.38 lakhs respectively). The future financial projections of the subsidiary companies reflect positive cash flows from operations due to higher occupancy/tariffs from refurbished properties. Accordingly, the Management is of the view that these loans are good and recoverable.

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	As at March 31, 2023	As at March 31, 2022
44 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 and 2008-09 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 A.Y 2009-10 The Assessing officer in this asmtt u/s. 143(3) r.w.s 147 of IT Act, 1961 has disallowed CWIP expenses of Rs.30.59 crores while calculating the capital gain on sale of land for which we have filed appeals with CIT(A). CITA Passed ex-party order for non submission of supporting documents. We have preferred appeal against the CITA Order with the ITAT & ITAT ramanded back the case to CITA for fresh hearing. 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 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. Based on the management's assessment and the advice of external consultant, the Company believes the demand is not tenable	2,450.30	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 . Consequently, a demand of Rs. 6,660.94 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 had filed an appeal before Commissioner of Income Tax (Appeals), Mumbai and the case is pending as of date.	6,660.94	6,660.94
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 had filed an appeal before Commissioner of Income Tax (Appeals), Mumbai and the case is pending as of date.	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.	201.84	201.84
For the A.Y 2014-15 The Principal Commissioner of Income Tax passed order U/S 263 of the Income Tax Act directing the AO to disallow the brought forward loss claimed U/S 72A in its hands pursuant to merger of Manchanda Resorts Private Limited. The AO passed the order U/S 143(3) w.r.t to Sec 263 and uploaded a demand in the e filing portal. we have not been served with the order. We have filed Appeal against the order U/S 263 of the Pr.CIT with ITAT Mumbai bench and same is pending. The merger is subject matter of A.Y 2013-14 and AO has allowed the brought forward losses for the A.Y 2013-14. The revision order of Pr.CIT for the A.Y 2014-15 of the subject matter of A.Y 2013-14 is erroneous and maintainable before law. The case is heard by ITAT Mumbai and pending for order.	723.32	723.32
(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	7,668.21	7,695.37
VAT related matters	-	18.75
GST related matters	118.05	113.28
Customer, vendor, employee and property related disputes under appeal	1,726.15	1,726.81



Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

44 Contingent liabilities and contingent assets (contd.)

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.

45 Commitments

	As at March 31, 2023	As at March 31, 2022
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	90.84	211.09
Intangible Assets	24.97	-

46 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, 2023 in respect of the said property aggregates to Rs.7,863.27 lakhs (March 31, 2022: Rs. 7,964.44 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, 2022: Rs. 527.10 lakhs) (included under "Other non-current 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 During the financial year 2015-16, Company had 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. 761.70 lakhs (March 31, 2022: Rs. 761.70 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 Other property related matters

	Net carrying amount as on March 31, 2023	Net carrying amount as on March 31, 2022	
Property			Remarks
i) Kodai Valley View (Revalued - Refer Note 53)	8,331.00	8,331.00	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 case will be heard before the District Court Kodaikanal.
ii) Hubli	5.23	5.35	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.

- 47 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.



Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

- 48 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

	As at March 31, 2023	As at March 31, 2022
i Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	183.17	87.88
ii Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	27.52	27.53
iii Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	114.58	223.78
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	4.42	15.15
vii Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are	27.52	8.10

- 49 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 :

- 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.
- the Equity Shares (including equity shares acquired after appointed date) held by the Company in erstwhile SHRIL were cancelled.
- 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.
- 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
- 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, 2023	As at March 31, 2022
50 Assets pledged as security		
Current		
Receivables	-	27.47
Inventories	-	13.69
Non-current		
Freehold land (Revalued - Refer Note 52)	9,721.00	9,756.78
Buildings	5,498.08	5,657.82
Movable assets	1,559.27	1,867.41

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51 Share based payments

(a) Employee option plan

The options outstanding as at March 31, 2023, 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 exercised.

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)

Thomas Cook Employees Stock Scheme 2018 - Execom

The Exercise Price shall be equal to face value of shares i.e Rs. 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.

1) Summary of options granted under plan :

TCIL ESOP 2018 Execom

Opening balance
 Granted during the year
 Exercised during the year
 Forfeited during the year

	March 31, 2023		March 31, 2022	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	1.00	440,000	1.00	553,646
Granted during the year	-	-	-	-
Exercised during the year	1.00	178,723	-	-
Forfeited during the year	1.00	60,563	1.00	113,646
	1.00	200,714	1.00	440,000

TCIL ESOP 2018 Management

Opening balance
 Granted during the year
 Exercised during the year
 Forfeited during the year

	March 31, 2023		March 31, 2022	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	125.10	60,370	125.10	96,183
Granted during the year	-	-	-	-
Exercised during the year	125.10	400	125.10	250
Forfeited during the year	125.10	8,880	125.10	35,563
	125.10	51,090	125.10	60,370

ESOS 2012 (Grant II)

Opening balance
 Granted during the year
 Exercised during the year
 Forfeited during the year

	March 31, 2023		March 31, 2022	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	108.46	7,050	108.46	7,050
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
	108.46	7,050	108.46	7,050



51 Share based payments (contd.)

ESOP 2015	March 31, 2023		March 31, 2022	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	165.92	63,333	165.92	65,533
Granted during the year	-	-	-	-
Exercised during the year	165.92	1,067	165.92	2,200
Forfeited during the year	-	-	-	-
	165.92	62,266	165.92	63,333

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, 2023	March 31, 2022
ESOP 2018 - Execom	October 5, 2018	September 29, 2043	1.00	200,714	440,000
ESOP 2018 - Management	September 1, 2018	August 29, 2031	125.10	51,090	60,370
ESOS 2012 (Grant II)	July 30, 2014	July 27, 2024	108.46	7,050	7,050
ESOP 2015	August 25, 2015	August 24, 2025	165.92	62,266	63,333

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 Qness Corp Limited (Qness). 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 Qness 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 Qness on account of the demerger of Human Resource Business. Instead of altering the exercise price, TCIL provided additional award in form of Qness shares.

The group employees are now entitled to shares of Qness 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 Qness only on payment of the exercise price. In case of unvested ESOPs, the employees will be granted shares of TCIL and Qness on completion of the remaining vesting period and payment of the exercise price.

The options, to the extent, which are settled by shares of Qness do not meet the definition of a share-based payment arrangement because the value of shares of Qness 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 Qness 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	Year ended	Year ended
	March 31, 2023	March 31, 2022
Employee option plan expenses	118.85	121.24
Employee stock expenses	70.05	65.77
Total	188.90	187.01

52 Revaluation of land

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

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

Fair value of the land assets was determined by an external independent valuer using the market comparable method, i.e., the valuations performed by the valuer are based on active market sale prices, adjusted for difference in the nature, location or condition of the specific property.

The carrying amounts as at March 31, 2022 and March 31, 2023 under cost and revaluation models are given below:

Block of asset	Revaluation model		Cost model	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Freehold land	57,029.39	59,865.39	5,439.92	5,606.36
Right of use asset land (Refer note 53)	1,530.09	1,561.97	161.91	161.91
Total	58,559.48	61,427.36	5,601.83	5,768.27



Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

53 Leases

(a) 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 and computer equipments

	Land	Building	Vehicles	Computer Equipments	Total
Right of use assets					
Balance at April 1, 2021	3,351.09	6,768.77	14.11	-	10,133.97
Addition to right of use assets	-	108.10	-	110.68	218.78
Amortisation charge for the year	(39.82)	(1,414.88)	(9.37)	(27.72)	(1,491.79)
Derecognition of right of use assets	(1,749.30)	(35.59)	-	-	(1,784.89)
Balance at March 31, 2022	1,561.97	5,426.40	4.74	82.96	7,076.06
Addition to right of use assets	-	473.99	-	130.93	604.92
Amortisation charge for the year	(21.14)	(1,197.97)	(4.74)	(60.10)	(1,283.95)
Derecognition of right of use assets	-	(27.28)	-	-	(27.28)
Balance at Mar 31, 2023	1,540.83	4,675.14	-	153.79	6,369.75
Lease Liabilities					Amount
Balance at April 1, 2021					7,215.91
Additions					218.77
Deletions					(38.71)
Finance cost accrued during the period					630.46
Discharge of lease liabilities					(1,850.79)
Balance at March 31, 2022					6,175.64
Additions					604.92
Deletions					(30.33)
Finance cost accrued during the period					557.57
Discharge of lease liabilities					(1,682.98)
Balance at Mar 31, 2023					5,624.82
Current					2,072.78
Non-current					3,552.04

(b) Maturity analysis - contractual undiscounted cash flows

	As at March 31, 2023	As at March 31, 2022
Less than one year	1,615.02	1,575.30
1 - 2 Year	1,442.40	1,428.68
2 - 3 Year	1,201.97	1,223.45
3 - 4 Year	1,169.28	1,043.12
4 - 5 Year	1,023.81	1,050.35
More than five years	603.75	1,586.61
Total	7,056.23	7,907.51

(c) Amounts recognised in statement of Profit and Loss

	For the year ended March 31,	For the year ended March 31,
Interest expense on lease liabilities	557.58	630.46
Amortisation of ROU	1,283.91	1,491.79
Expenses relating to short term leases	681.64	216.32
Total	2,523.13	2,338.57

(d) Amounts recognised in Statement of Cash Flows

	As at March 31, 2023	As at March 31, 2022
Total Cash outflow for Leases	1,682.98	1,850.79

The Company has renegotiated with certain lessors on the rent reduction / waiver due to COVID 19 pandemic / Flood which is short term in nature. Accordingly, the Company in the statement of profit and loss has recognised an amount of Rs 27.03 lakhs (FY 2021-22: Rs 176.54 Lakhs) as part of Other Income.



Sterling Holiday Resorts Limited

Notes to the financial statements as at and for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

54 Ind AS 115 - Revenue from contracts with customers

Movement in deferred acquisition costs and contract liabilities

(a) Deferred acquisition costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	9,087.43	9,496.18
Additions during the year	2,151.46	1,580.52
Written off due to cancellation of contracts	(667.76)	(893.17)
Amortised during the year	(870.82)	(1,096.10)
Closing balance	9,700.31	9,087.43

(b) Contract liabilities

	Membership fee	AAC / ASF	Other resort revenue	Total
Opening balance as at April 1, 2021	74,257.54	995.88	683.61	75,937.03
Additions during the year (net)	4,567.68	1,407.62	2,607.54	8,582.84
Contracts cancelled during the year	(5,015.57)	-	-	(5,015.57)
Income recognized during the year	(4,240.76)	(1,453.95)	(2,303.65)	(7,998.36)
Adjustment on account of provision	394.32	-	-	394.32
Closing balance as at March 31, 2022	69,963.21	949.55	987.50	71,900.26

Contract liabilities

	Membership fee	AAC / ASF	Other resort revenue	Total
Opening balance as at April 1, 2022	69,963.21	949.55	987.50	71,900.26
Additions during the year (net)	6,466.37	2,166.66	4,207.23	12,840.26
Contracts cancelled during the year	(1,340.95)	-	-	(1,340.95)
Income recognized during the year	(4,606.71)	(1,707.68)	(3,793.13)	(10,107.52)
Adjustment on account of provision	(655.90)	-	-	(655.90)
Closing balance as at March 31, 2023	69,826.02	1,408.53	1,401.59	72,636.14

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.

(c) Revenue expected to be recognised in the future from Deferred Contract Liability

	As at March 31, 2023	As at March 31, 2022
AAC / ASF		
< 1 Year	945.26	703.71
1 - 2 Year	463.26	245.84
	1,408.52	949.55
Membership fee		
< 1 Year	3,388.26	3,288.01
1 - 2 Year	3,893.07	3,047.92
2 - 3 Year	3,491.48	3,045.02
More than 3 Years	59,053.19	60,582.25
	69,826.00	69,963.20

The deferred contract liability broken year wise shows summary of Membership and Annual subscription fee recognisable over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

(d) Reconciliation of revenue from contract with customer

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customer as per the contract price	32,134.22	24,560.45
Adjustments made to contract price on account of :-		
(i) Discounts / Rebates / Incentives	(119.05)	(138.31)
(ii) Other adjustments	70.70	150.02
Revenue from contract with customer as per the statement of Profit and Loss	32,182.57	24,548.75



Sterling Holiday Resorts Limited
Notes to the financial statements as at and for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

55 Ratio analysis and its elements

Ratio*	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.52	1.00	53%	Increase in on account of increase in cash and bank balances as a result of improved business operations.
Debt-Equity Ratio (in times)	Total Debt*	Shareholder's Equity	0.36	0.46	-22%	Decrease is on account of repayment of loans during the year.
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.05	2.34	-12%	
Return on Equity ratio (in %)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	13%	11%	2%	Ratio healthier on better profitability
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	19.61	15.49	27%	Inventory managed better in the current year
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	10.70	7.32	46%	Receivable managed better this year through higher collection
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.94	1.10	76%	Increase in on account of payment to creditors on time during the current year as compared to previous year
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	2.60	5.34	-51%	Increase in balance of cash and bank equivalents enable better current asset position thereby improved capital turnover ratio
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	17%	16%	1%	
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	44%	79%	36%	Increase in capital employed ratio is represented by higher profits made in current year due to improved business operations.
Return on Investment (in %)	Interest (Finance Income)	Investment	4%	3%	1%	Investment in higher yield and low risk products improves ROI

** Total debt excludes deferred income



56 Earnings per share

	As at March 31, 2023	As at March 31, 2022
Profit for the year attributable to the equity holders of the Company	5,540.69	4,016.79
Weighted average number of equity shares outstanding (in lakhs)	290.50	290.50
Basic and diluted earnings per share	19.07	13.83

57 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (x) The Company does not have any changes or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

58 Transaction with Struck off companies

Name of the struck off Company	Nature of transactions with struck off company	Transactions during the year	Balance outstanding as at March 31, 2023	Transactions during previous year	Balance outstanding as at March 31, 2022
Earthquake Exquisite Elements (Opco) Private Limited	Purchase of assets	(0.62)	Nil	Nil	0.62
Seogall technologies private limited	Purchase of assets	0.05	Nil	Nil	Nil
Galaxy Multimedia Private Limited	Purchase of goods/services	0.04	Nil	Nil	Nil

59 Subsequent events

There are no significant subsequent events, that have occurred after the reporting period till the date of the signing of these standalone financial statements.

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



Satish Vaidyanathan
 Partner
 Membership No.: 217042
 Place: Chennai
 Date: May 18, 2023

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



Vikram Dayal Lalvani
 Managing Director
 DIN No.: 07115464
 Place: Chennai
 Date: May 18, 2023



Prvir Kumar Vohra
 Director
 DIN No.: 00082545
 Place: Chennai
 Date: May 3, 2023



Krishna Kumar L
 Chief Financial Officer
 Place: Chennai
 Date: May 18, 2023



Muthukumar A
 Company Secretary
 Place: Chennai
 Date: May 18, 2023