B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Sterling Holidays (Ooty) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling Holidays (Ooty) Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

As more fully described in Note 36 to the financial statements, the extent to which the ongoing COVID-19 pandemic will have impact on the Company's financial performance including the Company's estimates of impairment of assets and future cash flows, are dependent on future developments, the severity and recurrence of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in applying assumptions used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions.
Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

In preparing the financial statements, 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 management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements (continued)

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its financial statements - Refer Note 33 to the financial statements.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.

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, 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.

(ii) The management has represented, that, to the best of its knowledge and belief, 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

Report on Other Legal and Regulatory Requirements (continued)

(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):

In our opinion and according to the information and explanations given to us, the Company has not paid/ provided for any managerial remuneration during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 22217042AJINNO7222
Place: Chennai
Date: May 20, 2022

Annexure A to the Independent Auditor's Report to the Members of Sterling Holidays (Ooty) Limited for the year ended March 31, 2022

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

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

(b) 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 intangible assets held in the name of the Company.

(c) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified on a yearly basis. 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 noted on such verification.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.

(e) 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 revalued its Property, Plant and Equipment during the year.

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

(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 sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) 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, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(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.

Annexure A to the Independent Auditor's Report to the Members of Sterling Holidays (Ooty) Limited for the year ended March 31, 2022

(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 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, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and 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 and Employees' State Insurance.

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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of customs, goods and services tax and luxury tax which have not been deposited with the appropriate authorities on account of a dispute, except for items as set out below

Name of the Statute	Nature of dues	Amount in Rs. Lakhs	Period to which the amount relates	Forum where the dispute is pending
Tamil Nadu Luxury Tax Act	Luxury tax	3,130.20	Assessment Year 1998-99 to 2017-18	Madras High Court
The Income-tax Act, 1961	Income tax	10.83	Assessment year 2018-19	The Commissioner of Income Tax (Appeals)

(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 wilful defaulter by any bank or financial institution or government or government authority.

Annexure A to the Independent Auditor's Report to the Members of Sterling Holidays (Ooty) Limited for the year ended March 31, 2022

(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.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended March 31 2022. Accordingly, clause 3(ix)(e) is not applicable.

(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 the provisions of section 177 of the Act are not applicable to the company, clause 3(xi)(c) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a)(b) and (c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of section 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company.

(xiv) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(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 incurred cash losses of Rs. 134.26 lakhs in the current financial year and Rs. 234.60 lakhs in the immediately preceding financial year.

(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, other information accompanying the financial statements, 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 Registration Number: 101248W/W-100022

Satish Vaidyanathan

Partner

Membership No: 217042
ICAI UDIN: 22217042AJINNO7222

Place: Chennai

Date: May 20, 2022.

Annexure B to the Independent Auditor's Report to the Members of Sterling Holidays (Ooty) Limited for the year ended March 31, 2022

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Sterling Holidays (Ooty) Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Annexure B to the Independent Auditor's Report to the Members of Sterling Holidays (Ooty) Limited for the year ended March 31, 2022

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial Statements

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

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

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 22217042AJINNO7222
Place: Chennai
Date: May 20, 2022

Sterling Holidays (Ooty) Limited
Balance Sheet as at March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	22.55	23.10
Financial assets			
Other financial assets	5	11.76	18.05
Other tax assets	5A	21.00	9.79
Deferred tax assets	14	100.29	63.71
Total non-current assets		**155.60**	**114.65**
Current assets			
Inventories	6	14.32	8.26
Financial assets			
i. Trade receivables	7	29.30	8.48
ii. Cash and cash equivalents	8	2.35	0.95
iii. Other financial assets	5	-	12.63
Other current assets	9	49.15	58.59
Total current assets		**95.12**	**88.91**
Total assets		**250.72**	**203.56**
Equity and liabilities			
Equity			
Equity share capital	10	5.00	5.00
Other equity			
Reserves and surplus	11	(683.20)	(580.53)
Other reserves	12	68.58	68.58
Total equity		**(609.62)**	**(506.95)**
Liabilities			
Non-current liabilities			
i. Provision for employee benefit obligations	15	14.16	12.75
Total non-current liabilities		**14.16**	**12.75**
Current liabilities			
Financial liabilities			
i. Borrowings	13	630.00	497.71
ii. Trade payables			
Dues to micro and small enterprises	16	16.53	4.62
Dues to creditors other than micro and small enterprises	16	84.66	81.91
iii. Other financial liabilities	17	18.82	19.10
Provisions			
i. Provision for employee benefit obligations	15	4.94	5.91
ii. Other provisions	18	-	0.36
Other current liabilities	20	91.23	88.15
Total current liabilities		**846.18**	**697.76**
Total liabilities		**860.34**	**710.51**
Total equity and liabilities		**250.72**	**203.56**

Significant accounting policies 1.3

The accompanying notes are an integral part of these 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 20, 2022

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holidays (Ooty) Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	21	1,170.21	467.05
Other income	22	48.05	69.87
Total income		**1,218.26**	**536.92**
Expenses			
Cost of materials consumed	23	85.95	37.96
Employee benefits expense	24	250.10	167.20
Finance costs	25	56.09	47.03
Depreciation and amortisation expense	26	2.79	2.89
Other expenses	27	960.38	518.07
Total expenses		**1,355.31**	**773.15**
Loss before tax		**(137.05)**	**(236.23)**
Income tax expense	28		
Current tax		-	4.62
Deferred tax		(36.58)	(54.60)
Loss for the year		**(100.47)**	**(186.25)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefit obligations		(2.20)	5.07
Income tax relating to this item		-	-
Other comprehensive (loss)/income for the year, net of income tax		**(2.20)**	**5.07**
Total comprehensive loss for the year		**(102.67)**	**(181.18)**
Earnings per share (Face value of Rs. 10 each)			
Basic and anti-diluted earnings per share (in Rs.)		(200.94)	(372.50)
Significant accounting policies	1.3		

The accompanying notes are an integral part of these financial statements

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

Satish Vaidyanathan
Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: May 20, 2022

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

M. Balasubramanian

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramanian
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holidays (Ooty) Limited
Statement of changes in equity for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2020		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2021		**5.00**
Changes in equity share capital during the year	10	-
Balance as at March 31, 2022		**5.00**

II) Other equity

	Notes	Reserves and surplus	Other reserves	
		Retained earnings	Contribution from holding company	Total
Balance as at April 1, 2020		**(399.35)**	**68.58**	**(330.77)**
Profit for the year	11 & 12	(186.25)	-	**(186.25)**
Other comprehensive income	11 & 12	5.07	-	**5.07**
Balance as at March 31, 2021		**(580.53)**	**68.58**	**(511.95)**
Loss for the year	11 & 12	(100.47)	-	**(100.47)**
Other comprehensive loss	11 & 12	(2.20)	-	**(2.20)**
Balance as at March 31, 2022		**(683.20)**	**68.58**	**(614.62)**

Significant accounting policies 1.3

The accompanying notes are an integral part of these 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 20, 2022

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018144)

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holidays (Ooty) Limited
Statement of cash flows for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021
Cash flow from operating activities			
Loss before income tax		**(137.05)**	**(236.23)**
Adjustments for			
Depreciation	26	2.79	2.89
Income from lease termination	22	-	(1.26)
Finance costs	25	56.09	47.03
Operating cash flow before working capital changes		**(78.17)**	**(187.57)**
Change in operating assets and liabilities			
(Increase)/decrease in trade receivables	7	(20.82)	28.42
(Increase)/decrease in inventories	6	(6.06)	(0.94)
(Increase)/decrease in other financial assets	5	18.92	2.15
(Increase)/decrease in other current assets	9	9.44	(29.78)
Increase/(decrease) in trade payables	16	14.66	(141.88)
Increase/(decrease) in other financial liabilities	17	(0.28)	(0.38)
Increase/(decrease) in employee benefit obligations	15	(1.76)	(1.97)
Increase/(decrease) in provisions	18	(0.36)	-
Increase/(decrease) in other current liabilities	20	3.08	38.75
Cash used in operations		**(61.35)**	**(293.20)**
Income tax paid		(11.21)	(24.12)
Net cash used in operating activities		**(72.56)**	**(317.32)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2.24)	(7.55)
Net cash used in investing activities		**(2.24)**	**(7.55)**
Cash flows from financing activities			
Proceeds from loan taken from holding company		1,378.97	1,216.28
Repayment of loan from holding company		(1,240.97)	(852.77)
Interest paid		(61.80)	(38.70)
Payment of lease liability		(0.00)	(1.01)
Net cash generated from financing activities		**76.20**	**323.80**
Net decrease in cash and cash equivalents		**1.40**	**(1.07)**
Cash and cash equivalents at the beginning of the year	8	0.95	2.02
Cash and cash equivalents at end of the year		**2.35**	**0.95**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents comprise of the following			
Cash and cash equivalents	8	2.35	0.95
Balance as per statement of cash flows		2.35	0.95
Significant accounting policies	1.3		

The accompanying notes are an integral part of these 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 20, 2022

For and on behalf of the Board of Directors
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holiday (Ooty) Limited
Notes to the financial statements as at and for the year ended March 31, 2022

1.1. Reporting entity

Sterling Holiday (Ooty) Limited (the "Company") is engaged in providing resort operations and maintenance services [being leisure hospitality services]. Sterling Holiday Resorts Limited ('Parent company') holds 98% of the share capital. The ultimate holding company is Fairfax Financial Holdings Limited, Canada.

1.2. Basis of preparation

1.2.1. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on May 4, 2022

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

- certain financial assets and liabilities are measured at fair value (Refer Note 29).
- defined benefit plans — plan assets measured at fair value (Refer Note 15).

As at year ended March 31, 2022 the Company has incurred losses of Rs. 100.47 lakhs and has accumulated losses of Rs. 683.20 lakhs (which have fully eroded the net worth of the Company) as at the balance sheet date. The Company has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Company including those arising from of the COVID-19 pandemic. Based on the future business plans, approved cash flow projections for the next 12 months and letter of financial support provided by the parent company, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

1.2.2. Segment reporting

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

The Chairman-Whole Time Director (WTD) of the Parent company has been identified as the chief operating decision maker of the Company who assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 35 for segment information presented.

1.2.3. Current/ Non-current classification

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

1.2.4. Foreign currency transaction

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

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.

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1.3. Significant accounting policies

1.3.1. Revenue recognition

The Company recognises 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. Ind AS 115 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.

Income from resort operations and maintenance services (being leisure hospitality services) comprising of sale of food and beverages, room rentals and other services are recognised when these are sold and when services are rendered.

Contract balances

(i) Contract assets

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

(ii) Contract liabilities

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

1.3.2. 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.

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1.3. Significant accounting policies (contd.)

1.3.2. Income taxes (contd.)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred taxes on items classified under Other comprehensive income ('OCI') has been recognised in OCI.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.3.3. Leases

The Company has adopted Ind AS 116 Leases with effect from April 1, 2019 and the Company has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

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.

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1.3. Significant accounting policies (contd.)

1.3.3 Leases (contd.)

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.

1.3.4. Impairment of assets

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

1.3.5. Cash and cash equivalents

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

1.3.6. Trade receivables

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

1.3.7. Inventories

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

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets

a) Classification:

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

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

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

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

b) Measurement:

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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1.3. Significant accounting policies (contd.)

1.3.8 Investments and other financial assets (contd.)

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

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

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

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.

c) **Impairment of financial assets**
The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

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1.3. Significant accounting policies (contd.)

1.3.8 Investments and other financial assets (contd.)

d) De-recognition of financial assets:

A financial asset is derecognised only when

- **i.** the Company has transferred the rights to receive cash flows from the financial asset or
- **ii.** retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

1.3.9. Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. 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.

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)
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

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).

1.3.10. Trade and other payables

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

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1.3. Significant accounting policies (contd.)

1.3.11. Borrowings

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

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

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

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. Re-measurement 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.

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1.3. Significant accounting policies (contd.)

1.3.13. Employee benefits (contd.)

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.

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 (Note 40).

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.

2. 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.

3. Critical estimates and judgements:

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

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

The areas involving critical estimate or judgement are:

Note 15 - The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 14 - Recognition of deferred tax assets

Note 36 and 1.2.1 – Going concern and impact of COVID-19

Note 39 - Leases

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STERLING HOLIDAYS (OOTY) LTD. ★ CHENNAI

Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the period ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

4 Property, plant and equipment

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

Asset description	Plant and machinery	Furniture and fixtures	Office equipment	Electrical installations	Computer equipment	Total
I. Gross Block						
Balance as at April 1, 2020	9.52	4.16	0.79	5.50	0.40	20.37
Additions	0.26	-	-	10.06	0.44	10.76
Disposals	-	-	-	1.60	-	1.60
Balance as at March 31, 2021	**9.78**	**4.16**	**0.79**	**13.96**	**0.84**	**29.53**
II. Accumulated depreciation						
Balance as at April 1, 2020	2.14	0.91	0.73	0.72	0.22	4.72
Depreciation for the year	0.73	0.53	-	0.60	0.11	1.97
Disposals	-	-	-	0.26	-	0.26
Balance as at March 31, 2021	**2.87**	**1.44**	**0.73**	**1.06**	**0.33**	**6.43**
Net block (I-II)						
Balance as at March 31, 2021	6.91	2.72	0.06	12.90	0.51	23.10
Balance as at March 31, 2020	7.38	3.25	0.06	4.78	0.18	15.65

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

Asset description	Plant and machinery	Furniture and fixtures	Office equipment	Electrical installations	Computer equipment	Total
I. Gross Block						
Balance as at April 1, 2021	9.78	4.16	0.79	13.96	0.84	29.53
Additions	2.24	-	-	-	-	2.24
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	**12.02**	**4.16**	**0.79**	**13.96**	**0.84**	**31.77**
II. Accumulated depreciation						
Balance as at April 1, 2021	2.87	1.44	0.73	1.06	0.33	6.43
Depreciation for the year	0.68	0.44	-	1.51	0.16	2.79
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	**3.55**	**1.88**	**0.73**	**2.57**	**0.49**	**9.22**
Net block (I-II)						
Balance as at March 31, 2022	8.47	2.28	0.06	11.39	0.35	22.55
Balance as at March 31, 2021	6.91	2.72	0.06	12.90	0.51	23.10

Due to the outbreak of COVID-19, Management has performed impairment assessment of all its property, plant & equipment as at March 31, 2022 and concluded that non-usage for a short term will not have any material impact on useful life or recoverable amount of such property, plant & equipment.

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(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2022		As at March 31, 2021	
		Current	**Non current**	**Current**	**Non current**
5	**Other financial assets**				
	Security deposits	-	11.76	-	18.05
	Other receivables	-	-	12.63	-
	Total	-	**11.76**	**12.63**	**18.05**

		As at March 31, 2022	**As at March 31, 2021**
5A	**Other tax assets**		
	TDS receivable	21.00	9.79
	Total	**21.00**	**9.79**
6	**Inventories**		
	Food and beverages	2.34	2.40
	Operating supplies	11.98	5.86
	Total	**14.32**	**8.26**

Due to outbreak of COVID-19, Management has performed impairment assessment of all inventories and ascertained that there are no items as at March 31, 2022 with shorter shelf-life which need to be written off.

7	**Trade receivables**		
	Current - Unsecured		
	Considered good	29.30	8.48
	Considered doubtful	-	4.55
		29.30	**13.03**
	Less: Loss allowance	-	(4.55)
	Total	**29.30**	**8.48**
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer Note 32)	-	0.38
	Loss allowance	-	-
	Net trade receivables	-	**0.38**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 30.

As at March 31, 2022

	Current but not due	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed Trade Receivables							
Considered good	1.82	27.48	-	-	-	-	29.30
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	1.82	**27.48**	-	-	-	-	**29.30**

As at March 31, 2021

	Current but not due	**Outstanding for following periods from due date of payment**					**Total**
		Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed Trade Receivables							
Considered good	0.83	8.35	0.26	2.99	0.60		13.03
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	0.83	**8.35**	**0.26**	**2.99**	**0.60**	-	**13.03**

Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the period ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
8	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	2.03	0.66
	Cash on hand	0.32	0.29
	Total	**2.35**	**0.95**
9	**Other current assets**		
	Prepaid expenses	9.10	12.11
	Balances with statutory authorities	40.05	46.48
	Total	**49.15**	**58.59**

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10 Equity share capital

Authorised equity share capital

Authorised	**March 31, 2022**	**March 31, 2021**
0.5 lakhs (March 31, 2021: 0.5 lakhs) equity shares of Rs.10 each	5.00	5.00
Issued, subscribed and paid-up		
0.5 lakhs (March 31, 2021: 0.5 lakhs) equity shares of Rs.10 each	5.00	5.00
As at March 31, 2022	**5.00**	**5.00**

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

	March 31, 2022		**March 31, 2021**	
	Number *in lakhs*	**Amount** *in lakhs*	**Number** *in lakhs*	**Amount** *in lakhs*
Equity shares				
At the commencement of the year	0.50	5.00	0.50	5.00
Shares issued during the year	-	-	-	-
At the end of the year	**0.50**	**5.00**	**0.50**	**5.00**

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, 2022		**March 31, 2021**	
	Number *in lakhs*	**Amount** *in lakhs*	**Number** *in lakhs*	**Amount** *in lakhs*
Equity shares of Rs. 10 each held by the Holding Company	0.49	4.90	0.49	4.90

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

	March 31, 2022		**March 31, 2021**	
	Number *in lakhs*	**% of total shares in class**	**Number** *in lakhs*	**% of total shares in class**
Equity shares of Rs. 10 each held by				
Sterling Holiday Resorts Limited (Holding Company)	0.49	98%	0.49	98%

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	As at March 31, 2022	As at March 31, 2021
11 Reserves and surplus		
Retained earnings	(683.20)	(580.53)
Total	**(683.20)**	**(580.53)**

Movement in reserves and surplus balances is as follows :

a) Retained earnings

Opening balance	(580.53)	(399.35)
(Loss) / Profit for the year	(100.47)	(186.25)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	(2.20)	5.07
Closing balance	**(683.20)**	**(580.53)**

12 Other reserves

	Contribution from holding company	
Opening balance	68.58	68.58
Additions during the year	-	-
Closing balance	**68.58**	**68.58**

The loan received from holding company has been measured at fair value by discounting the expected future cashflows at a discount rate based on the risk and other factors applicable to the Company's cashflows. The difference between the carrying value and the fair value has been considered as capital contribution by the holding company considering the substance of the transaction.

13 Current borrowings

Unsecured loan from holding company	630.00	497.71
Total	**630.00**	**497.71**

Unsecured loan from holding company

Unsecured loan amounting to Rs. 630 lakhs outstanding as on March 31, 2022 (March 31, 2021: Rs. 497.71 lakhs) from Sterling Holiday Resorts Limited (holding company) carries an interest rate of 9.25% p.a (March 31, 2021: 10% p.a) and is repayable on demand.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	-	-
Current borrowings	630.00	497.71
Net debt	630.00	497.71

Particulars	**Total**
Balance as at April 1, 2020	**122.63**
Proceeds from loans and borrowings	1,216.28
Repayment of borrowings	(852.77)
Balance as at March 31, 2021	**486.14**
Proceeds from loans and borrowings	1,378.97
Repayment of borrowings	(1,240.97)
Balance as at March 31, 2022	**624.14**

14 Deferred tax assets

The balance comprises temporary differences attributable to:

Deferred tax assets		
Property, plant and equipment	0.87	0.42
Unabsorbed depreciation allowance and business loss carried forward	94.61	56.67
Provision for employee benefits	4.81	6.62
Net deferred tax asset as per the balance sheet	(100.29)	(63.71)
Unrecognised deferred tax assets	-	-

Movement in deferred tax assets

	Property, plant and equipment	Provision for employee benefits	Unabsorbed depreciation allowance and business loss carried forward	Total
At April 1, 2020	0.46	8.65	-	9.11
Movement during the year	(0.04)	(2.03)	56.67	54.60
At March 31, 2021	**0.42**	**6.62**	**56.67**	**63.71**
Movement during the year	0.46	(1.81)	37.94	36.58
At March 31, 2022	**0.87**	**4.81**	**94.61**	**100.29**

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15 Provision for employee benefit obligations

	As at March 31, 2022			As at March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	1.57	3.34	4.91	1.91	3.49	5.40
Gratuity	3.37	10.82	14.19	4.00	9.26	13.26
Total	**4.94**	**14.16**	**19.10**	**5.91**	**12.75**	**18.66**

(i) Compensated absences

	March 31, 2022	March 31, 2021
Current compensated absences expected to be settled within the next 12 months	1.57	1.91

(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 is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

	March 31, 2022	March 31, 2021
Opening present value of obligation	**13.26**	**14.35**
Current service cost	1.83	3.12
Interest expense	0.78	0.86
Total amount recognised in profit or loss	**2.61**	**3.98**
Remeasurements		
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(0.19)	0.33
Experience (gains)/losses	2.39	(5.40)
Total amount recognised in other comprehensive income	**2.20**	(5.07)
Benefit payments	(3.88)	-
Closing present value of obligation	**14.19**	**13.26**

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

Unfunded plans	14.19	13.26

(iii) Principal actuarial assumptions used in valuation of gratuity

Discount rate	6.81%	6.39%
Salary growth rate	5%	5%
Attrition rate	30%	30%

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

(iv) Sensitivity analysis
The below table summarises the impact of movement in key assumptions on the present value obligation as at the balance sheet date:

	March 31, 2022	March 31, 2021
a) Gratuity		
Discount rate:		
+ 100 basis points	(0.43)	(0.34)
- 100 basis points	0.46	0.39
Salary escalation rate:		
+ 100 basis points	0.53	0.43
- 100 basis points	(0.51)	(0.40)
b) Compensated absence		
Discount rate:		
+ 100 basis points	(0.80)	(0.13)
- 100 basis points	0.83	0.14
Salary escalation rate:		
+ 100 basis points	0.11	0.17
- 100 basis points	(0.11)	(0.15)

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 assumption 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 when calculating the defined benefit liability in the balance sheet.

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

(v) Defined contribution plans
The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of gross salary as per regulations. The contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 12.18 lakhs (March 31, 2021: Rs 11.24 lakhs).

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Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the period ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
16	**Trade payables**		
	Dues to micro and small enterprises (Refer Note 37)	16.53	4.62
	Dues to creditors other than micro and small enterprises	84.66	81.91
	Total	**101.19**	**86.53**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 30.

As at March 31, 2022

	Unbilled	Outstanding for following periods from due date of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	16.53	-	-	-	16.53
Total outstanding dues of creditors other than micro enterprises and small enterprises	41.22	43.44	-	-	-	84.66
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	41.22	**59.97**	-	-	-	**101.19**

As at March 31, 2021

	Unbilled	Outstanding for following periods from due date of				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	4.62	-	-	-	4.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	20.96	60.95	-	-	-	81.91
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	20.96	**65.57**	-	-	-	**86.53**

17	**Other financial liabilities**		
	Current		
	Security deposits	18.82	19.10
		18.82	**19.10**
18	**Other provisions**		
	Provision for fringe benefit tax	-	0.36
	Total	-	**0.36**
20	**Other current liabilities**		
	Salaries, wages, bonus and other employee payables	14.48	16.83
	Contract liability - Advance received from customer	65.89	63.78
	Statutory dues payable	10.86	7.54
	Total	**91.23**	**88.15**

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Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the period ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
21	**Revenue from operations**		
(a)	**Disaggregation of revenue:**		
	On the basis of nature of goods or services:		
	Sale of products		
	Food and beverages	196.10	111.45
	Sale of services		
	- Room rentals	888.28	336.20
	- Others	71.32	11.89
	Other operating revenues		
	Service charges	14.51	7.51
	Total	**1,170.21**	**467.05**
	On the basis of timing of transfer of goods or services		
	At a point in time	1,170.21	467.05
		1,170.21	**467.05**
(b)	**Movement in contract liabilities as per Ind AS 115 - Revenue from contracts with customers**		
	Opening balance	63.78	18.47
	Additions during the year (net)	65.89	63.78
	Income recognized during the year	(63.78)	(18.47)
	Closing balance	**65.89**	**63.78**

Contract liabilities pertain to advances received from customers which will be recognized as revenue when the service is rendered.

22	**Other income**		
	Management services income	46.70	68.17
	Scrap sales	0.64	0.11
	Interest income	0.71	0.33
	Lease income termination	-	1.26
	Total	**48.05**	**69.87**
23	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	2.40	3.25
	Add: Purchases	85.89	37.11
	Less: Inventory of materials at the end of the year	2.34	2.40
	Cost of materials consumed	**85.95**	**37.96**
24	**Employee benefits expense**		
	Salaries, wages and bonus	192.50	135.41
	Contribution to provident and other funds	14.82	13.89
	Gratuity	2.61	3.97
	Compensated absences	2.38	(0.63)
	Staff welfare expenses	37.79	14.56
	Total	**250.10**	**167.20**

Note - Entire payroll processing is done by parent company and the expense is booked in subsidiaries based on the employee cost incurred pertaining to Ooty Elkhill location. Compliance with respect to PF and ESI is also done by Holding Company.

25	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	56.09	46.95
	Interest on lease liability	-	0.08
	Total	**56.09**	**47.03**
26	**Depreciation**		
	Depreciation of property, plant and equipment	2.79	1.97
	Depreciation of right of use assets	-	0.92
	Total	**2.79**	**2.89**

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(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
27	**Other expenses**		
	Consumption of stores and spares	27.93	9.57
	Power and fuel	105.56	62.36
	Rent	122.96	45.31
	Repairs and maintenance:		
	- Building	16.25	3.88
	- Plant and machinery	28.55	15.80
	- Others	3.63	1.35
	Insurance	12.56	12.58
	Rates and taxes	30.24	37.09
	Guest supplies	16.62	4.59
	Laundry expenses	15.93	8.23
	Communication	0.29	0.84
	Printing & Stationery	2.81	1.10
	Recruitment and training	0.50	1.12
	Travel and tours	29.20	6.57
	Legal and professional	1.30	5.50
	Management and brand fees	397.78	236.56
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	3.85	3.15
	Travel and conveyance	4.84	1.84
	Security charges	15.54	8.88
	Water charges	16.97	9.45
	Sales commission	72.25	28.45
	Sales promotion	2.20	0.59
	Bank charges	4.31	2.14
	Miscellaneous expenses	28.31	11.12
	Total	**960.38**	**518.07**

		For the year ended March 31, 2022	For the year ended March 31, 2021
28	**Income tax expense**		
	a) Amount recognised in profit or loss		
	Current tax		
	Current tax for the year	-	4.62
	Total	-	**4.62**
	Deferred tax expense		
	(Increase)/Decrease in deferred tax assets	(36.58)	(54.60)
	Total	**(36.58)**	**(54.60)**
	Income tax (credit) / expense	**(36.58)**	**(49.98)**
	b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
	(Loss) / Profit before income tax expense	(137.05)	(236.23)
	Tax expense / (income) computed at Indian Tax rate of 25.168% (Previous year: 25.168%)	(34.49)	(54.05)
	Net Tax effects of amount which are deductible/disallowed in calculating taxable income - other than temporary differences	(2.09)	(0.56)
	Tax relating to prior years	-	4.62
	Income tax expense	**(36.58)**	**(49.99)**

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(All amounts in INR lakhs, unless otherwise stated)

29 Fair value measurements

Financial instruments by category

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Trade receivables	-	-	29.30	-	-	8.48
Cash and cash equivalents	-	-	2.35	-	-	0.95
Other financial assets	-	-	11.76	-	-	30.68
Total financial assets	**-**	**-**	**43.41**	**-**	**-**	**40.11**
Financial liabilities						
Borrowings	-	-	630.00	-	-	497.71
Trade payables	-	-	101.19	-	-	86.53
Other financial liabilities	-	-	18.82	-	-	19.10
Total financial liabilities	**-**	**-**	**750.01**	**-**	**-**	**603.34**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. There are no financial instruments that are measured at fair value through OCI or PL. 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.

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

As at March 31, 2022	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Liabilities					
Borrowings	13	-	-	630.00	630.00
Total financial liabilities		**-**	**-**	**630.00**	**630.00**

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

As at March 31, 2020	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Liabilities					
Borrowings	13	-	-	497.71	497.71
Total financial liabilities		**-**	**-**	**497.71**	**497.71**

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

(ii) Valuation technique used to determine fair value:
Fair value of the financial instruments is determined using discounted cash flow method. All of the resulting fair value estimates are included under level 3.

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

	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
Borrowings	630.00	630.00	497.71	497.71
Total financial liabilities	**630.00**	**630.00**	**497.71**	**497.71**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, borrowings, interest accrued other financial assets and other financial liabilities approximate their fair values, due to their short-term nature. Hence the carrying amount is considered as the fair value.

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STERLING HOLIDAYS (OOTY) LTD. ★ CHENNAI

(All amounts in INR lakhs, unless otherwise stated)

30 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, 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 and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines. The borrowings are from the holding company and there are no fixed repayment schedule

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 credit risk and liquidity risk.

(A) Credit risk

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

(i) Credit risk management

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

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team that assess and maintain an internal credit rating system. Internal credit rating is performed on a Company 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 and the Company majorly manages the credit risk through internal credit rating system.

A default on a financial asset is when the counterparty fails to make contractual payments as and when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

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

			Basis for recognition of expected credit loss provision	
Internal rating	Category	Description of category	Trade receivables	Others
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Life-time expected credit losses	12-month expected credit losses
C2	Doubtful assets, credit-impaired	Assets are provided for when there is no reasonable expectation of recovery. The company categorises a receivable or provisioning when the debtor fails to make the contractual payment within 180 days from the date they become due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is provided for fully	Asset is provided for fully

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30 Financial risk management (contd.)

For the year ended March 31, 2022 and March 31, 2021:

(a) Expected credit loss for deposits

The estimated gross carrying amount at default is Nil (March 2021: Nil) for deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach

As at March 31, 2022

Ageing	Upto 180 days past due	More than 180 days past due	Total
Gross carrying amount	29.30	-	29.30
Expected loss rate	0%	100%	0%
Expected credit losses (Loss allowance provision)		-	-

(All amounts in INR lakhs, unless otherwise stated)

30 Financial risk management (contd.)

For the year ended March 31, 2022 and March 31, 2021:

(b) Expected credit loss for trade receivables under simplified approach (contd.)

As at March 31, 2021 Ageing	Upto 180 days past due	More than 180 days past due	Total
Gross carrying amount	8.48	4.55	13.03
Expected loss rate	0%	100%	35%
Expected credit losses (Loss allowance provision)	-	4.55	4.55

(c) Reconciliation of loss allowance provision- Trade receivables

Loss allowance on April 1, 2020	**4.55**
<u>Changes in loss allowances due to</u>	
Provision made in the year	-
Recoveries	-
Loss allowance on March 31, 2021	**4.55**
<u>Changes in loss allowances due to</u>	
Provision made in the year	-
Recoveries	(4.55)
Loss allowance on March 31, 2022	-

(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. The Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company also manages its financing requirements through borrowings from the holding company which does not have any fixed repayment schedule.

<u>Maturities of financial liabilities</u>

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.
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	Within one year	Between 1 and 2 years	Between 2 and 5 years	Total
As at March 31, 2022						
Non-derivatives						
Borrowings	630.00	630.00	-	-	-	630.00
Trade payables	101.19	101.19	-	-	-	101.19
Other financial liabilities	18.82	18.82	-	-	-	18.82
Total non-derivative liabilities	**750.01**	**750.01**	-	-	-	**750.01**
As at March 31, 2021						
Non-derivatives						
Borrowings	497.71	497.71	-	-	-	497.71
Trade payables	86.53	86.53	-	-	-	86.53
Other financial liabilities	19.10	19.10	-	-	-	19.10
Total non-derivative liabilities	**603.34**	**603.34**	-	-	-	**603.34**

31 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.

The Company borrows from the holding company at 9.25% per annum (March 31, 2021: 10% per annum) in order to meet its capital requirements. As at March 31, 2022 the net-worth of the Company has been fully eroded. The Company has shown improvement in operating results due to increase in occupancy rate and tariffs. The Company expects higher growth and profitability in future due to increase in occupancy rates and tariffs from the property which was recently refurbished. It is also fully supported by the holding company for funding.

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STERLING HOLIDAYS (OOTY) LTD. ★ CHENNAI

(All amounts in INR lakhs, unless otherwise stated)

32 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
Intermediate Holding Company	Thomas Cook (India) Limited
Holding Company	Sterling Holiday Resorts Limited
Key Managerial Personnel	M. Balasubramaniyan (Director) Ramesh Shanmugham (Director) Vikram Dayal Lalvani (Director)

(b) Parent entities

The Company is controlled by following entity:

Name of entity	Type	Ownership interest held by the Group	
		March 31, 2022	March 31, 2021
Sterling Holiday Resorts Limited	Holding company	98%	98%

(c) Transactions with related parties

Transactions with related parties are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
Thomas Cook (India) Limited	-	0.22
TC Tours Limited	1.15	-
Lease rent expenses		
Sterling Holiday Resorts Limited	122.96	43.14
Brand expenses		
Sterling Holiday Resorts Limited	24.04	14.34
Miscellaneous income		
Sterling Holiday Resorts Limited	46.70	68.17
Management fees		
Sterling Holiday Resorts Limited	373.74	222.22
Interest on borrowings		
Sterling Holiday Resorts Limited	56.09	43.33
Loans availed		
Sterling Holiday Resorts Limited	1,378.97	1,216.28
Loans repaid		
Sterling Holiday Resorts Limited	1,240.97	852.77

(d) Outstanding balances as at year end

	As at March 31, 2022	As at March 31, 2021
The following balances are outstanding at the end of the reporting period:		
Trade receivables		
TC Tours Limited	0.88	0.37
Travel Corporation (India) Limited	-	0.01
Borrowings		
Sterling Holiday Resorts Limited	630.00	497.71

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STERLING HOLIDAYS (OOTY) LTD. ★ CHENNAI

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
33 Contingent liabilities and contingent assets		
Contingent liabilities		
Claims against the Company not acknowledged as debt:		
(a) Luxury tax related demands	3,130.20	196.38
(b) Income tax related matter	10.83	10.83

(c) Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company, based on external advice, believes that there are interpretative challenges on the application of the judgement retrospectively. 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. The Company would update the provision in future based on clarification received from the relevant authorities.

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

35 The Company has identified only one reportable segment. The entire Company's business is from resort operations and maintenance services (being leisure hospitality services) and there are no other reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2022.

36 During the current year, the Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption (including temporary closure of its resorts). The Company had resumed normal business operations from June 2021 onwards post second wave. However, the impact of COVID-19 on the economy continues to be uncertain due to which the Company's financial performance including the Company's estimates of future cash flows and impairment of assets etc., is dependent on such future developments, the severity and recurrence of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in determining judgements and estimates in applying the assumptions including those used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions. Also refer note 1.2.1.

37 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

		As at March 31, 2022	As at March 31, 2021
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	16.53	4.62
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	1.11
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	16.66
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	-	0.34
vii	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	0.77

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B S R & Co. LLP ★ Chartered Accountants

Sterling Holidays (Ooty) Ltd. ★ Chennai

Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the period ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

38 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.11	0.13	-12%	
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	1.41	1.40	1%	
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	0.03	0.15	-79%	Higher repayments in current year led to decreased coverage ratio as compared to previous year
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	25%	57%	-32%	Higher loss in previous year led to higher ratio as compared to current year.
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	7.61	4.87	56%	Higher consumption cost in current year as compared to previous year due to COVID19 lockdown restrictions.
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	61.95	22.06	181%	Higher sales in current year as compared to previous year due to COVID 19 lockdown restrictions.
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.98	0.25	297%	Higher consumption cost in current year as compared to previous year due to COVID19 lockdown restrictions.
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	1.56	0.77	103%	Higher sales in current year as compared to previous year due to COVID 19 lockdown restrictions.
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	-9%	-40%	31%	Higher loss in previous year led to higher ratio as compared to current year.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-397%	2048%	-2445%	Higher loss in previous year led to higher ratio as compared to current year.

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Sterling Holidays (Ooty) Ltd. Chennai

Sterling Holidays (Ooty) Limited
Notes forming part of financial statements as at and for the period ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

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

As a lessee, the company leases many assets mainly comprising of staff accomodation.

Right of use assets	**Building**	**Total**
Balance at April 1, 2020	**5.06**	**5.06**
Addition to right of use assets	-	-
Depreciation charge for the year	(0.92)	(0.92)
Derecognition of right of uses assets	(4.14)	(4.14)
Balance at March 31, 2021	-	-
Addition to right of use assets	-	-
Depreciation charge for the year	-	-
Derecognition of right of uses assets	-	-
Balance at March 31, 2022	-	-

Lease liabilities	**Amount**
Balance at April 1, 2020	**5.31**
Additions	-
Deletions	(4.38)
Finance cost accrued during the period	0.08
Discharge of lease liabilities	(1.01)
Balance at March 31, 2021	-
Additions	-
Deletions	-
Finance cost accrued during the period	-
Discharge of lease liabilities	-
Balance at March 31, 2022	-

40 Earnings per share	**March 31, 2022**	**March 31, 2021**
Loss for the year attributable to the equity holders of the Company	(100.47)	(186.25)
Weighted average number of equity shares outstanding	50,000	50,000
Basic and diluted earnings per share	**(200.94)**	**(372.50)**

41 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021

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

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: May 20, 2022

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M. Balasubramaniyan

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

KRM Tower, 1st and 2nd Floor
No.1, Harrington Road, Chetpet
Chennai - 600 031, India.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Sterling Holiday Resorts (Kodaikanal) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling Holiday Resorts (Kodaikanal) Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

As more fully described in Note 36 to the financial statements, the extent to which the ongoing COVID-19 pandemic will have impact on the Company's financial performance including the Company's estimates of impairment of assets and future cash flows, are dependent on future developments, the severity and recurrence of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in applying assumptions used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions.
Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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.

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 management and 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.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

Report on Other Legal and Regulatory Requirements (continued)

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

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

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a) The Company did not have any pending litigations as at March 31, 2022 on its financial position in its financial statements.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.

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, 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.

(ii) The management has represented, that, to the best of its knowledge and belief, 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:

Report on Other Legal and Regulatory Requirements (continued)

- 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):

In our opinion and according to the information and explanations given to us, the Company has not paid/ provided for any managerial remuneration during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 22217042AJINHS6866
Place: Chennai
Date: May 20, 2022

Annexure A to the Independent Auditor's Report to the Members of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended March 31, 2022

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.

(c) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified on a yearly basis. 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 noted on such verification.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.

(e) 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 revalued its Property, Plant and Equipment during the year.

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

(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 sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) 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, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

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

Annexure A to the Independent Auditor's Report to the Members of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended March 31, 2022

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and 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 and Employees' State Insurance.

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 Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) 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 statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In 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 wilful 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.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended March 31, 2022. Accordingly, clause 3(ix)(e) is not applicable.

(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.

Annexure A to the Independent Auditor's Report to the Members of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended March 31, 2022

(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 the provisions of section 177 of the Act are not applicable to the company, clause 3(xi)(c) of the Order is not applicable.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a)(b) and (c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has entered into transactions with related parties in compliance with the provisions of section 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company.

(xiv) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(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 incurred cash losses of Rs.61.20 lakhs in the current financial year and Rs.208.45 lakhs in the immediately preceding financial year.

(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, other information accompanying the financial statements, 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.

Annexure A to the Independent Auditor's Report to the Members of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended March 31, 2022

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 Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 22217042AJINHS6866
Place: Chennai
Date: May 20, 2022

Annexure B to the Independent Auditor's Report to the Members of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended March 31, 2022

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of **Sterling Holidays Resorts (Kodaikanal) Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Annexure B to the Independent Auditor's Report to the Members of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended March 31, 2022

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

Meaning of Internal Financial Controls with reference to the 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 the financial statements

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

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

Satish Vaidyanathan
Partner
Membership No: 217042
ICAI UDIN: 22217042AJINHS6866
Place: Chennai
Date: May 20, 2022

Sterling Holiday Resorts (Kodaikanal) Limited
Balance Sheet as at March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3	36.83	39.83
Financial assets			
i. Other financial assets	4	11.69	14.09
Other tax assets	5	5.99	7.88
Other non-current assets	9	28.05	14.47
Total non-current assets		**82.56**	**76.27**
Current assets			
Inventories	6	6.08	5.42
Financial assets			
i. Trade receivables	7	21.35	10.49
ii. Cash and cash equivalents	8	6.70	1.72
Other current assets	9	7.60	27.42
Total current assets		**41.73**	**45.05**
Total assets		**124.29**	**121.32**
Equity and liabilities			
Equity			
Equity share capital	10	5.00	5.00
Other equity			
Reserves and surplus	11	(1,489.84)	(1,417.64)
Other reserves	12	111.78	111.78
Total equity		**(1,373.06)**	**(1,300.86)**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Provision for employee benefit obligations	15	20.10	15.34
Total non-current liabilities		**20.10**	**15.34**
Current liabilities			
Financial liabilities			
i. Borrowings	13	1,288.28	1,260.28
ii. Trade payables			
Dues to micro and small enterprises	16	7.93	6.03
Dues to creditors other than micro and small enterprises	16	62.99	37.69
iii. Other financial liabilities	17	36.68	36.49
Provisions			
i. Provision for employee benefit obligations	15	6.96	9.17
ii. Other provisions	18	-	1.11
Other current liabilities	19	74.41	56.07
Total current liabilities		**1,477.25**	**1,406.84**
Total liabilities		**1,497.35**	**1,422.18**
Total equity and liabilities		**124.29**	**121.32**

Significant accounting policies 1.3

The accompanying notes are an integral part of these 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 20, 2022

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

M. Balasubramaniyan

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	20	1,129.19	569.40
Other income	21	32.16	33.19
Total income		**1,161.35**	**602.59**
Expenses			
Cost of materials consumed	22	91.26	48.46
Employee benefits expense	23	209.31	158.81
Finance costs	24	120.94	127.65
Depreciation and amortisation expense	25	4.35	6.96
Other expenses	26	801.03	475.36
Total expenses		**1,226.89**	**817.24**
Loss before tax		**(65.54)**	**(214.65)**
Income tax expense	27		
Current tax		-	-
Deferred tax		-	-
Loss for the year		**(65.54)**	**(214.65)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefit obligations	15	(6.66)	5.96
Income tax relating to this item		-	-
Other comprehensive loss for the year, net of income tax		**(6.66)**	**5.96**
Total comprehensive loss for the year		**(72.20)**	**(208.69)**
Earnings per share (Face value of Rs. 10 each)			
Basic and anti-diluted earnings per share (in Rs.)	39	(131.08)	(429.30)
Significant accounting policies	1.3		

The accompanying notes are an integral part of these 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 20, 2022

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

M Balasubramaniyan

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of changes in equity for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2020		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2021		**5.00**
Changes in equity share capital during the year	10	-
Balance as at March 31, 2022		**5.00**

II) Other equity

	Note	Reserves and surplus	Other reserves	
		Retained earnings	Contribution from holding company	Total
Balance as at April 1, 2020		**(1,208.95)**	**111.78**	**(1,097.17)**
Loss for the year	11 & 12	(214.65)	-	(214.65)
Other comprehensive loss	11 & 12	5.96	-	5.96
Balance as at March 31, 2021		**(1,417.64)**	**111.78**	**(1,305.86)**
Loss for the year	11 & 12	(65.54)	-	(65.54)
Other comprehensive loss	11 & 12	(6.66)	-	(6.66)
Balance as at March 31, 2022		**(1,489.84)**	**111.78**	**(1,378.06)**

Significant accounting policies 1.3

The accompanying notes are an integral part of these 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 20, 2022

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of cash flows for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities			
Loss before income tax		**(65.54)**	**(214.65)**
Adjustments for:			
Depreciation	25	4.35	6.96
Finance cost	24	120.94	127.65
Loss on termination of lease contracts		-	(0.76)
Operating cash flow before working capital changes		**59.75**	**(80.80)**
Change in operating assets and liabilities			
(Increase)/decrease in trade receivables	7	(10.86)	24.75
(Increase)/decrease in inventories	6	(0.66)	2.35
(Increase)/decrease in other financial assets	4	2.40	(0.72)
Increase in other non current assets	9	(13.58)	(2.24)
(Increase)/decrease in other current assets	9	19.82	(3.29)
Increase/(decrease) in trade payables	16	27.20	(115.40)
Increase in other financial liabilities	17	0.19	0.48
Increase/(decrease) in employee benefit obligations	15	(4.11)	2.42
Increase in other current liabilities	19	18.34	8.26
Increase/(decrease) in other provisions	18	(1.11)	-
Cash generated / (used in) from operations		**97.38**	**(164.19)**
Income tax paid		1.89	2.01
Net cash generated / (used in) from operating activities		**99.27**	**(162.18)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1.35)	(1.19)
Net cash used in investing activities		**(1.35)**	**(1.19)**
Cash flows from financing activities			
Proceeds from loan taken from holding Company		1,307.03	1,139.94
Repayment of loan from holding company		(1,265.10)	(860.61)
Interest paid		(134.87)	(121.50)
Payment of lease liability		(0.00)	(1.49)
Net cash generated (used in) / from financing activities		**(92.94)**	**156.34**
Net (decrease) / increase in cash and cash equivalents		**4.98**	**(7.03)**
Cash and cash equivalents at the beginning of the year	8	1.72	8.75
Cash and cash equivalents at end of the year		**6.70**	**1.72**
Reconciliation of cash and cash equivalents as per the cash flow statement:			
Cash and cash equivalents comprise of the following :			
Cash and cash equivalents	8	6.70	1.72
Balance as per statement of cash flows		6.70	1.72
Significant accounting policies	1.3		

The accompanying notes are an integral part of these financial statements

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

Satish Vaidyanathan
Membership No.: 217042

Place: Chennai
Date: May 20, 2022

For and on behalf of the Board of Directors
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

M. Balasubramaniyan

Ramesh Shanmugam
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

Sterling Holiday Resorts (Kodaikanal) Limited
Notes to the financial statements as at and for the year ended March 31, 2022

1.1. Reporting entity

Sterling Holiday Resorts (Kodaikanal) Limited (the "Company") is engaged in providing resort operations and maintenance services (being leisure hospitality services). Sterling Holiday Resorts Limited ('Parent company') holds 98% of the share capital. The ultimate holding company is Fairfax Financial Holdings Limited, Canada.

1.2. Basis of preparation

1.2.1. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on May 4, 2022

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

- certain financial assets and liabilities are measured at fair value (Refer Note 28).
- defined benefit plans — plan assets measured at fair value (Refer Note 15).

As at year ended March 31, 2022 the Company has incurred losses of Rs. 65.54 lakhs and has accumulated losses of Rs. 1,489.84 lakhs (which have fully eroded the net worth of the Company) as at the balance sheet date. The Company has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Company including those arising from of the COVID-19 pandemic. Based on the future business plans, approved cash flow projections for the next 12 months and letter of financial support provided by the parent company, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

1.2.2 Segment reporting

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

The Chairman-Whole time Director (WTD) of the Parent company has been identified as the chief operating decision maker of the Company who assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 34 for segment information presented.

1.2.3. Current/ Non-current classification

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

B S R & Co. LLP ★ Chartered Accountants ★

STERLING HOLIDAY RESORTS (KODAIKANAL) LTD ★ CHENNAI

1.2. Basis of preparation (contd.)

1.2.4. Foreign currency transaction

a) Functional and presentation currency

Items included in the financial statements of the 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 recognises 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. Ind AS 115 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.

Income from resort operations and maintenance services (being leisure hospitality services) comprising of sale of food and beverages, room rentals and other services are recognised when these are sold and when services are rendered.

Contract balances

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

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

1.3.2. 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.

B S R & Co. LLP ★ Chartered A

STERLING HOLIDAY RESORTS (KODAIKANAL) LTD ★ CHENNAI

1.3. Significant accounting policies (contd.)

1.3.2. Income taxes (contd.)

(a) Current Tax:
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/ expenses and penalties, if any related to income tax are included in current tax expense.
Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The company offsets the current tax assets as against the liability for provision for tax.

(b) Deferred Tax
Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred taxes on items classified under Other comprehensive income ('OCI') has been recognised in OCI.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.3.3. Leases

The Company has adopted Ind AS 116 Leases with effect from April 1, 2019 and the Company has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

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.

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1.3. Significant accounting policies (contd.)

1.3.3. Leases (contd.)

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.

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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. Cash and cash equivalents

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

1.3.6. Trade receivables

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

1.3.7. Inventories

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

1.3.8. Investments and other financial assets

a) Classification:

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

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

b. those measured at amortised cost.

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

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

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets (contd.)

b) Measurement:

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

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Debt instruments:

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

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

ii. Fair value through other comprehensive income (FVOCI):
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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.

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1.3. Significant accounting policies (contd.)

1.3.8. Investments and other financial assets (contd.)

Equity instruments:

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

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

c) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Company determines whether there has been a significant increase in credit risk.

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

d) De-recognition of financial assets:

A financial asset is derecognised only when
a. the Company has transferred the rights to receive cash flows from the financial asset or
b. retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the 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.

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1.3. Significant accounting policies (contd.)

1.3.9. Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. 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.

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

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).

1.3.10. Trade and other payables

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

1.3.11. Borrowings

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

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

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1.3. Significant accounting policies (contd.)

1.3.11. Borrowings (contd.)

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

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. 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.

1.3.14 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. Re-measurement 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.

c) Compensated absences

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

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

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Notes to the financial statements as at and for the year ended March 31, 2022

1.3. Significant accounting policies (contd.)

1.3.15. 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 (Note 39).

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.

1.3.16. Rounding of amounts

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

2. Critical estimates and judgements:

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

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

The areas involving critical estimate or judgement are:

Note 15 - The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Note 36 and 1.2.1 – Going concern

Note 38 - Leases

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(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

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

Asset description	Building	Computer equipment	Plant and machinery	Office equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
I. Gross Block								
Balance as at April 1, 2020	1.31	0.59	35.32	0.22	9.90	7.87	3.34	58.55
Additions	-	0.25	-	-	0.94	-	-	1.19
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**1.31**	**0.84**	**35.32**	**0.22**	**10.84**	**7.87**	**3.34**	**59.74**
II. Accumulated depreciation								
Balance as at April 1, 2020	0.11	0.39	9.87	0.02	1.96	1.37	0.52	14.24
Depreciation for the year	0.03	0.15	2.92	0.00	1.50	0.66	0.41	5.67
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**0.14**	**0.54**	**12.79**	**0.02**	**3.46**	**2.03**	**0.93**	**19.91**
Net block (I-II)								
Balance as at March 31, 2021	1.17	0.30	22.53	0.20	7.38	5.84	2.41	39.83
Balance as at March 31, 2020	1.20	0.20	25.45	0.20	7.94	6.50	2.82	44.31

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

Asset description	Building	Computer equipment	Plant and machinery	Office equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
I. Gross Block								
Balance as at April 1, 2021	1.31	0.84	35.32	0.22	10.84	7.87	3.34	59.74
Additions	-	0.24	0.56	0.10	0.44	-	-	1.34
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**1.31**	**1.08**	**35.88**	**0.32**	**11.28**	**7.87**	**3.34**	**61.08**
II. Accumulated depreciation								
Balance as at April 1, 2021	0.14	0.54	12.79	0.02	3.46	2.03	0.93	19.91
Depreciation for the year	0.02	0.08	2.01	0.01	1.24	0.55	0.43	4.34
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**0.16**	**0.62**	**14.80**	**0.03**	**4.70**	**2.58**	**1.36**	**24.25**
Net block (I-II)								
Balance as at March 31, 2022	1.15	0.46	21.08	0.29	6.58	5.29	1.98	36.83
Balance as at March 31, 2021	1.17	0.30	22.53	0.20	7.38	5.84	2.41	39.83

Due to the outbreak of COVID-19, Management has performed impairment assessment of all its property, plant & equipment as at March 31, 2022 and concluded that non-usage for a short-term will not have any material impact on useful life or recoverable amount of such property, plant & equipment.

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(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022		As at March 31, 2021	
	Current	Non current	Current	Non current
4 Other financial assets				
Security deposits	-	11.69	-	14.09

	As at March 31, 2022	As at March 31, 2021
5 Other tax assets		
TDS receivable	5.99	7.88
6 Inventories		
Food and beverages	2.40	2.05
Operating supplies	3.68	3.37
Total	**6.08**	**5.42**
7 Trade receivables		
Considered good	21.35	10.49
Total	**21.35**	**10.49**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (Refer Note 31)	1.13	0.13
Loss allowance	-	-
Net trade receivables	**1.13**	**0.13**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 29.

Trade receivables ageing schedule
As at March 31, 2022

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	2.19	18.70	0.46	-	-	-	21.35
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	2.19	**18.70**	**0.46**	-	-	-	**21.35**

As at March 31, 2021

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables							
Considered good	0.71	7.63	0.43	0.92	0.80	-	10.49
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	0.71	**7.63**	**0.43**	**0.92**	**0.80**	-	**10.49**

	As at March 31, 2022	As at March 31, 2021
8 Cash and cash equivalents		
Balances with banks	6.09	0.17
Cash on hand	0.61	1.55
Total	**6.70**	**1.72**

9 Other assets

	As at March 31, 2022		As at March 31, 2021	
	Current	Non Current	Current	Non Current
Prepaid expenses	-	28.05	-	14.47
Advances to suppliers				-
Considered good	-	-	0.78	-
Balances with statutory authorities	7.60	-	26.64	-
Total	**7.60**	**28.05**	**27.42**	**14.47**

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10 Equity share capital

Authorised equity share capital

Authorised	March 31, 2022	March 31, 2021
0.50 lakhs (March 31, 2021: 0.50 lakhs) equity shares of Rs.10 each	5.00	5.00
Issued, subscribed and paid-up		
0.50 lakhs (March 31, 2021: 0.50 lakhs) equity shares of Rs.10 each	5.00	5.00
As at March 31, 2022	**5.00**	**5.00**

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

	March 31, 2022		March 31, 2021	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares				
At the commencement of the year	0.50	5.00	0.50	5.00
Shares issued during the year	-	-	-	-
At the end of the year	**0.50**	**5.00**	**0.50**	**5.00**

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, 2022		March 31, 2021	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares of Rs. 10 each held by the Holding Company	0.49	4.90	0.49	4.90

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

	March 31, 2022		March 31, 2021	
	Number *in lakhs*	% of total shares in class	Number *in lakhs*	% of total shares in class
Equity shares of Rs. 10 each held by				
Sterling Holiday Resorts Limited (Holding Company)	0.49	98%	0.49	98%

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		As at March 31, 2022	As at March 31, 2021
11	**Reserves and surplus**		
	Retained earnings	(1,489.84)	(1,417.64)
	Total	**(1,489.84)**	**(1,417.64)**

Movement in reserves and surplus balances is as follows :

a) Retained earnings

Opening balance	(1,417.64)	(1,208.95)
Loss for the year	(65.54)	(214.65)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	(6.66)	5.96
- Income tax relating to this item	-	-
Closing balance	**(1,489.84)**	**(1,417.64)**

12 Other reserves

	Contribution from holding company	
	March 31, 2022	**March 31, 2021**
Opening balance	111.78	111.78
Additions during the year	-	-
Closing balance	**111.78**	**111.78**

The loan received from holding company has been measured at fair value by discounting the expected future cashflows at a discount rate based on the risk and other factors applicable to the Company's cashflows. The difference between the carrying value and the fair value has been considered as capital contribution by the holding company considering the substance of the transaction.

		As at March 31, 2022	As at March 31, 2021
13	**Current borrowings**		
	Unsecured loan from holding company	1,288.28	1,260.28
	Total	**1,288.28**	**1,260.28**

Unsecured loan from holding company

Unsecured loan amounting to Rs. 1,288.28 lakhs outstanding as on March 31, 2022 (March 31, 2021: Rs. 1,260.28 lakhs) from Sterling Holiday Resorts Limited (holding company) carries an interest rate of 9.25% p.a. (March 31, 2021: 10% p.a) and is repayable on demand.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	**March 31, 2022**	**March 31, 2021**
Current borrowings	1,288.28	1,260.28
Net debt	1,288.28	1,260.28

Particulars	**Amount**
Balance as at April 1, 2020	947.94
Proceeds from loans and borrowings	1,139.94
Repayment of borrowings	(860.61)
Balance as at March 31, 2021	**1,227.27**
Proceeds from loans and borrowings	1,307.03
Repayment of borrowings	(1,265.10)
Balance as at March 31, 2022	**1,269.20**

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(All amounts in INR lakhs, unless otherwise stated)

14 Deferred tax assets and liabilities

The balance comprises temporary differences attributable to:

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Depreciation	-	-
Total deferred tax liabilities	-	-
Deferred tax assets		
Unabsorbed depreciation allowance and business loss carried forward	175.27	178.47
Provision for employee benefits	10.67	9.89
Depreciation	6.95	0.41
Set-off of deferred tax assets to the extent of deferred tax liabilities	-	-
Net deferred tax asset/ liability as per the balance sheet	-	-
Unrecognised deferred tax assets	**192.89**	**188.77**

Movement in deferred tax liabilities

	Depreciation
At April 1, 2020	**0.82**
Charged/(credited):	
- to profit or loss	(0.82)
- to other comprehensive income	-
At March 31, 2021	**0.00**
Charged/(credited):	
- to profit or loss	-
- to other comprehensive income	-
At March 31, 2022	-

Movement in deferred tax assets

	Depreciation	Unabsorbed depreciation allowance and	Provision for employee benefits	Total
At April 1, 2020	-	175.37	10.64	186.01
Movement during the year	0.41	3.10	(0.75)	2.76
At March 31, 2021	**0.41**	**178.47**	**9.89**	**188.77**
Movement during the year	6.54	(3.20)	0.78	4.12
At March 31, 2022	**6.95**	**175.27**	**10.67**	**192.90**

In the absence of reasonable certainty that the Company will be able to used the deferred tax asset in the future, the deferred tax assets have not been recognised.

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15 Provision for employee benefit obligations

	As at March 31, 2022			As at March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	1.43	2.72	4.15	1.43	2.41	3.84
Gratuity	5.53	17.38	22.91	7.74	12.93	20.67
Total	**6.96**	**20.10**	**27.06**	**9.17**	**15.34**	**24.51**

(i) Compensated absences

	March 31, 2022	March 31, 2021
Current compensated absences expected to be settled within the next 12 months	1.43	1.43

(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 is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

	March 31, 2022	March 31, 2021
Opening present value of obligation	**20.67**	**23.16**
Current service cost	1.89	2.56
Past service cost	-	-
Interest expense	1.13	1.22
Total amount recognised in profit or loss	**3.02**	**3.78**
Remeasurements		
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(0.27)	0.45
Experience (gains)/losses	6.92	(6.41)
Changes in asset ceiling excluding amounts included in interest expense	-	-
Total amount recognised in other comprehensive income	**6.65**	**(5.96)**
Benefit payments	(7.45)	(0.31)
Closing present value of obligation	**22.89**	**20.67**
The net liability disclosed above relates to funded and unfunded plans are as follows:		
Unfunded plans	22.89	20.67

(iii) Principal actuarial assumptions used in valuation of gratuity

Discount rate	6.81%	6.39%
Salary growth rate	5%	5%
Attrition rate	30%	30%

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

(iv) Sensitivity analysis

The below table summarises the impact of movement in key assumptions on the present value obligation as at the balance sheet date:

a) Gratuity	March 31, 2022	March 31, 2021
Discount rate:		
+ 100 basis points	(0.61)	(0.46)
- 100 basis points	0.65	0.54
Salary escalation rate:		
+ 100 basis points	0.75	0.58
- 100 basis points	(0.72)	(0.52)
b) Compensated absence		
Discount rate:		
+ 100 basis points	(0.10)	(0.10)
- 100 basis points	0.11	0.10
Salary escalation rate:		
+ 100 basis points	0.13	0.12
- 100 basis points	(0.12)	(0.11)

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 assumption 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 when calculating the defined benefit liability in the balance sheet.

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

(v) Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of gross salary as per regulations. The contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs.11.60 lakhs (March 31, 2021: Rs.10.44 lakhs)

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

(All amounts in INR lakhs, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
16	**Trade payables**		
	Dues to micro and small enterprises (Refer Note 35)	7.93	6.03
	Dues to creditors other than micro and small enterprises	62.99	37.69
	Total	**70.92**	**43.72**

Trade payables ageing schedule
As at March 31, 2022

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	7.93	-	-	-	7.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.15	47.84	-	-	-	62.99
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	15.15	**55.77**	**-**	**-**	**-**	**70.92**

As at March 31, 2021

	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	6.03	-	-	-	6.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	5.39	32.30	-	-	-	37.69
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	5.39	**38.33**	**-**	**-**	**-**	**43.72**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 29.

		As at March 31, 2022	As at March 31, 2021
17	**Other financial liabilities**		
	Current		
	Security deposits	34.86	35.38
	Interest payable to micro enterprises and small enterprises (Refer note 35)	1.82	1.11
	Total	**36.68**	**36.49**
18	**Other provisions**		
	Provision for fringe benefit tax	-	1.11
	Total	**-**	**1.11**
19	**Other current liabilities**		
	Salaries, wages, bonus and other employee payables	11.91	13.10
	Contract liability - Advance received from customer	54.28	34.09
	Statutory dues payable	8.22	8.88
	Total	**74.41**	**56.07**

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(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
20	**Revenue from operations**		
(a)	**Disaggregation of revenue:**		
	On the basis of nature of goods or services:		
	Sale of products		
	Food and beverages	232.56	138.80
	Sale of services		
	- Room rentals	794.24	394.19
	- Others	87.98	28.42
	Other operating revenues		
	Service charges	14.41	7.99
	Total	**1,129.19**	**569.40**
	On the basis of timing of transfer of goods or services		
	At a point in time	1,129.19	569.40
		1,129.19	**569.40**

		For the year ended March 31, 2022	For the year ended March 31, 2021
(b)	**Movement in contract liabilities as per Ind AS 115 - Revenue from contracts with customers**		
	Opening balance	34.09	20.47
	Additions during the year (net)	54.28	34.09
	Income recognized during the year	(34.09)	(20.47)
	Closing balance	**54.28**	**34.09**

Contract liabilities pertain to advances received from customers which will be recognized as revenue when the service is rendered.

21	**Other income**		
	Management services income	30.61	31.91
	Scrap sales	0.77	0.20
	Interest Income	0.78	0.32
	Lease income termination	-	0.76
	Total	**32.16**	**33.19**
22	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	2.05	2.61
	Add: Purchases	91.61	47.90
	Less: Inventory of materials at the end of the year	2.40	2.05
	Cost of materials consumed	**91.26**	**48.46**
23	**Employee benefits expense**		
	Salaries, wages and bonus	168.33	129.91
	Contribution to provident and other funds	14.01	12.96
	Gratuity	3.03	2.93
	Compensated absences	2.48	-
	Staff welfare expenses	21.46	13.01
	Total	**209.31**	**158.81**

Note - Entire payroll processing is done by holding company and the expense is booked in subsidiaries based on the employee cost incurred pertaining to Kodai lake location. Compliance with respect to PF and ESI is also done by holding company.

24	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	120.94	127.41
	Interest on lease liability	-	0.24
	Total	**120.94**	**127.65**
25	**Depreciation**		
	Depreciation of property, plant and equipment	4.35	5.67
	Depreciation of right of use assets	-	1.29
	Total	**4.35**	**6.96**

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD ★ CHENNAI

Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
26	**Other expenses**		
	Consumption of stores and spares	19.35	8.99
	Power and fuel	91.74	64.92
	Rent	103.14	48.66
	Repairs and maintenance:		
	- Building	12.84	5.88
	- Plant and machinery	22.20	10.89
	- Others	5.03	1.63
	Insurance	4.21	6.18
	Rates and taxes	20.39	11.58
	Guest supplies	8.71	3.71
	Laundry expenses	19.23	12.04
	Communication	3.27	1.00
	Recruitment and training	0.15	0.04
	Travel and tours	28.07	5.72
	Legal and professional	6.38	6.48
	Management fees	360.05	234.59
	Payment to statutory auditors:		
	As Auditor:		
	- Statutory audit	3.85	3.15
	Travel and conveyance	5.36	3.50
	Security charges	14.91	11.00
	Sales commission	50.95	20.81
	Sales promotion	1.29	1.17
	Bank charges	4.52	2.78
	Printing and stationery	2.20	1.06
	Miscellaneous expenses	13.19	9.58
	Total	**801.03**	**475.36**
27	**Income tax expense**		
	a) Amount recognised in profit or loss		
	Current tax for the year	-	-
	Deferred tax expense for the year	-	-
	Income tax expense	-	-
	b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
	Loss before income tax expense	(65.54)	(214.65)
	Tax at the Indian tax rate of 25.168% (Previous year: 25.168%)	(16.50)	(49.11)
	Net tax effects of temporary differences which are (deductible)/disallowed in calculating taxable income	0.47	(1.89)
	Tax impact of unrecognised tax losses	16.02	51.02
	Income tax expense	-	0.01
	c) Tax losses		
	Amount of deductible temporary differences on which no deferred tax assets has been recognised	70.03	45.00
	Unused tax losses for which no deferred tax assets have been recognised	738.78	780.03
	Potential tax benefit at 25.168%	**203.56**	**188.77**
	Tax losses on account of unrecognised deferred tax assets		
	Date of expiry to carry forward		
	31-Mar-31	59.60	-
	31-Mar-30	213.17	216.31
	31-Mar-29	169.57	169.71
	31-Mar-28	135.64	135.64
	31-Mar-27	9.56	9.56
	31-Mar-26	94.00	94.00
	31-Mar-25	-	-
	31-Mar-24	14.84	14.84
	31-Mar-23	-	103.53
	Indefinite period to carry forward	42.40	36.44
	Total	**738.78**	**780.03**

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(All amounts in INR lakhs, unless otherwise stated)

28 Fair value measurements

Financial instruments by category

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	21.35	-	-	10.49
Cash and cash equivalents	-	-	6.70	-	-	1.72
Other financial assets	-	-	11.69	-	-	14.09
Total financial assets	-	-	**39.74**	-	-	**26.30**
Financial liabilities						
Borrowings	-	-	1,288.28	-	-	1,260.28
Trade payables	-	-	70.92	-	-	43.72
Other financial liabilities	-	-	36.68	-	-	36.49
Total financial liabilities	-	-	**1,395.88**	-	-	**1,340.49**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. There are no financial instruments that are measured at fair value through OCI or PL. 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. An explanation of each level follows underneath the table.

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

At March 31, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	13	-	-	1,288.28	1,288.28
Lease liability	38	-	-	-	-
Total financial liabilities		-	-	**1,288.28**	**1,288.28**

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

At March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	13	-	-	1,260.28	1,260.28
Lease liability	38	-	-	-	-
Total financial liabilities		-	-	**1,260.28**	**1,260.28**

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

(ii) Valuation technique used to determine fair value:
Fair value of the financial instruments is determined using discounted cash flow method. All of the resulting fair value estimates are included under level 3.

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

	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Borrowings	1,288.28	1,288.28	1,260.28	1,260.28
Lease liability	-	-	-	-
Total financial liabilities	**1,288.28**	**1,288.28**	**1,260.28**	**1,260.28**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, borrowings, interest accrued other financial assets and other financial liabilities approximate their fair values, due to their short-term nature. Hence the carrying amount is considered as the fair value.

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(All amounts in INR lakhs, unless otherwise stated)

29 Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis and credit assessment	Diversification of portfolio and Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines. The borrowings are from the holding company and there are no fixed repayment schedule

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 credit risk and liquidity risk.

(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 to wholesale customers including outstanding receivables.

(i) Credit risk management

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

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The 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 and the company majorly manages the credit risk through internal credit rating system.

A default on a financial asset is when the counterparty fails to make contractual payments as and when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

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

			Basis for recognition of expected credit loss provision	
Internal rating	**Category**	**Description of category**	**Trade receivables**	**Others**
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Life-time expected credit losses	12-month expected credit losses
C2	Doubtful assets, credit-impaired	Assets are provided for when there is no reasonable expectation of recovery. The company categorises a receivable or provisioning when the debtor fails to make the contractual payment within 180 days from the date they become due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is provided for fully	Asset is provided for fully

The estimated gross carrying amount at default is Nil (March 2021: Nil) for deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach

At March 31, 2022

Ageing	**Upto 180 days past due**	**More than 180 days past due**	**Total**
Gross carrying amount	21.35	-	21.35
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-

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(All amounts in INR lakhs, unless otherwise stated)

29 Financial risk management (contd.)

For the year ended March 31, 2022 and March 31, 2021:

(b) Expected credit loss for trade receivables under simplified approach (contd.)

At March 31, 2021

Ageing	**Upto 180 days past due**	**More than 180 days past due**	**Total**
Gross carrying amount	10.49	-	10.49
Expected loss rate	0%	0%	0%
Expected credit losses (Loss allowance provision)	-	-	-

(c) Reconciliation of loss allowance provision- Trade receivables

Loss allowance on April 1, 2020	-
Changes in loss allowances due to	
Provision made in the year	-
Recoveries	-
Loss allowance on March 31, 2021	-
Changes in loss allowances due to	
Provision made in the year	-
Recoveries	-
Loss allowance on March 31, 2022	-

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of 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. The Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company also manages its financing requirements through borrowings from the Holding Company which does not have any fixed repayment schedule.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. 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**	**Within one year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
At March 31, 2022						
Non-derivatives						
Borrowings	1,288.28	1,288.28	-	-	-	1,288.28
Trade payables	70.92	70.92	-	-	-	70.92
Other financial liabilities	36.68	36.68	-	-	-	36.68
Total non-derivative liabilities	**1,395.88**	**1,395.88**	-	-	-	**1,395.88**
At March 31, 2021						
Non-derivatives						
Borrowings	1,260.28	1,260.28	-	-	-	1,260.28
Trade payables	43.72	43.72	-	-	-	43.72
Other financial liabilities	36.49	36.49	-	-	-	36.49
Total non-derivative liabilities	**1,340.49**	**1,340.49**	-	-	-	**1,340.49**

30 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.

The Company borrows from the holding company at 9.25% per annum (March 31, 2021: 10% per annum) in order to meet its capital requirements. As at March 31, 2022, the net-worth of the Company has been fully eroded. The Company has shown improvement in operating results due to increase in occupancy rate and tariffs. The Company expects higher growth and profitability in future due to increase in occupancy rates and tariffs from property which was recently refurbished. It is also fully supported by the holding company for funding.

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD ★ CHENNAI

Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

31 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
Intermediate Holding Company	Thomas Cook (India) Limited
Holding Company	Sterling Holiday Resorts Limited
Key Managerial Personnel	M. Balasubramaniyan (Director) Ramesh Shanmugham (Director) Vikram Dayal Lalvani (Director)

(b) Parent entities

The Company is controlled by following entity:

Name of entity	Type	Ownership interest held by the Group	
		March 31, 2022	March 31, 2021
Fairfax Financial Holdings Limited, Canada	Ultimate Holding Company	-	-
Thomas Cook (India) Limited	Intermediate Holding Company	-	-
Sterling Holiday Resorts Limited	Holding Company	98%	98%

(c) Transactions with related parties

Transactions with related parties are as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
Thomas Cook (India) Limited	0.13	0.13
TC Tours Limited	4.17	-
Lease rent expenses		
Sterling Holiday Resorts Limited	94.81	46.57
Brand expenses		
Sterling Holiday Resorts Limited	24.04	16.79
Miscellaneous income		
Sterling Holiday Resorts Limited	30.61	31.91
Management fees		
Sterling Holiday Resorts Limited	336.01	217.80
Interest on borrowings		
Sterling Holiday Resorts Limited	120.94	127.41
Loans availed		
Sterling Holiday Resorts Limited	1,307.03	1,139.94
Loans repaid		
Sterling Holiday Resorts Limited	1,265.10	860.61

(d) Outstanding balances as at year end

	As at March 31, 2022	As at March 31, 2021
The following balances are outstanding at the end of the reporting period:		
Trade receivables		
TC Tours Limited	1.13	0.13
Borrowings		
Sterling Holiday Resorts Limited	1,269.20	1,227.27
Interest accrued but not due		
Sterling Holiday Resorts Limited	19.08	33.01

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(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
32 Contingent liabilities and contingent assets		
Contingent liabilities	-	-
Claims against the Company not acknowledged as debt:		

Supreme Court vide their judgement dated February 28, 2019 clarified that Provident fund deduction is to be made on basic salary and on other salary components which are universally made available to all employees. The Company, based on external advice, believes that there are interpretative challenges on the application of the judgement retrospectively. 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. The Company would update the provision in future based on clarification received from the relevant authorities.

33 Sterling Holiday Resorts Limited (SHRL) holds 98% equity shares in the Company and the Company is responsible for maintaining the property Kodai By the Lake, pursuant to the property timeshare agreement with the property timeshare members. However, certain property timeshare weeks are unsold and retained by SHRL. Pursuant to the necessary approvals obtained by the Company as required under The Companies Act, 2013, the Company is permitted to rent out weeks sold to property timeshare members and unsold weeks retained by SHRL which are vacant and earn revenue from it. The property timeshare members and SHRL shall have no claim on the revenue generated by the Company. Further, pursuant to the exchange clause under property timeshare agreement, property timeshare members of the said property are also eligible to utilize facilities at SHRL's other resorts.

34 The Company has identified only one reportable segment. The entire Company's business is from resort operations and maintenance services (being leisure hospitality services) and there are no other reportable segments. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended March 31, 2022.

35 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

		As at March 31, 2022	As at March 31, 2021
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.93	6.03
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.82	-
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	37.69	13.83
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	0.70	1.11
vii	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	1.11	-

36 During the current year, the Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption (including temporary closure of its resorts). The Company had resumed normal business operations from June 2021 onwards post second wave. However, the impact of COVID-19 on the economy continues to be uncertain due to which the Company's financial performance including the Company's estimates of future cash flows and impairment of assets etc., is dependent on such future developments, the severity and recurrence of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in determining judgements and estimates in applying the assumptions including those used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions. Also refer note 1.2.1.

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Sterling Holiday Resorts (Kodaikanal) Ltd ★ Chennai

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

37 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.03	0.03	-12%	
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	1.09	1.09	0%	
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	0.04	0.08	-48%	Higher repayments in current year led to decreased coverage ratio as compared to previous year
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	5%	18%	-13%	Higher loss in previous year led to higher ratio as compared to current year.
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	15.87	7.35	116%	Higher consumption cost in current year as compared to previous year due to COVID19 lockdown restrictions.
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	70.93	27.02	163%	Higher sales in current year as compared to previous year due to COVID 19 lockdown restrictions.
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.60	0.45	253%	Higher consumption cost in current year as compared to previous year due to COVID19 lockdown restrictions.
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.79	0.42	88%	Higher sales in current year as compared to previous year due to COVID 19 lockdown restrictions.
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	-6%	-38%	32%	Higher loss in previous year led to higher ratio as compared to current year.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-65%	214%	-130%	Higher loss in previous year led to higher ratio as compared to current year.

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD ★ CHENNAI

Sterling Holiday Resorts (Kodaikanal) Limited
Notes forming part of financial statements as at and for the year ended March 31, 2022
(All amounts in Rs. lakhs, unless otherwise stated)

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

As a lessee, the company leases assets mainly comprising of staff accomodation.

Right of use assets	**Building**	**Total**
Balance at April 1, 2020	**15.00**	**15.00**
Addition to right of use assets	-	-
Depreciation charge for the year	(1.29)	(1.29)
Derecognition of right of uses assets	(13.71)	(13.71)
Balance at March 31, 2021	-	-
Addition to right of use assets	-	-
Depreciation charge for the year	-	-
Derecognition of right of uses assets	-	-
Balance at March 31, 2022	-	-

Lease liabilities	**Amount**
Balance at April 1, 2020	**15.72**
Additions	-
Deletions	(14.48)
Finance cost accrued during the year	0.24
Discharge of lease liabilities	(1.48)
Balance at March 31, 2021	-
Additions	-
Deletions	-
Finance cost accrued during the year	-
Discharge of lease liabilities	-
Balance at March 31, 2022	-
Current	-
Non-current	-

39 Earnings per share

	March 31, 2022	**March 31, 2021**
Loss for the year attributable to the equity holders of the Company	(65.54)	(214.65)
Weighted average number of equity shares outstanding	50,000	50,000
Basic and diluted earnings per share	**(131.08)**	**(429.30)**

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

41 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021

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

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: May 20, 2022

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Ramesh Shanmugam
Director
DIN No.: 06646158

Place: Chennai
Date: May 4, 2022

M Balasubramaniyan
Director
DIN No.: 03088801

Place: Chennai
Date: May 4, 2022

B S R & Co. LLP
Chartered Accountants

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

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Independent Auditor's Report

To the Members of Nature Trails Resorts Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nature Trails Resorts Private Limited (the "Company") which comprise the balance sheet as at 31 March 2022, 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 2022, and its loss 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.

Emphasis of Matter

As more fully described in Note 38 to the financial statements, the extent to which the ongoing COVID-19 pandemic will have impact on the Company's financial performance including the Company's estimates of impairment of assets and future cash flows, are dependent on future developments, the severity and recurrence of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in applying assumptions used to determine the future cashflows. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors 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.

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.

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.

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. The matters described in the Basis for Disclaimer of Opinion paragraph in "Annexure B" with respect to adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Company, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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 does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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 it's knowledge and belief, as disclosed in the Note 41(i) 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 by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 41(ii) 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been 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 (i) and (ii) above contain any material misstatement.

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 Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

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

Satish Vaidyanathan

Partner

Membership No.: 217042

ICAI UDIN: **22217042AQFKCC3915**

Place: Chennai

Date: August 29, 2022

Annexure A to the Independent Auditor's Report on the Financial Statements of **Nature Trails Resorts Private Limited** for the **year** ended **31 March 2022**

(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. The Company is in the process of reconciling the fixed asset register to the physical verification records. In our opinion, the periodicity of physical verification having regard to the size of the Company is appropriate.

(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.

(d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) 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 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) We have observed that management had not conducted physical verification 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) 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, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(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 services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of **Nature Trails Resorts Private Limited** for the **year** ended **31 March 2022** (Continued)

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax 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, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) 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 statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(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 wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(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.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(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.

Annexure A to the Independent Auditor's Report on the Financial Statements of **Nature Trails Resorts Private Limited** for the **year** ended **31 March 2022** (Continued)

(c) As the provisions of section 177 of the Act are not applicable to the company, clause 3(xi)(c) of the Order is not applicable.

(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 Company is a private limited company and accordingly 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 incurred cash losses of INR 372.18 lakhs in the current financial year and INR 546.66 lakhs in the immediately preceding financial year.

(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, other information accompanying the financial statements, 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.

Annexure A to the Independent Auditor's Report on the Financial Statements of **Nature Trails Resorts Private Limited** for the **year** ended **31 March 2022** (Continued)

(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

Membership No.: 217042

ICAI UDIN: **22217042AQFKCC3915**

Place: Chennai

Date: August 29, 2022

Annexure B to the Independent Auditor's Report on the financial statements of **Nature Trails Resorts Private Limited** for the **year** ended **31 March 2022**

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

Qualified Opinion/ Adverse Opinion/ Disclaimer of Opinion

We have audited the internal financial controls with reference to financial statements of Nature Trails Resorts Private Limited ("the Company") as of 31 March 2022 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 2022, 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").

Basis for Disclaimer of Opinion

The system of internal financial controls with reference to financial statements of the Company at 31 March 2022 was not made available to us to enable us to determine if the Company has established adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at 31 March 2022.

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.

Annexure B to the Independent Auditor's Report on the financial statements of **Nature Trails Resorts Private Limited** for the **year** ended **31 March 2022** (Continued)

Because of the matter described in the Disclaimer of opinion paragraph above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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

Satish Vaidyanathan

Partner

Membership No.: 217042

ICAI UDIN: **22217042AQFKCC3915**

Place: Chennai

Date: August 29, 2022

Nature Trails Resorts Private Limited
Balance Sheet as at March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	2	5,043.42	4,753.14
Capital work in progress	3	53.28	38.74
Right of use assets	36	9.94	178.56
Financial assets			
Other financial assets	4	9.04	9.04
Other tax assets	5	4.94	18.97
Other non-current assets	9	8.25	260.36
Total non-current assets		**5,128.87**	**5,258.81**
Current assets			
Inventories	6	1.53	1.70
Financial assets			
i. Trade receivables	7	6.15	1.29
ii. Cash and cash equivalents	8	14.97	7.25
Other current assets	9	20.09	15.71
Total current assets		**42.74**	**25.95**
Total assets		**5,171.61**	**5,284.76**
Equity and liabilities			
Equity			
Equity share capital	10	147.58	147.58
Other equity			
Reserves and surplus	11	(523.25)	(68.58)
Other reserves	12	1,338.29	1,338.29
Total equity		**962.62**	**1,417.29**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	13	585.07	677.23
ii. Lease liability	36	9.20	9.20
iii. Other financial liabilities	15	1.42	0.15
Provision for employee benefit obligations	17	72.70	83.49
Deferred tax liabilities (net)	18	339.77	384.46
Total non-current liabilities		**1,008.16**	**1,154.53**
Current liabilities			
Financial liabilities			
i. Borrowings	13	3,022.40	2,463.60
ii. Lease liability	36	0.89	1.56
iii. Trade payables			
Total outstanding dues of micro enterprises and small enterprises	14	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	113.14	159.26
iv. Other financial liabilities	15	16.49	29.06
Provisions			
Provision for employee benefit obligations	17	9.65	11.65
Other current liabilities	16	38.26	47.81
Total current liabilities		**3,200.83**	**2,712.94**
Total liabilities		**4,208.99**	**3,867.47**
Total equity and liabilities		**5,171.61**	**5,284.76**
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
ICAI Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: August 29, 2022

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Vikram Dayal Lalvani
Director
DIN No.: 07115464

Place: Chennai
Date: July 26, 2022

Krishna Kumar L
Director
DIN No.: 00420790

Place: Chennai
Date: July 26, 2022

Nature Trails Resorts Private Limited
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	19	384.26	182.14
Other income	20	31.45	21.90
Total income		**415.71**	**204.04**
Expenses			
Cost of materials consumed	21	69.72	35.77
Employee benefits expense	22	222.38	221.70
Finance costs	23	255.33	275.33
Depreciation and amortisation expense	24	142.28	221.12
Other expenses	25	227.69	206.11
Total expenses		**917.40**	**960.03**
Loss before tax		**(501.69)**	**(755.99)**
Income tax expense	26		
Current tax		-	-
Deferred tax		(44.69)	(39.08)
Loss for the year		**(457.00)**	**(716.91)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefit obligations		2.33	1.24
Revaluation gain		-	840.00
Income tax relating to this item		-	(174.72)
Other comprehensive income for the year, net of income tax		**2.33**	**666.52**
Total comprehensive (loss) for the year		**(454.67)**	**(50.39)**
Earnings per share (Face value of Rs. 10 each)			
Basic and anti-diluted earnings per share (in Rs.)	31	(309.66)	(485.78)
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
ICAI Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: August 29, 2022

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Vikram Dayal Lalvani
Director
DIN No.: 07115464

Place: Chennai
Date: July 26, 2022

Krishna Kumar L
Director
DIN No.: 00420790

Place: Chennai
Date: July 26, 2022

Nature Trails Resorts Private Limited
Statement of cash flows for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Loss before tax	(501.69)	(755.99)
Adjustments for:		
Depreciation and amortisation	142.28	221.12
Finance costs	255.33	275.33
Provision for bad and doubtful debts	-	0.54
Provision no longer required written back	(17.76)	-
Working capital adjustments:		
(Increase)/Decrease in trade receivables	12.90	17.60
(Increase)/Decrease in inventories	0.17	(0.70)
(Increase)/Decrease in other financial assets	-	3.62
Decrease in other assets	(4.38)	7.48
(Decrease)/Increase in trade payables	(46.12)	(37.67)
Increase in employee benefit obligations	(10.46)	11.19
Decrease in other financial liabilities	(11.30)	24.81
Decrease in other liabilities	(9.55)	(6.24)
Cash generated from (used in) operations	**(190.58)**	**(238.91)**
Income taxes paid	14.03	(4.89)
Net cash (used in) operating activities	**(176.55)**	**(243.80)**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(26.37)	(14.61)
Net cash (used in) investing activities	**(26.37)**	**(14.61)**
Cash flows from financing activities		
Interest paid	(103.93)	(108.07)
Repayment of borrowings	(753.70)	(211.24)
Proceeds from borrowings	1,070.10	574.52
Interest on lease liability	(1.16)	(2.55)
Payment of lease liability	(0.67)	(3.76)
Net cash generated from financing activities	**210.64**	**248.90**
Net increase/(decrease) in cash and cash equivalents	**7.72**	**(9.51)**
Cash and cash equivalents at the beginning of the year	7.25	16.76
Cash and cash equivalents at end of the year	**14.97**	**7.25**

Reconciliation of cash and cash equivalents as per cash flow statement
Cash and cash equivalents as per the above comprises of the following:

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents (Refer Note 9)	14.97	7.25
Balances as per statement of cash flows	**14.97**	**7.25**

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
ICAI Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership Number: 217042

Place: Chennai
Date: August 29, 2022

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Vikram Lalvani

Vikram Dayal Lalvani
Director
DIN No.: 07115464

Place: Chennai
Date: July 26, 2022

Krishna Kumar

Krishna Kumar L
Director
DIN No.: 00420790

Place: Chennai
Date: July 26, 2022

Nature Trails Resorts Private Limited
Statement of changes in equity for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2020		147.58
Changes in equity share capital during the year		-
Balance as at March 31, 2021	11	**147.58**
Changes in equity share capital during the year		-
Balance as at March 31, 2022	11	**147.58**

II) Other equity

Particulars	Reserves and surplus				Other reserves	Grand total
	Securities premium	Retained earnings	Capital redemption reserve	Total	Revaluation reserve	
Balance as at April 1, 2020	**1,366.29**	**(729.20)**	**10.00**	**647.09**	**673.01**	**1,320.10**
Loss for the year	-	(716.91)	-	(716.91)	-	**(716.91)**
Other comprehensive income	-	1.24	-	1.24	840.00	**841.24**
Income tax relating to revaluation gain	-	-	-	-	(174.72)	**(174.72)**
Balance as at March 31, 2021	**1,366.29**	**(1,444.87)**	**10.00**	**(68.58)**	**1,338.29**	**1,269.71**
Loss for the year	-	(457.00)	-	(457.00)	-	**(457.00)**
Other comprehensive income	-	2.33	-	2.33	-	**2.33**
Balance as at March 31, 2022	**1,366.29**	**(1,899.54)**	**10.00**	**(523.25)**	**1,338.29**	**815.04**

Significant accounting policies - Refer note 1.3

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

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

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: August 29, 2022

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Vikram Dayal Lalvani
Director
DIN No.: 07115464

Place: Chennai
Date: July 26, 2022

Krishna Kumar L
Director
DIN No.: 00420790

Place: Chennai
Date: July 26, 2022

Nature Trails Resorts Private Limited
Notes to the financial statements as at and for the year ended March 31, 2022

1.1. Reporting entity

Nature Trails Resorts Private Limited (the "Company") is engaged in business of operations, campsites and activity camps. The Company is a 100% subsidiary of Sterling Holiday Resorts Limited ('Holding company'). Thomas Cook India Limited is the intermediate holding company and the ultimate holding company is Fairfax Financial Holdings Limited, Canada.

1.2. Basis of preparation

1.2.1. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on July 26, 2022

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

- certain financial assets and liabilities are measured at fair value (Refer Note 29).
- defined benefit plans — plan assets measured at fair value (Refer Note 15).
- freehold land measured at fair value

As at year ended March 31,2022 the Company has incurred losses of Rs. 457.00 lakhs and has accumulated losses of Rs. 1,899.54 lakhs (which have fully eroded the net worth of the Company) as at the balance sheet date. The Company has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Company including those arising from of the COVID-19 pandemic.
Based on the future business plans, approved cash flow projections for the next 12 months and letter of financial support provided by the parent company, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

1.2.2. Segment reporting

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

The Chairman-Whole Time Director (WTD) of the Parent company has been identified as the chief operating decision maker of the Company who assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 29 for segment information presented.

1.2.3. Current/ Non-current classification

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

1.2.4. Foreign currency transaction

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

BSR & Co. LLP Chartered Accountants

Nature Trails Resorts Private Limited

1.2. Basis of preparation (contd.)

b) Transactions and balances

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

1.3. Significant accounting policies

1.3.1. Revenue recognition

The Company recognises 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. Ind AS 115 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.

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

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

BSR & Co. LLP Chartered Accountants

Nature Trails Resorts Private Limited

1.3. Significant accounting policies (contd.)

asset to be utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.3.3. Leases

The Company has adopted Ind AS 116 Leases with effect from April 1,2019 and the Company has elected to measure right-of-use asset for all leases at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116.

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.

BSR & Co. LLP ★ Chartered Accountants ★

Nature Trails Resorts Private Limited ★

1.3. Significant accounting policies (contd.)

1.3.3. Leases (contd.)

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.

1.3.4. Impairment of assets

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

1.3.5. Inventories

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

1.3.6. Financial instruments

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

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

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

BSR & Co. LLP Chartered Accountants

Nature Trails Resorts Private Limited

1.3. Significant accounting policies (contd.)

1.3.6 Financial instruments (contd.)

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.

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 favourable 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:

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1.3. Significant accounting policies (contd.)

1.3.6 Financial instruments (contd.)

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

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

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 30 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

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1.3. Significant accounting policies (contd.)

1.3.6 Financial instruments (contd.)

estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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

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.

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 unfavourable 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.

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 detained based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

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1.3. Significant accounting policies (contd.)

1.3.6. Financial instruments (contd.)

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.

1.3.7. 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.

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)
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

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).

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1.3. Significant accounting policies (contd.)

1.3.8. Intangible assets

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

Computer software are amortised over a period of 5 years.

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

1.3.9. 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.

1.3.10. 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. Re-measurement 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.

c) Compensated absences

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

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1.3. Significant accounting policies (contd.)

1.3.11 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 (Note 31).

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.

1.3.12 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.

2A. Recent accounting 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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2A. Recent accounting pronouncements (Contd.)

Ind AS 116 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

2B. Critical estimates and judgements:

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

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

The areas involving critical estimate or judgement are:

Note 17 - Provision for employee benefit obligations
Note 18 - Recognition of deferred tax assets
Note 38 and 1.2.1 – Going concern and impact of COVID-19
Note 36 - Leases

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(All amounts in INR Lakhs, unless otherwise stated)

2 Property, plant and equipment

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

Asset description	Gross carrying amount				Accumulated depreciation				Net carrying amount	
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Disposals	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
Freehold land	2,920.00	839.98	-	3,759.98	-	-	-	-	2,920.00	3,759.98
Own buildings	1,291.10	5.42	-	1,296.52	321.66	114.63	-	436.29	969.45	860.23
Computer equipment	7.85	-	-	7.85	7.85	-	-	7.85	0.00	-
Plant and machinery	216.21	0.97	-	217.18	95.18	32.77	-	127.95	121.03	89.23
Furniture and fixtures	105.60	-	-	105.60	72.59	14.11	-	86.70	33.01	18.90
Office equipment	4.11	0.15	-	4.26	3.11	0.61	-	3.72	1.00	0.54
Vehicles	8.98	-	-	8.98	8.98	-	-	8.98	0.00	-
Electrical installations	80.16	-	-	80.16	43.02	12.88	-	55.90	37.14	24.26
Total	4,634.01	846.52	-	5,480.53	552.38	175.00	-	727.39	4,081.63	4,753.14

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

Asset description	Gross carrying amount				Accumulated Depreciation				Net carrying amount	
	As at April 1, 2021	Additions / Adjustments	Disposals / Transfer	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	Disposals / Adjustments	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022
Land - Freehold	3,759.98	428.04	-	4,188.02	-	-	-	-	3,759.98	4,188.02
Building - Own	1,296.52	-	-	1,296.52	436.29	91.86	-	528.15	860.23	768.37
Computer Equipment	7.85	-	0.25	7.60	7.85	-	0.25	7.60	-	-
Plant and Machinery	217.18	-	82.09	135.09	127.95	17.36	71.78	73.54	89.23	61.55
Furniture and Fixtures	105.60	4.18	15.18	94.60	86.70	8.48	11.37	83.80	18.90	10.80
Office Equipment	4.26	-	-	4.26	3.72	0.54	-	4.26	0.54	-
Vehicles	8.98	-	3.38	5.60	8.98	-	3.38	5.60	-	-
Electrical Installations	80.16	-	20.02	60.14	55.90	8.20	18.64	45.46	24.26	14.68
Total	5,480.53	432.22	120.93	5,791.83	727.39	126.44	105.43	748.41	4,753.14	5,043.42

a. Refer Note 33 for capital commitments.

b. 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 31 March 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 building were measured using the cost model. The carrying amounts would be as follows:

Block of asset	Revaluation model		Cost model	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Freehold land	4,188.02	3,759.98	2,305.44	1,877.40
Total	4,188.02	3,759.98	2,305.44	1,877.40

c. Due to outbreak of COVID-19 the management has performed impairment assessment of all its property, plant and equipment as at March 31, 2022 and concluded that non-usage for a short term will not have any material impact on useful life of such property, plant & equipment.

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(All amounts in INR Lakhs, unless otherwise stated)

3 Capital work in progress

Reconciliation of gross carrying amount for the year ended March 31, 2022 and March 31, 2021

Asset description	As at April 1, 2020	Additions	Disposals/ Transfers	As at March 31, 2021	As at April 1, 2021	Additions	Disposals/ Transfers	As at March 31, 2022
Capital work in progress	6.72	32.02	-	38.74	38.74	32.86	18.32	53.28
	6.72	32.02	-	38.74	38.74	32.86	18.32	53.28

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

Ageing schedule:

As at March 31, 2021:

	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	32.63	6.11	-	-	38.74
Projects temporarily suspended	-	-	-	-	-
Total	32.63	6.11	-	-	38.74

As at March 31, 2022:

	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	32.86	14.31	6.11	-	53.28
Projects temporarily suspended	-	-	-	-	-
Total	32.86	14.31	6.11	-	53.28

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(All amounts in INR Lakhs, unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
4	**Other financial assets**		
	Security deposits	8.46	8.46
	Other receivables	0.58	0.58
	Total	**9.04**	**9.04**
5	**Other tax assets**		
	Taxes receivable	4.94	18.97
	Total	**4.94**	**18.97**
6	**Inventories**		
	Food and beverages	1.53	1.70
	Total	**1.53**	**1.70**

		As at March 31, 2022	As at March 31, 2021
7	**Trade receivables**		
	Secured, considered good	-	-
	Unsecured, considered good	6.15	1.29
	Which have significant increase in credit risk	-	-
	Credit impaired	16.47	33.69
		22.62	**34.98**
	Less: Loss allowance	(16.47)	(33.69)
	Total	**6.15**	**1.29**
	Of the above, trade receivables from related parties are as below:		
	Total trade receivables from related parties (Refer Note 34)	-	1.62
	Loss allowance	-	-
	Net trade receivables	**-**	**1.62**

For receivables secured against borrowings, refer Notes 13 and 30.
The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 28.

Ageing schedule
As at March 31, 2021

	Unbilled dues	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables							
Considered good	-	1.29	-	-	-	-	1.29
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	5.79	-	24.40	3.14	0.36	33.69
Disputed Trade receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	-	**7.08**	**-**	**24.40**	**3.14**	**0.36**	**34.98**

As at March 31, 2022

	Unbilled dues	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables							
Considered good	-	6.69	-	-	-	-	6.69
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	0.12	1.83	0.14	11.79	2.05	15.93
Disputed Trade receivables							
Considered good	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
	-	**6.81**	**1.83**	**0.14**	**11.79**	**2.05**	**22.62**

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Notes to the financial statements for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
8 Cash and cash equivalents		
Cash on hand	-	2.54
Balances with banks		
- in current accounts	14.97	4.71
Total	**14.97**	**7.25**

For cash and cash equivalents secured against borrowings, refer Notes 13 and 30.

9 Other assets

	As at March 31, 2022		As at March 31, 2021	
	Current	**Non-current**	**Current**	**Non-current**
Capital advances	-	8.25	-	260.36
Prepaid expenses	2.37	-	3.10	-
Employee advances	1.18	-	0.41	-
Advances to suppliers	1.23	-	2.78	-
Balances with statutory authorities	15.31	-	9.42	-
Total	**20.09**	**8.25**	**15.71**	**260.36**

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10 Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised		
200,000 (March 31, 2021: 200,000) equity shares of Rs.100 each	200.00	200.00
Issued, subscribed and fully paid up		
147,580 (March 31, 2021: 147,580) equity shares of Rs.100 each	147.58	147.58
	147.58	**147.58**

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount in Rs. lakhs	Number of shares	Amount in Rs. lakhs
Equity shares				
At the commencement of the year	147,580	147.58	147,580	147.58
Shares issued during the year	-	-	-	-
At the end of the year	**147,580**	**147.58**	**147,580**	**147.58**

Rights, preferences and restrictions attached to equity shares

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

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount in Rs. lakhs	Number of shares	Amount in Rs. lakhs
Equity shares of Rs. 100 each held by the Holding Company	147,580	147.58	147,580	147.58

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

	As at March 31, 2022		As at March 31, 2021	
	Amount in Rs. lakhs	% of total shares in class	Amount in Rs. lakhs	% of total shares in class
Equity shares of Rs. 10 each held by				
Sterling Holiday Resorts Limited and its nominees (Holding Company)	147,580	100%	147,580	100%

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(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
11 Reserves and surplus		
Accumulated losses	(1,899.54)	(1,444.87)
Securities premium	1,366.29	1,366.29
Capital redemption reserve	10.00	10.00
Total	**(523.25)**	**(68.58)**
Movement in reserves and surplus balances is as follows :		
a) Retained earnings		
Opening balance	(1,444.87)	(729.20)
Loss for the year	(457.00)	(716.91)
Redemption of preference shares	-	-
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	2.33	1.24
- Income tax relating to this item	-	-
Closing balance	**(1,899.54)**	**(1,444.87)**
b) Securities premium		
Opening balance	1,366.29	1,366.29
Additions during the year	-	-
Deductions/adjustments during the year	-	-
Closing balance	**1,366.29**	**1,366.29**
c) Capital redemption reserve		
Opening balance	10.00	10.00
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	**10.00**	**10.00**

12 Other reserves

	Other comprehensive income		
	Remeasurement of post employment benefit obligation	**Revaluation reserve**	**Total**
As at April 1, 2020	-	673.01	673.01
Additions during the year	(1.24)	840.00	838.76
Transfer to retained earnings	1.24	-	1.24
Income tax effect on revaluation of property, plant & equipment	-	(174.72)	(174.72)
As at March 31, 2021	-	1,338.29	1,338.29
Additions during the year	(2.33)	-	(2.33)
Transfer to retained earnings	2.33	-	2.33
Income tax effect on revaluation of property, plant & equipment	-	-	-
As at March 31, 2022	-	1,338.29	1,338.29

Revaluation reserve

The Company has changed its accounting policy on measurement of land from cost model to revaluation model w.e.f. April 1, 2018. Land has been at fair valued based on valuations by external independent valuers performed 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 37.

	As at March 31, 2022	As at March 31, 2021
Movement in revaluation reserve		
Opening balance	1,338.29	673.01
Revaluation surplus during the year	-	840.00
Income tax effect	-	(174.72)
Closing balance	1,338.29	1,338.29

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	As at March 31, 2022	As at March 31, 2021
13 Non-current borrowings		
Term loan		
- From banks		
Secured bank loans	585.07	677.23
Total	**585.07**	**677.23**
Current borrowings		
Loans from banks		
Current portion of secured bank loans	248.48	208.43
Interest accrued but not due on borrowings	7.67	8.25
Loans from shareholders		
Unsecured loan from shareholders	2,074.99	1,702.99
Interest payable on unsecured loan	691.26	543.93
Total current borrowings	**3,022.40**	**2,463.60**

Information about the Company's exposure to liquidity risk is included in Note 28.

Secured bank loans

a During the year, the Company refinanced the existing term loan amounting to Rs. 1,023 lakhs from Yes Bank. The term loan is secured by way of (a) An exclusive charge on land and building of Durshet and Kundalika owned by the Company (b) An exclusive charge on current assets and movable fixed assets of the Company (c) A letter of Comfort from the Group and (d) A negative lien on the assets of the Company on which the bank is not creating security and is repayable in 64 months over the equated monthly installments. Interest is payable at monthly rests at the rate of EBLR + 3.15%. The loan amount outstanding as at year end is Rs.531.05 lakhs (March 31, 2021: Rs. 716.96). Out of this, Rs.192.68 lakhs (March 31, 2021: Rs.193.10 lakhs) is repayable within 1 year and the balance amount of Rs.338.37 lakhs (March 31, 2021: Rs.523.76) is repayable after 1 year from the balance sheet date.

Further, the Company availed working capital term loan of Rs. 165.00 lakhs from Yes Bank in August 2020. The term loan is secured by way of (a) 100% credit guarantee by National Credit Gaurantee Trust Company Limited (b) Charge on current assets financed through the additional WCTL to be created (c) Second charge on land and building of Durshet and Kundalika owned by the Company (d) Second charge on current assets and movable fixed assets of the Company and is repayable over 36 monthly installments after moratorium period of 12 months from the date of loan. Interest is payable at monthly rests at the rate of EBLR + 1% per annum. The loan amount outstanding as at year end is Rs.137.5 lakhs. Out of this, Rs. 55 lakhs is repayable within 1 year and the balance amount of Rs.82.50 lakhs is repayable after 1 year from the balance sheet date.

Further, the Company availed new working capital term loan of Rs. 165.00 lakhs from Yes Bank in August 2021. The term loan is secured by way of (a) 100% credit guarantee by National Credit Gaurantee Trust Company Limited (b) second Charge on current assets financed through the additional WCTL to be created and is repayable over 36 monthly installments after moratorium period of 24 months from the date of loan. Interest is payable at monthly rests at the rate of EBLR + 1% per annum. The loan amount outstanding as at year end is Rs.165 lakhs. The repayment of principal for this loan is starting from January 2024.

b Loan amounting to Rs. 6.60 Lakhs from HDFC Bank is secured by way of hypothecation of the underlying vehicles and is repayable in 48 equated monthly instalments starting from the date of the loan (August 28, 2017) along with interest at the rate of 8.46% per annum.The loan amount outstanding as at year end is Rs. 0.79 lakhs (March 31, 2021 : Rs. 2.28 lakhs). Out of this, Rs. 0.79 lakhs (March 31, 2021: Rs.1.49 lakhs) is repayable within 1 year from the balance sheet date.

Unsecured loan from holding company

Unsecured loan amounting to Rs. 2,074.99 lakhs (March 31, 2021 Rs. 1,702.99 lakhs) outstanding as on March 31, 2022 from Holding Company - Sterling Holiday Resorts Limited, carries an interest rate of 9.25% p.a (March 31, 2021: 13% p.a) and is repayable on demand.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowings	585.07	677.23
Current borrowings	2,323.47	1,911.42
Net debt	**2,908.54**	**2,588.65**

Particulars	Current borrowings	Non-current borrowings	Total
Balance as at April 1, 2020	**1,365.49**	**815.84**	**2,181.33**
Proceeds from loans and borrowings	409.51	165.00	574.51
Repayment of borrowings	(72.02)	(139.22)	(211.24)
Non-cash changes - Impact of effective interest amortisation	-	4.51	4.51
Non-cash changes - Interest capitalised	-	39.53	39.53
Balance as at March 31, 2021	**1,702.99**	**885.66**	**2,588.65**
Proceeds from loans and borrowings	905.10	165.00	1,070.10
Repayment of borrowings	(533.10)	(220.60)	(753.70)
Non-cash changes - Impact of effective interest amortisation	-	3.49	3.49
Balance as at March 31, 2022	**2,074.99**	**833.55**	**2,908.55**

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(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
14 Trade payables		
Dues to micro and small enterprises (Refer Note 39)	-	-
Dues to creditors other than micro and small enterprises	113.14	159.26
Total	**113.14**	**159.26**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 28.

Ageing schedule
As at March 31, 2021

	Unbilled	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	31.11	60.44	55.29	12.42	-	159.26
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	31.11	**60.44**	**55.29**	**12.42**	**-**	**159.26**

As at March 31, 2022

	Unbilled	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	32.26	29.93	7.36	43.59	-	113.14
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	32.26	**29.93**	**7.36**	**43.59**	**-**	**113.14**

	As at March 31, 2022	As at March 31, 2021
15 Other financial liabilities		
Non current		
Security deposits	0.15	0.15
Retention payable	1.27	1.45
Current		
Creditors for capital expenditure	10.61	16.02
Retention payable	5.88	11.59
	17.91	**29.21**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 28.

	As at March 31, 2022	As at March 31, 2021
16 Other current liabilities		
Salaries, wages, bonus and other employee payables	8.82	17.69
Contract liability - Advance received from customer	27.50	23.87
Statutory dues payable	1.94	6.25
Total	**38.26**	**47.81**

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17 Provision for employee benefit obligations

	As at March 31, 2022			As at March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	0.90	5.53	6.43	0.84	4.57	5.41
Gratuity	8.75	67.17	75.92	10.81	78.92	89.73
Total	**9.65**	**72.70**	**82.35**	**11.65**	**83.49**	**95.14**

(i) Compensated absences

	March 31, 2022	March 31, 2021
Current compensated absences expected to be settled within the next 12 months	0.90	0.84

(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 is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

	March 31, 2022	March 31, 2021
Current service cost	5.98	4.75
Interest expense	5.39	4.96
Total amount recognised in profit or loss	**11.37**	**9.71**
Remeasurements		
(Gain)/loss from change in demographic assumptions	(2.05)	-
(Gain)/loss from change in financial assumptions	(4.58)	7.28
Experience (gains)/losses	4.30	(8.52)
Total amount recognised in other comprehensive income	**(2.33)**	**(1.24)**
Employer contributions	89.73	82.77
Benefit payments	(22.85)	(1.51)
Total	**75.92**	**89.73**

(iii) Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 16.36 lakhs (March 31, 2021: Rs. 17.77 lakhs).

(iv) Principal actuarial assumptions used in valuation of gratuity	March 31, 2022	March 31, 2021
Discount rate	7.18%	6.17%
Salary growth rate	5%	5%
Attrition rate	8%	11%

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

The below table summarises the impact of movement in key assumptions on the present value obligation as at the balance sheet date:

	March 31, 2022	March 31, 2021
Discount rate:		
+ 100 basis points	(4.69)	(4.86)
- 100 basis points	5.29	5.38
Salary escalation rate:		
+ 100 basis points	5.61	5.85
- 100 basis points	(5.05)	(4.57)

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 assumption 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 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.

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(All amounts in INR Lakhs, unless otherwise stated)

18 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipment	-	-
Land revaluation	509.75	534.44
Total deferred tax liabilities	**509.75**	**534.44**
Set-off of deferred tax liabilities pursuant to set-off provisions	169.98	149.97
Deferred tax liability as per the balance sheet	339.77	384.46
Net unrecognised deferred tax liabilities	-	-
Deferred tax assets		
Unabsorbed depreciation allowance and business loss carried forward	609.20	532.38
Property, plant and equipment	48.51	48.29
Provision for employee benefits	19.11	26.22
Set-off of deferred tax assets to the extent of deferred tax liabilities	(169.98)	(149.97)
Net deferred tax asset/ liability as per the balance sheet	-	-
Unrecognised deferred tax assets	**506.84**	**456.91**

Movement in deferred tax liabilities

	Property, plant and equipment	Land revaluation	Total
At April 1, 2020	-	**369.59**	**369.59**
Charged/(credited):			
- to profit or loss		(9.87)	(9.87)
- to other comprehensive income		174.72	174.72
At March 31, 2021	-	**534.44**	**534.44**
Charged/(credited):			
- to profit or loss		(24.68)	(24.68)
- to other comprehensive income		-	-
At March 31, 2022	-	**509.75**	**509.75**

Movement in deferred tax assets

	Depreciation	Provision for employee benefits	Unabsorbed depreciation allowance and business loss carried forward	Total
At April 1, 2020	28.66	41.96	330.81	401.43
Movement during the year	(2.44)	6.33	201.57	205.46
At March 31, 2021	**26.22**	**48.29**	**532.38**	**606.89**
Movement during the year	(7.11)	0.22	76.82	69.93
At March 31, 2022	**19.11**	**48.51**	**609.20**	**676.82**

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Nature Trails Resorts Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
19	**Revenue from operations**		
	Revenue from contract with customers		
	Income from resorts:		
	- Food and beverages	75.36	52.48
	- Room rentals	178.00	95.75
	- Campsites and activity camps	130.90	33.91
	Total	**384.26**	**182.14**
	Disaggregation of revenue from contracts with customers		
	At a point in time	384.26	182.14
20	**Other income**		
	Liabilities no longer required written back	10.72	-
	Provision no longer required written back	17.76	-
	Interest Income	2.97	-
	Profit on lease modification	-	21.90
	Total	**31.45**	**21.90**
21	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	1.70	1.00
	Add: Purchases	69.55	36.47
	Less: Inventory of materials at the end of the year	1.53	1.70
	Cost of food, beverages and operating supplies consumed	**69.72**	**35.77**
22	**Employee benefits expense**		
	Salaries, wages and bonus	188.35	185.05
	Contribution to provident and other funds	20.23	22.10
	Gratuity	11.37	9.71
	Compensated absences	1.43	4.22
	Staff welfare expenses	1.00	0.62
	Total	**222.38**	**221.70**
23	**Finance cost**		
	Interest on financial liabilities measured at amortized cost	254.17	272.78
	Interest on lease liabilities	1.16	2.55
	Total	**255.33**	**275.33**
24	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	126.44	175.00
	Depreciation of right of use assets	15.84	45.68
	Amortisation of intangible assets	-	0.44
	Total	**142.28**	**221.12**

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Nature Trails Resorts Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

		Year ended March 31, 2022	Year ended March 31, 2021
25	**Other expenses**		
	Power and fuel	55.84	35.78
	Rent	3.92	0.59
	Repairs and maintenance:		
	- Building	15.49	14.98
	- Others	5.57	4.27
	Insurance	4.45	10.33
	Rates and taxes	19.94	19.29
	Guest supplies	26.89	15.92
	Communication	2.57	3.71
	Capital work-in-progress written off	-	9.57
	Assets written off	15.71	-
	Advances written off	3.13	15.65
	Travel and tours	0.42	-
	Legal and professional	18.30	23.79
	Water charges	1.11	1.58
	Payment to statutory auditors:		
	- Statutory audit	5.50	5.50
	Travel and conveyance	7.68	3.98
	Security charges	17.30	20.41
	Sales commission	15.61	11.33
	Sales promotion	-	3.08
	Bank charges	7.17	4.34
	Provision for doubtful debts	-	0.54
	Printing and stationery	0.54	0.84
	Miscellaneous expenses	0.55	0.63
	Total	**227.69**	**206.11**

26	**Income tax expense**		
	a) Amount recognised in profit or loss		
	Current tax		
	Current tax for the year	-	-
	Total	-	-
	Deferred tax expense		
	(Increase)/Decrease in deferred tax assets	(20.01)	(29.21)
	Increase/(Decrease) in deferred tax liabilities	(24.68)	(9.87)
	Total	**(44.69)**	**(39.08)**
	Income tax expense	**(44.69)**	**(39.08)**
	b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:		
	Loss before tax	(501.69)	(755.99)
	Tax expense / (income) computed at Indian Tax rate of 26% (PY : 26%)	(130.44)	(196.56)
	Net tax effects of temporary differences which are (deductible)/disallowed in calculating taxable income	-	-
	Tax impact of unrecognised tax losses	130.44	196.56
	Income tax expense	-	-
	c) Tax losses		
	Amount of deductible temporary differences on which no deferred tax assets has been recognised		
	Unused tax losses for which no deferred tax assets have been recognised	841.68	1,470.80
	Potential tax benefit at 26% (PY: 26%)	218.84	382.41

Tax losses on account of unrecognised deferred tax assets		
Date of expiry to carry forward	**March 31, 2022**	**March 31, 2021**
31-Mar-31	337.78	-
31-Mar-30	565.71	-
31-Mar-29	403.07	627.51
31-Mar-28	158.06	403.07
31-Mar-27	105.54	158.06
31-Mar-26	175.00	107.15
31-Mar-25	-	175.00
Indefinite period to carry forward	817.21	721.03
Total	**2,562.38**	**2,191.82**

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(All amounts in INR Lakhs, unless otherwise stated)

27 Fair value measurements

Financial instruments by category

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Trade receivables	-	-	6.15	-	-	1.29
Cash and cash equivalents	-	-	14.97	-	-	7.25
Employee advances	-	-	1.18	-	-	0.41
Other financial assets	-	-	9.04	-	-	9.04
Total financial assets	**-**	**-**	**31.34**	**-**	**-**	**17.99**
Financial liabilities						
Borrowings	-	-	3,607.47	-	-	3,140.83
Trade payables	-	-	113.14	-	-	159.26
Capital creditors	-	-	10.61	-	-	16.02
Security deposits	-	-	0.15	-	-	0.15
Retention payable	-	-	7.15	-	-	13.04
Lease liability	-	-	10.09	-	-	10.76
Total financial assets	**-**	**-**	**3,748.61**	**-**	**-**	**3,340.06**

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

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

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

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28 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

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

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

(A) Credit risk

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

(i) Credit risk management

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

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The 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.

(ii) Provision for expected credit losses

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

			Basis for recognition of expected credit loss provision	
Internal rating	**Category**	**Description of category**	**Trade receivables**	**Others**
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Life-time expected credit losses	12-month expected credit losses
C2	Doubtful assets, credit-impaired	Assets are provided for when there is no reasonable expectation of recovery. The company categorises a receivable or provisioning when the debtor fails to make the contractual payment within 180 days from the date they become due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is provided for fully	Asset is provided for fully

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(All amounts in INR Lakhs, unless otherwise stated)

28 Financial risk management (continued)

(A) Credit risk (continued)

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

The estimated gross carrying amount at default is Nil (March 2021: Nil) for deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach

Customer credit risk is managed by the company based on the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. The company classifies the receivables as high quality assets or doubtful assets based on the past performance of the portfolio.

(c) Reconciliation of loss allowance provision- Trade receivables

Loss allowance on April 1, 2020	**33.69**
Changes in loss allowances due to	
Provision made in the year	-
Provision no longer required	-
Loss allowance on March 31, 2021	**33.69**
Changes in loss allowances due to	
Provision made in the year	-
Recoveries	(17.22)
Loss allowance on March 31, 2022	**16.47**

(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, 2022	March 31, 2021
-Expiring within one year (bank overdraft)	-	-
-Expiring beyond one year (bank loans)	-	-

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. 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	Within one year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2022						
Non-derivatives						
Borrowings	3,607.47	2,811.26	187.10	292.94	391.53	3,682.84
Trade payables	113.14	113.14	-	-	-	113.14
Other financial liabilities	17.91	17.91	-	-	-	17.91
Total non-derivative liabilities	3,738.52	2,942.31	187.10	292.94	391.53	3,813.89
March 31, 2021						
Non-derivatives						
Borrowings	3,140.83	2,326.12	236.97	315.01	474.45	3,352.55
Trade payables	159.26	159.26	-	-	-	159.26
Other financial liabilities	29.21	13.19	16.02	-	-	29.21
Total non-derivative liabilities	3,329.30	2,498.57	252.99	315.01	474.45	3,541.02

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28 Financial risk management (continued)

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, 2022	March 31, 2021
Variable rate borrowings	833.55	881.96
Fixed rate borrowings	2,074.99	1,706.69

	March 31, 2022			March 31, 2021		
	Weighted average interest rate	Balance loan amount	% of total loans	Weighted average interest rate	Balance loan amount	% of total loans
Borrowings from banks and others	10.51%	833.55	28.66%	10.75%	881.96	34.07%

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. 8.34 lakhs (March 31, 2021: Rs. 8.81 lakhs)

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29 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 of the holding company has been identified as the chief operating decision maker of Nature Trails Resorts Private Limited who assesses the financial performance and position of the Company and makes strategic decisions. The Company has only one reportable segment as described below:

- Resort operations: This segment deals with business of resorts, campsites and activity camps.

30 Assets pledged as security

	As at March 31, 2022	As at March 31, 2021
Current assets		
Inventories	1.53	1.70
Trade receivables	6.15	1.29
Cash and cash equivalents	14.97	7.25
Other financial assets	-	-
Other current assets	20.09	15.71
Non-current assets		
Freehold land (Revalued - Refer Note 35)	4,188.02	2,660.00
Buildings	768.37	969.45
Movable assets	87.03	132.93

31 Earnings per share

Profit attributable to the equity holders of the company used in calculating basic earnings per share	(457.00)	(716.91)
Weighted average number of equity shares outstanding (in lakhs)	1.48	1.48
Basic/Diluted earnings per share	(309.66)	(485.78)

32 Commitments

Capital commitments

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

Particulars		
Property, plant and equipment	-	1.33

33 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)

Total liabilities	3,607.47	3,140.83
Less: Cash and cash equivalents	(14.97)	(7.25)
Adjusted net debt	3,592.50	3,133.58
Total equity	962.62	1,417.29
Adjusted net debt to equity ratio	**3.73**	**2.21**

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(All amounts in INR Lakhs, unless otherwise stated)

34 Related party transactions

(a) Parent entities

The Company is controlled by following entity:

Name of entity	Type	Ownership interest held by the Group	
		March 31, 2022	March 31, 2021
Fairfax Financial Holdings Limited, Canada	Ultimate holding company	-	-
Thomas Cook (India) Limited	Intermediate holding company	-	-
Sterling Holiday Resorts Limited	Holding company	100%	100%

(b) Directors of the Company including Key management personnel

Mr. Ramesh Ramanthan
Mr. Ramesh Shanmugam
Mr. Vikram Dayal Lalvani
Mr. L Krishna Kumar

(c) Transactions with related parties

Transactions with related parties are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of services		
Sterling Holiday Resorts Limited	-	5.51
Interest on borrowings		
Sterling Holiday Resorts Limited	163.80	176.65
Loans and advances borrowed		
Sterling Holiday Resorts Limited	905.12	409.52
Loans and advances repaid		
Sterling Holiday Resorts Limited	533.10	72.02

(d) Outstanding balances at the year end

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

	March 31, 2022	March 31, 2021
Trade receivables		
Sterling Holiday Resorts Limited	-	1.56
Pugmarks Eco Tours Pvt. Ltd. (refer note below)	-	0.05
Other non-current assets - capital advances (refer note below)		
Mr. Hari K Divekar	-	186.76
Mr. Chinmay H Divekar	-	70.18

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	March 31, 2022	March 31, 2021
34 Related party transactions (continued)		
Other non-current assets - prepaid rent (refer note below)		
Mr. Hari K Divekar	-	63.38
Mr. Chinmay H Divekar	-	34.61
Mr. Chaitanya H Divekar	-	17.27
Mrs. Swati Divekar	-	8.93
Mrs. Sonal Divekar	-	0.05
Other current assets-prepaid rent (refer note below)		
Mr. Hari K Divekar	-	21.12
Mr. Chinmay H Divekar	-	11.54
Mr. Chaitanya H Divekar	-	5.76
Mrs. Swati Divekar	-	1.20
Mrs. Sonal Divekar	-	0.01
Total receivable from related parties	-	422.43

Note: The above parties were related parties until July 3, 2019. The balances outstanding disclosed above represent balances as at March 31, 2021 and March 31, 2022.

	March 31, 2022	March 31, 2021
Short term borrowings		
Sterling Holiday Resorts Limited	2,074.99	1,702.99
Interest payable		
Sterling Holiday Resorts Limited	691.26	543.93
Total payable to related parties	2,766.25	2,246.92

35 Revaluation of land

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

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

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

During the previous year, the Company has recorded revaluation gain of Rs. 840 lakhs in OCI based on the fair value of freehold and leasehold land as at March 31, 2021 as determined by an external independent valuer. The carrying amounts as at March 31, 2022 under cost and revaluation models are given below:

Block of asset	Revaluation model	Cost model
Freehold land	4,188.02	3,759.98

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

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

Right of use assets	Land	Building	Total
Balance at April 1, 2020	**209.95**	**37.75**	**247.70**
Addition to right of use assets	-	11.35	11.35
Depreciation charge for the year	(40.29)	(5.39)	(45.68)
Derecognition of right of uses assets	-	(34.81)	(34.81)
Balance at March 31, 2021	**169.66**	**8.90**	**178.56**
Addition to right of use assets	-	-	-
Depreciation charge for the year	(14.61)	(1.23)	(15.84)
Derecognition of right of uses assets	(152.78)	-	(152.78)
Balance at March 31, 2022	**2.27**	**7.67**	**9.94**

Lease Liabilities	Amount
Balance at April 1, 2020	**40.49**
Deletions	(25.97)
Finance cost accrued during the year	2.55
Discharge of lease liabilities	(6.31)
Balance at March 31, 2021	**10.76**
Deletions	-
Finance cost accrued during the year	1.16
Discharge of lease liabilities	(1.83)
Balance at March 31, 2022	**10.09**
Current	0.89
Non-current	9.20

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Nature Trails Resorts Private Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts in INR Lakhs, unless otherwise stated)

37 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.04	0.03	48%	Increase in balance of cash and cash equivalents due to increased operations in CY
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	4.37	2.73	60%	Increase in due to additional borrowings during current 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	0.12	0.72	-116%	Higher repayments in current year led to decreased coverage ratio as compared to previous year
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-38%	-50%	11%	Higher loss in previous year led to higher ratio as compared to current year.
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	43.17	26.50	63%	Higher consumption cost in current year as compared to previous year due to COVID19 lockdown restrictions.
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	103.30	17.58	488%	Higher sales in current year as compared to previous year due to COVID 19 lockdown restrictions.
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0.51	0.20	149%	Higher consumption cost in current year as compared to previous year due to COVID19 lockdown restrictions.
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.09	0.19	-151%	Higher sales in current year as compared to previous year due to COVID 19 lockdown restrictions.
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	-131%	-415%	284%	Current year had better operations as against PY due to Covid in FY 2021
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-10%	-17%	-41%	Higher loss in previous year led to higher ratio as compared to current year.

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(All amounts in INR Lakhs, unless otherwise stated)

38 During the current year, the Company had adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption (including temporary closure of its resorts). The Company has temporarily closed many resorts in April 2021.

The Company had resumed normal business operations from June 2021 onwards post second wave However, the impact of COVID-19 on the economy continues to be uncertain due to which the Company's financial performance including the Company's estimates of future cash flows and impairment of assets etc., is dependent on such future developments, the severity and recurrence of the pandemic, which cannot be predicted with certainty. The Company has considered the context of the pandemic in determining judgements and estimates in applying the assumptions including those used to determine the future cashflows The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions. Also refer note 1.2.1

39 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 28 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). The disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	March 31, 2022	March 31, 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

40 Subsequent events

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

41 Other statutory information

(i) The Company has not advanced or loaned or invested funds to or in any other person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or
• provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) 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:
• 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
• provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021

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

Satish Vaidyanathan
Partner
Membership No.: 217042

Place: Chennai
Date: August 29, 2022

For and on behalf of the Board of Directors of
Nature Trails Resorts Private Limited
(CIN: U55100MH2005PTC150901)

Vikram Dayal Lalvani
Director
DIN No.: 07115464

Place: Chennai
Date: July 26, 2022

Krishna Kumar L
Director
DIN No.: 00420790

Place: Chennai
Date: July 26, 2022