

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram 122002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Report

To the Members of Travel News Services (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Travel News Services (India) Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
10. 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.
11. 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.

Other Matter

12. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2018 and 31 March 2017 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 28 August 2018 and 29 September 2017 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by the Companies (Auditor's Report) Order, 2016 ('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.

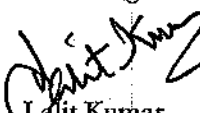


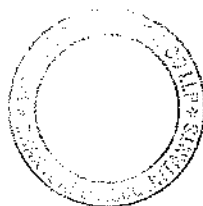
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15. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 23 May 2019 as per Annexure B expressed an unmodified opinion; and
- g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position as at 31 March 2019;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 004076N/N500013


Lalit Kumar
Partner
Membership No.: 095256



Place: New Delhi
Date: 23 May 2019

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Annexure A to the Independent Auditor's Report of even date to the members of Travel News Services (India) Private Limited, on the financial statements for the year ended 31 March 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets (in the nature of property, plant and equipment) have not been physically verified by the management during the year, however, there is a regular program of verification under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transactions covered under Section 185 and 186 of the Act in respect of security. Further, the Company has complied with the provisions of Section 186 of the Act in respect of loans, investment and guarantees given.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. Further, the Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture-holders during the year.



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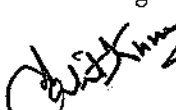
Annexure A to the Independent Auditor's Report of even date to the members of Travel News Services (India) Private Limited, on the financial statements for the year ended 31 March 2019

- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer and further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment/ private placement of fully/partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Lalit Kumar

Partner

Membership No.: 095256



Place: New Delhi

Date: 23 May 2019

Annexure B to the Independent Auditor's Report of even date to the members of Travel News Services (India) Private Limited on the financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Travel News Services (India) Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of IFCoFR issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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



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Annexure B to the Independent Auditor's Report of even date to the members of Travel News Services (India) Private Limited on the financial statements for the year ended 31 March 2019

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.

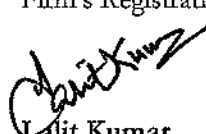
Inherent Limitations of Internal Financial Controls over Financial Reporting

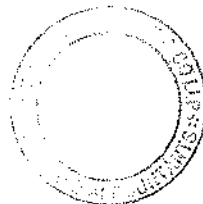
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Lalit Kumar
Partner
Membership No.: 095256



Place: New Delhi
Date: 23 May 2019

Travel News Services (India) Private Limited
Balance Sheet as at 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Non-current assets				
Property, plant and equipment	5(a)	621.70	695.73	667.71
Capital work in progress	5(b)	7.12	-	35.64
Intangible assets	5(c)	11.64	15.31	22.09
Financial assets				
Investments	4	272.55	272.55	272.55
Loans	5(a)	1,314.91	1,027.37	768.90
Other financial assets	5(b)	360.49	165.61	207.21
Deferred tax assets (net)	6	479.47	-	11.51
Non-current tax assets (net)	7	230.17	119.62	23.70
Other non-current assets	8	411.37	778.82	837.82
		3,649.42	3,075.01	2,847.13
Current assets				
Inventories	9	1,273.20	1,183.33	1,312.28
Financial assets				
Trade receivables	10	956.52	330.97	620.78
Cash and cash equivalents	11	233.52	96.07	377.30
Other bank balances	12	3.45	3.41	133.79
Loans	13(a)	57.83	83.22	-
Other financial assets	13(b)	34.87	17.52	42.87
Other current assets	14	486.19	312.58	220.32
		3,045.58	2,029.35	2,707.34
		6,695.00	5,104.36	5,554.47
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	414.42	414.42	414.42
Other equity	16	1,494.56	737.59	665.23
		1,908.98	(323.13)	349.19
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	17	1,232.67	2,124.63	2,231.27
Other financial liabilities	18	254.05	272.62	124.48
Other non-current liabilities	19	70.42	49.91	52.16
Provisions	20	63.59	16.84	44.29
		1,620.73	2,419.50	2,452.14
Current liabilities				
Financial liabilities				
Borrowings	21	-	-	119.91
Trade payables	22	-	-	-
Total outstanding due of micro and small enterprises		29.02	50.39	4.92
Total outstanding due of creditors other than micro and small enterprises		2,460.48	2,592.49	2,280.93
Other financial liabilities	23	521.93	225.85	156.42
Other current liabilities	24	152.70	121.89	190.11
Provisions	25	1.16	0.85	0.85
		3,165.29	2,977.99	2,753.14
		6,695.00	5,104.36	5,554.47

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date

For Walker Chandok & Co LLP

Chartered Accountants

Firm's Registration No. 001026N/S/500013

Rishi Kumar

Partner

Membership No. 09,256

Place: New Delhi

Date: 25 May 2019

For and on behalf of the board of directors of

Travel News Services (India) Private Limited

Soni Mantri

Director

DIN No. 02082403

Rajan Malhotra Sushil

Director

DIN No. 02919149

Mukul Jain

Chief Financial Officer

Amit Singh Chhillar

Company Secretary

Membership No. 35436

Travel News Services (India) Private Limited
Statement of Profit and Loss for the year ended 31 March 2019

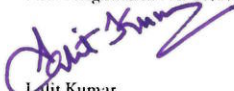
(All amounts in ₹ lacs, unless stated otherwise)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
REVENUE			
Revenue from operations	26	15,855.63	12,479.14
Other income	27	248.06	152.30
Total Revenues		16,083.69	12,631.44
EXPENSES			
Purchase of stock-in-trade	28	8,101.82	6,261.98
Changes in inventories of stock-in-trade	29	(87.65)	126.73
Employee benefits expense	30	1,207.36	938.80
Other expenses	31	6,580.31	5,366.84
Total expenses		15,801.84	12,694.35
Earnings/(loss) before interest, tax, depreciation and amortization (EBITDA)		281.85	(62.91)
Finance costs	32	411.77	333.89
Depreciation and amortization expense	33	291.56	280.22
Loss before tax		(421.48)	(677.02)
Tax expense	34		
Current tax		-	-
Deferred tax		(481.01)	-
Total tax expense		(481.01)	-
Profit/(loss) for the year		59.53	(677.02)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain on post employment benefit obligations		5.92	4.70
Income tax effect on above		(1.54)	-
Total other comprehensive income		4.38	4.70
Total comprehensive income/(loss) for the year		63.91	(672.32)
Earnings/(loss) per share (in ₹)	35		
Basic and Diluted		1.44	(16.34)

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

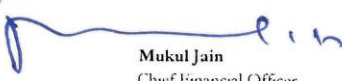

Lalit Kumar
Partner
Membership No. 095256

Place: New Delhi
Date : 23 May 2019

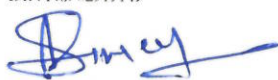


For and on behalf of the board of directors of
Travel News Services (India) Private Limited


Suni Mantri
Director
DIN No. 02082403


Mukul Jain
Chief Financial Officer


Rajan Mulhotra Sushil
Director
DIN No. 02919149


Ajit Singh Chhillar
Company Secretary
Membership No. 35456

Travel News Services (India) Private Limited
Statement of Changes in Equity for the year ended 31 March 2019
(All amounts in ₹ lacs, unless stated otherwise)

	Amount			
A. Equity share capital				
Balance as on 1 April 2017				414.42
Changes in equity share capital during the year				-
Balance as on 31 March 2018				414.42
Changes in equity share capital during the year				-
Balance as on 31 March 2019				414.42
B. Other equity				
Particulars	Deemed equity	Securities premium	Balance in the statement of profit and loss	Total
Balance as on 1 April 2017	-	2,465.39	(2,530.62)	(65.23)
Loss for the year	-	-	(672.32)	(672.32)
Balance as on 31 March 2018	-	2,465.39	(3,202.94)	(737.55)
Profit for the year			63.91	63.91
Equity component of fully cumulative non convertible redeemable preference shares	2,168.20	-	-	2,168.20
Balance as on 31 March 2019	2,168.20	2,465.39	(3,139.03)	1,494.56

The accompanying notes form an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013


Lalit Kumar
Partner
Membership No. 095256

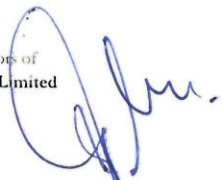


Place: New Delhi
Date: 23 May 2019

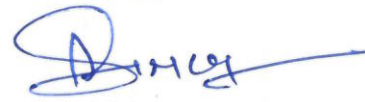


For and on behalf of the board of directors of
Travel News Services (India) Private Limited


Suni Mantri
Director
DIN No. 02082405


Rajan Mahotra Sushil
Director
DIN No. 02919149


Mukul Jain
Chief Financial Officer


Ajit Singh Chhillar
Company Secretary
Membership No. 35436

Travel News Services (India) Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Loss before income tax	(421.48)	(677.02)
Adjustments for		
Depreciation and amortisation expense	291.56	280.22
Finance costs	411.77	333.89
Gain on sale/disposal of property, plant and equipment	(1.38)	-
Property, plant and equipment written off	3.82	22.86
Bad debts	4.22	-
Impairment for loss allowances - debts and advances	9.13	67.00
Interest income	(136.35)	(102.53)
Cash generated from/(used in) operations before working capital changes	161.29	(75.58)
Working capital adjustments		
Movement in inventories	(87.65)	126.73
Movement in trade receivables and loans	(738.59)	41.93
Movement in other financial assets	(17.68)	(0.84)
Movement in other assets	(185.00)	(111.67)
Movement in trade payables and other financial liabilities	311.10	483.92
Movement in other liabilities	31.36	(96.96)
Movement in provisions	23.46	6.77
Cash (used in)/generated from operating activities	(501.71)	374.30
Income taxes paid (net)	(110.55)	(95.92)
Net cash (used in)/from operating activities (A)	(612.26)	278.38
Cash flows from investing activities		
Purchase of property, plant and equipment	94.70	(305.48)
(Investment in)/proceeds from margin money deposits (net)	(117.34)	176.48
Proceeds from sale of property, plant and equipment	4.26	-
Interest income	2.54	35.22
Net cash (used in) investing activities (B)	(15.84)	(93.78)
Cash flows from financing activities		
Repayment of long-term borrowings	(2,434.51)	(190.90)
Proceeds from issue of cumulative non-convertible redeemable preference shares	3,400.00	-
Interest paid	(199.94)	(274.93)
Net cash generated from/(used in) financing activities (C)	765.55	(465.83)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	137.45	(281.23)
Cash and cash equivalents at the beginning of the year	96.07	377.30
Cash and cash equivalents at the end of the year (refer note II)	233.52	96.07
Reconciliation of cash and cash equivalents as per the cash flow statement		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (refer note II)	233.52	96.07
Balance as per statement of cash flows (as per above)	233.52	96.07

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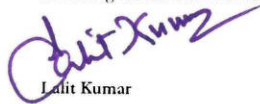
Travel News Services (India) Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in ₹ lacs, unless stated otherwise)

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of these financial statements.

This is the Statement of Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013



Lalit Kumar
Partner

Membership No. 095256

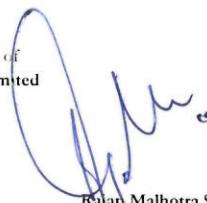
Place: New Delhi
Date : 23 May 2019

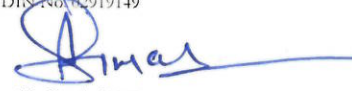


For and on behalf of the board of directors of
Travel News Services (India) Private Limited


Suni Mantri
Director
DIN No. 02082403


Mukul Jain
Chief Financial Officer


Rajan Malhotra Sushil
Director
DIN No. 02919149


Ajit Singh Chhillar
Company Secretary
Membership No. 35436

1 Corporate information

Travel News Services (India) Private Limited. ("the Company") was incorporated on 29 June 2009. The Company retails books, confectionery, food, beverages and accessories etc. and is primarily engaged in the business of operating retail shops at various places in India. The Company is a wholly owned subsidiary of Future Retail Limited (w.e.f 11 May 2018) and running its outlet under the brand name of WH Smith. On 11 May 2018, Future Retail Limited had acquired 100% shareholding of the Company from ADD Advisors Private Limited and other shareholders. Hence the Company has become deemed public company from the transaction date.

2(a) Application of Indian Accounting Standards

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized (Note 51) have been considered while preparing these financial statements.

Standards issued but not effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 (Amendment Rules) via notification dated 30 March 2019, notifying amendments to various Ind AS (not applicable to the Company). These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) along with International Financial Reporting Standards (IFRS) Interpretations Committee to IFRS as a part of annual improvement process. Also, along with these amendments, Amendment Rules inserted a new lease standard Ind AS 116, Leases, (Ind AS 116). These amendments are applicable from 01 April 2019 onwards.

Ind AS 116: Ind AS 116 requires lessees to recognize a "right to asset" and "a lease liability" for almost all of the leasing arrangements. Optional exemption is available in respect of short term leases and low value leases.

The application of the same will withdraw currently applicable lease standard. The Company is currently assessing the potential impacts of the newly notified standard. The same is applicable from reporting periods beginning on or after 1 April 2019.

Amendments to Ind AS 12, Income taxes - Appendix C, Uncertainty over Income tax treatments

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

- 1) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight; and
- 2) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company will adopt the standard on 1 April 2019.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes

On 30.03.2019, MCA issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Amendment to Ind AS 19 – Plan amendment, curtailment or settlement

On 30.03.2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Other Updates

The Company is in the process of evaluation of the possible impact of other amendments to the other existing standards amended by Companies (Indian Accounting Standards) amendment rules, 2019.

2(b) Significant accounting policies

(i) Basis for preparation

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

The financial statements up to and for the year ended 31 March 2018 were prepared in accordance with the Companies (Accounts) Rules 2014 ('Indian GAAP'), notified under Section 133 of the Act and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2019 are the first to have been prepared in accordance with Ind AS, pursuant to acquisition of the Company by Future Retail Limited (being a listed entity).

The transition to Ind AS was carried out retrospectively as on the transition date of 1 April 2017. The financial statements contain an opening balance sheet as on 1 April 2017, comparative information for 31 March 2018 presented under Ind AS and reconciliation for key changes for amounts reported under Indian GAAP and Ind AS is provided in Note 48.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value or net realizable value as applicable.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(ii) Newly effective standard adopted by the Company (recent accounting pronouncement)

The newly effective Ind AS 115 "Revenue from Contracts with Customers" requires to recognize revenue when customer has transferred control of goods or service rather than transfer of risks and rewards. Refer note 26 for further details.

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An **asset** is treated as current when it is:

- i. Expected to be realised or intended to sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A **liability** is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets or liabilities and other tax assets are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iv) Revenue recognition

The Company has applied Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under previously applied standard.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Identifying the performance obligations

Under Ind AS 115, the Company evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it)

Determining the transaction price

Under Ind AS 115, the Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price means fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. GST are not received by the Company on its own account but collected on behalf of the government and accordingly, are excluded from revenue.

Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance completed to date, the Company recognises revenue in the amount to which it has a right to invoice.

Allocating the transaction price to the performance obligations

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price. For services that are not provided separately, the standalone selling price is estimated using adjusted market assessment approach.

Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

The Company derives revenue from sale of goods at retail stores. For transfer of goods, the Company recognise revenue when the customer obtains the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from goods i.e. on delivery of goods to the customers at retail stores.

Interest income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) as explained in point (v) below.

Dividends:

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Rental income

Rental income including from sub leasing arrangements is recognized on the basis of contractual terms with the parties except for the cases wherein the rental income is structured to be in line with expected general inflation, then rental income is recognised on straight line basis over the term of contract

Service income

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

(v) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value using best estimates. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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 at fair value through profit or loss are recognised immediately in the statement the profit and loss.

Financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. The Company has irrevocably adopted to value its equity investments through FVTOCI.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the statement of profit and loss are included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost and financial asset designated as at FVTOCI.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance cost in the statement of profit and loss.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Cumulative Non-Convertible Redeemable Preference Shares (NCRPS)

At the issue date the fair value of the liability component of NCRPS is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument issued to equity shareholders of the Company.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realisation on future date.

(vi) Inventories

Inventories are valued as follows:

- a) **Packing and accessories:** At lower of cost and net realisable value. Cost represents purchase price and other direct costs and is determined on a "first in, first out" basis.
- b) **Traded goods:** At lower of cost and net realisable value. Cost of inventories comprises all costs of purchase price and other incidental costs incurred in bringing the inventories to their present location and condition. Cost is determined based on first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(vii) Property, plant and equipment ("PPE")

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day- to- day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and



Travel News Services (India) Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

Loss for the year during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

Depreciation on PPE is provided on the written down value method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ("Schedule II") on a pro-rata basis from the date the asset is ready to put to use. Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets- the Company has assessed the useful lives (as mentioned in the table below) lower than as prescribed in Schedule II, based on the technical assessment.

Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Plant and equipment	15 years	15 years
Office equipment	5 years	5 years
Computers	3 years	3-6 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years
Computer software	5 years	3-6 years

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year. Cost of the leasehold improvements are amortized over the period of the lease.

(viii) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development costs, pre-operating expenses and other direct expenditure.

(ix) Intangible assets

Intangible assets are initially recognised at:

- In case the assets are acquired separately then at cost,
- In case the assets are acquired in a business combination then at fair value.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Amortisation of Intangible assets is provided on the written down value method computed on the basis of useful life as assessed by the management i.e. 5 years based on the technical assessment on a pro-rata basis from the date the asset is ready to put to use.

Gains/(losses) arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(x) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

(xi) Borrowing costs

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

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(xii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit or the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognized as income on straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet on their nature.

(xiii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. All investments are carried at fair value.

(xiv) Dividend

Dividend declared is recognized as a liability only after it is approved by the shareholders in the general meeting.

(xv) Employee benefits

Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of 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. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

Re-measurements, comprising actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

(xvi) **Foreign currency transactions and translations**

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(xvii) **Income taxes**

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit or Loss (either in other comprehensive income or in equity).

(xviii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

(xix) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(xx) Provisions

Provisions are recognised when the Company 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xxi) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

(xxii) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.



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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxiii) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax

The extent to which deferred tax asset to be recognized is based on the assessment of the probability of the future taxable income against which the deferred tax asset can be utilized.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.



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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future trends salary increases, mortality rates and future pension increases. In view of 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.

c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the Company also estimate expected loss due to shrinkage, pilferage etc. along with NRV impact on old inventory taking into account most reliable information available at the reporting date.

d) Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(xxiv) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

(xxv) Rounding of amounts

All amount disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

3(a) : Property, plant and equipment

	Leasehold Improvements	Vehicles	Plant and machinery	Computers	Office equipment's	Furniture and fixtures	Total
At Cost							
As at 1 April 2017	659.64	15.74	180.40	173.74	167.85	455.74	1,653.11
Additions	212.63	-	20.10	9.15	0.65	58.93	301.46
Disposals	(72.32)	-	-	-	-	-	(72.32)
As at 31 March 2018	799.95	15.74	200.50	182.89	168.50	514.67	1,882.25
As at 1 April 2018	799.95	15.74	200.50	182.89	168.50	514.67	1,882.25
Additions	101.16	-	20.71	50.02	1.96	46.71	220.56
Disposals	(16.59)	(15.74)	-	-	-	-	(32.33)
As at 31 March 2019	884.52	-	221.21	232.91	170.46	561.38	2,070.48
Accumulated depreciation							
As at 1 April 2017	361.71	11.01	76.27	151.62	142.13	242.66	985.40
Charge for the year	169.88	1.49	20.83	11.85	8.50	60.89	273.44
Disposals	(72.32)	-	-	-	-	-	(72.32)
As at 31 March 2018	459.27	12.50	97.10	163.47	150.63	303.55	1,186.52
As at 1 April 2018	459.27	12.50	97.10	163.47	150.63	303.55	1,186.52
Charge for the year	172.15	0.36	22.59	26.70	5.05	61.04	287.89
Disposals	(12.77)	(12.86)	-	-	-	-	(25.63)
As at 31 March 2019	618.65	-	119.69	190.17	155.68	364.59	1,448.78
Carrying amount (net)							
As at 1 April 2017	297.93	4.73	104.13	22.12	25.72	213.08	667.71
As at 31 March 2018	340.68	3.24	103.40	19.42	17.87	211.12	695.73
As at 31 March 2019	265.87	-	101.52	42.74	14.78	196.79	621.70



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

3(b) : Capital work-in-progress

At Cost

As at 1 April 2017	35.64
Additions	-
Capitalised	(35.64)
As at 31 March 2018	-
As at 1 April 2018	-
Additions	-
Capitalised	7.12
As at 31 March 2019	7.12

3(c) : Other intangible assets

Computer Software

At Cost

As at 1 April 2017	99.38
Additions	-
Disposal	-
As at 31 March 2018	99.38
As at 1 April 2018	99.38
Additions	-
Disposal	-
As at 31 March 2019	99.38
Accumulated depreciation	
As at 1 April 2017	77.29
Charge for the year	6.78
Disposals/ adjustments	-
As at 31 March 2018	84.07
As at 1 April 2018	84.07
Charge for the year	3.67
Disposals/ adjustments	-
As at 31 March 2019	87.74
Carrying amount (net)	
As at 1 April 2017	22.09
As at 31 March 2018	15.31
As at 31 March 2019	11.64

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

4. Non-current investments	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investment in equity instrument - Subsidiaries (Unquoted) (Measured at amortised cost)			
TNSI Retail Private Limited* 18,940,000 (31 March 2018: 18,940,000, 1 April 2017: 18,940,000) equity shares of ₹ 10 each fully paid up	270.00	270.00	270.00
Welcome Retail Private Limited* 25,500 (31 March 2018: 25,500, 1 April 2017: 25,500) equity shares of ₹ 10 each fully paid up	2.55	2.55	2.55
Total	272.55	272.55	272.55
* It includes shares held by nominee shareholders on behalf of the Company			
5(a). Loans - non-current (Measured at amortised cost)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security deposits	1,314.91	1,027.37	768.90
	1,314.91	1,027.37	768.90
5(b). Other financial assets - Non-current (Measured at amortised cost)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Margin money deposits*	269.25	151.92	198.05
Interest accrued but not due on margin money deposits	31.24	13.69	9.16
	300.49	165.61	207.21
Margin money deposits with bank against bank guarantees.			
6. Deferred tax assets (net)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Tax effect of items constituting deferred tax assets			
Employee benefits	58.51	-	-
Impairment for doubtful debts	2.37	-	-
Difference between accounting base and tax base of property, plant and equipment	222.41	-	-
Financial assets and liabilities at amortised cost	9.57	-	-
Unused tax depreciation	206.61	-	-
	479.47	-	-
Unused tax credits	-	-	11.51
	479.47	-	11.51
7. Non-current tax assets (net)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance income tax (net of provisions)	230.17	119.62	23.70
	230.17	119.62	23.70
8. Other non-current assets	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Prepaid lease rent	385.72	429.40	470.73
Prepaid expense	11.36	2.16	13.26
Capital advances, considered good	14.29	347.26	353.83
Capital advances, credit impaired	-	15.94	-
Less: Loss allowance	-	(15.94)	-
	411.37	778.82	837.82



Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

9. Inventories	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(valued at lower of cost or net realizable value)			
Packing and accessories	0.94	5.40	8.76
Traded goods [including stock-in-transit : Nil (31 March 2018: ₹20.96, 1 April 2017: ₹59.99)]	1,272.26	1,180.15	1,303.52
	<u>1,273.20</u>	<u>1,185.55</u>	<u>1,312.28</u>
10. Trade receivables	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(Unsecured, considered good unless otherwise stated)			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	55.58	69.60	463.95
Unsecured, credit impaired	4.56	8.37	43.32
Less : Loss allowance	<u>(4.56)</u>	<u>(8.37)</u>	<u>(43.32)</u>
	<u>55.58</u>	<u>69.60</u>	<u>463.95</u>
Other receivables			
Unsecured, considered good	900.94	261.37	156.83
Unsecured, credit impaired	4.57	-	-
Less : Loss allowance	<u>(4.57)</u>	<u>-</u>	<u>-</u>
	<u>956.52</u>	<u>330.97</u>	<u>620.78</u>
11. Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Cash and cash equivalents			
Balances with banks			
- Current accounts	162.64	50.82	328.86
Cash in hand	70.88	45.25	48.44
	<u>233.52</u>	<u>96.07</u>	<u>377.30</u>
12. Other bank balances	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Margin money deposits*	272.70	155.36	331.84
Less : Amount disclosed under non current assets (refer note 5(b))	<u>(269.25)</u>	<u>(151.92)</u>	<u>(198.05)</u>
	<u>3.45</u>	<u>3.44</u>	<u>133.79</u>
* Margin money deposits for opening of stores and government authorities.			
13(a). Loans - current	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(Measured at amortised cost)			
Security deposits	57.83	83.22	-
	<u>57.83</u>	<u>83.22</u>	<u>-</u>
13(b). Other financial assets - current	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(Measured at amortised cost)			
Credit card receivables	26.36	16.97	16.13
Unbilled revenue	8.29	-	-
Interest accrued but not due on margin money deposits	0.22	0.55	26.74
	<u>34.87</u>	<u>17.52</u>	<u>42.87</u>



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Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

14. Other current assets	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(Unsecured considered good unless otherwise stated)			
Prepaid expenses	38.75	22.95	-
Prepaid lease rent	122.93	125.12	96.99
Advance to employees	2.38	4.33	7.44
Advance to suppliers	148.70	90.39	114.82
Balance with government authorities	173.43	69.79	1.07
(Unsecured and considered doubtful)			
Advance to suppliers	-	39.87	-
Less: Loss allowances	-	(39.87)	-
Advance to employees	-	2.84	-
Less: Loss allowance	-	(2.84)	-
	486.19	312.58	220.32

15. Equity

(i) Equity share capital	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<u>Authorised</u>			
10,000,000 (31 March 2018: 10,000,000; 1 April 2017: 10,000,000) equity shares of ₹10 each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
<u>Issued, subscribed and paid up</u>			
4,144,211 (31 March 2018: 4,144,211; 1 April 2017: 4,144,211) equity shares of ₹ 10 each	414.42	414.42	414.42
	414.42	414.42	414.42

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
At the beginning of the year	4,144,211	414.42	4,144,211	414.42	4,144,211	414.42
Shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	4,144,211	414.42	4,144,211	414.42	4,144,211	414.42

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by the holding company

Name of the shareholder	As at 31 March 2019*		As at 31 March 2018		As at 1 April 2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
ADD Advisors Private Limited (till 10 May 2018)	-	-	4,094,211	409.42	4,094,211	409.42
Future Retail Limited (w.e.f 11 May 2018)	4,144,211	414.42	-	-	-	-

d) Details of equity shareholders holding more than 5% shares in the Company

Name of the Shareholders	As at 31 March 2019*		As at 31 March 2018		As at 1 April 2017	
	Nos.	% holding	Nos.	% holding	Nos.	% holding
ADD Advisors Private Limited (till 10 May 2018)	-	-	4,094,211	98.79%	4,094,211	98.79%
Future Retail Limited (w.e.f 11 May 2018)	4,144,211	100%	-	-	-	-

* It includes 6 shares held by nominee shareholders on behalf of Future Retail Limited

During the year, 100% shareholding of the Company is being acquired by Future Retail Limited from ADD advisors Private Limited and other shareholders.

As per records of the Company, including register of shareholder/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(ii) Preference share capital			
<u>Authorised</u>			
3,500,000 (31 March 2018: Nil; 1 April 2017: Nil) 7% Cumulative non-convertible redeemable preference share capital (NCRPS) of ₹100 each	3,500.00	-	-
	<u>3,500.00</u>	<u>-</u>	<u>-</u>
<u>Issued, subscribed and paid up</u>			
3,400,000 (31 March 2018: Nil; 1 April 2017: Nil) Cumulative NCRPS of ₹ 100 each #	3,400.00	-	-
	<u>3,400.00</u>	<u>-</u>	<u>-</u>

Refer note 17(c) for further details

(a) Movement in preference shares

	Number of shares	Amount
As at 01 April 2017	-	-
Issued during the year	-	-
As at 31 March 2018	-	-
Issued during the year*	3,400,000	3,400.00
As at 31 March 2019	<u>3,400,000</u>	<u>3,400.00</u>

*During the year ended 31 March 2019, the Company has issued 3,400,000 7% Cumulative NCRPS to Future Retail Limited (the holding company) at ₹ 100/- per share on 29 March 2019

(b) Terms and rights attached to the Cumulative NCRPS

The Company has only one class of preference shares having a par value of ₹ 100 per preference share. These shares shall carry cumulative 7% dividend and are redeemable by the Company at the end of 15 years or at any time at the option of the Company not later than 18 months from the date of allotment of such shares.

16. Other equity	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security premium ⁽ⁱ⁾	2,465.39	2,465.39	2,465.39
Retained earnings ⁽ⁱⁱ⁾	(3,139.03)	(3,202.94)	(2,530.62)
Deemed equity ⁽ⁱⁱⁱ⁾	2,168.20	-	-
	<u>1,494.56</u>	<u>(737.55)</u>	<u>(65.23)</u>

Description of nature and purpose of reserve

(i) Securities premium

	As at 31 March 2019	As at 31 March 2018
Opening Balance	2,465.39	2,465.39
Additions during the year	-	-
Utilisations during the year	-	-
Closing balance	<u>2,465.39</u>	<u>2,465.39</u>

Nature and purpose:

Security premium is created when the Company issue shares at the premium. The aggregate amount of premium received on the shares is transferred to a separate account called "security premium reserve". The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions. This reserve is carried forward from earlier years.

(ii) Retained earnings

	As at 31 March 2019	As at 31 March 2018
Opening Balance	(3,212.34)	(2,530.62)
Profit/(loss) for the year	59.53	(677.02)
Transactions of other comprehensive income directly recognized in reserves		
Re-measurement of defined benefit plans (net of tax impacts)	(4.38)	(4.70)
Closing balance	<u>(3,157.19)</u>	<u>(3,212.34)</u>

Nature and purpose:

Retained earnings are created from the profit/(loss) of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.



Travel News Services (India) Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

(All amounts in ₹ lacs, unless stated otherwise)

(iii) Deemed equity

	As at 31 March 2019	As at 31 March 2018
Opening balance	-	-
Additions during the year	2,168.20	-
Utilisations during the year	-	-
Closing balance*	<u>2,168.20</u>	<u>-</u>

* Refer note 17 for further details related to 7% cumulative NCRPS

Nature and purpose:

Company has issued Cumulative NCRPS during the year to Future Retail Limited (the holding company) carrying interest rate of 7%. The excess of transaction value over the fair value at the issue date is recognised as equity component of Cumulative NCRPS.

Total other equity [(i) + (ii) + (iii)]

1,476.40

(746.95)

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

17. Non-current borrowings

(Measured at amortised cost)

	As at 31 March 2019	Non-current portion As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	Current maturities As at 31 March 2018	As at 1 April 2017
Term loan						
Term loan from banks (secured) [refer note 17 (a) and (b)]	-	2,124.63	2,231.27	-	100.00	28.37
Financial liability part of fully non-convertible redeemable preference shares (NCRPS) (unsecured) [refer note 17 (c)]	1,232.67	-	-	-	-	-
	<u>1,232.67</u>	<u>2,124.63</u>	<u>2,231.27</u>	<u>-</u>	<u>100.00</u>	<u>28.37</u>
Amount disclosed under the head "other financial liabilities" (refer note 18)	-	-	-	-	(100.00)	(28.37)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100.00)</u>	<u>(28.37)</u>
	<u>1,232.67</u>	<u>2,124.63</u>	<u>2,231.27</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loans guaranteed by others:-						
Rupee loan from bank	-	2,124.63	2,231.27	-	100.00	28.37

Notes:

a) The term loan facility of ₹ Nil (31 March 2018: ₹ 2,500, 1 April 2017: ₹ 2,500) from Yes Bank carries an interest at rate of floating 1.40% over and above the Bank's yearly MCLR i.e. having effective rate of 10.20% per annum as on 31 March 2018 (1 April 2017: 10.20% per annum) and is repayable in 40 quarterly instalments starting from March 2018 and last instalments will be paid in December 2026. The Company has made repayment in the month of December 2019. The outstanding book balance as on 31 March 2019 is of ₹ Nil (31 March 2018: ₹ 2,224.63, 1 April 2017: ₹ 2,254.14).

The above facility was secured against the following updated securities (post acquisition of holding company by Future Retail Limited):-

- 1) Exclusive charge on entire fixed assets, movable fixed assets and current assets of the Company (both present and future);
- 2) Exclusive charge over all security deposits of the Company including deposits to all space owner/developers such as Delhi International Airport Limited etc;
- 3) PDCs for principal repayments; and
- 4) Unconditional and irrevocable corporate guarantee of Future Retail Limited (the holding company) to remain valid during the entire tenor of Yes Bank Limited facilities.

b) Vehicle loan of ₹ Nil (31 March 2018: ₹ 14.9, 1 April 2017: ₹ 14.9) from HDFC Bank Limited carries an interest rate of 10.02% per annum. These are repayable in 60 monthly instalments commencing 20 November 2013 and ending on 10 October 2018. This loan is secured against hypothecation of vehicles. The Company has made repayment in the month of June 2017. The outstanding book balance as on 31 March 2019 is of ₹ Nil (31 March 2018: ₹ Nil, 1 April 2017: ₹ 5.49).

c) Cumulative Non-Convertible Redeemable 7% Preference Shares ('NCRPS')

The NCRPS carry cumulative dividend right @ 7.00% per annum. The Board reserves the right to pay the dividend subject to the availability of profit. In case of loss or inadequacy of profit, dividend will get accumulated and will be paid cumulatively in the year of profit.

NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 13% p.a. (interest rate applicable to similar other borrowings of the Company).

The difference between the transaction price and fair value of the instruments issued to Future Retail Limited (the holding company) are treated as "deemed equity".

	Financial liability carried at amortised cost	Deemed equity	Total
Balance as at 1 April 2017	-	-	-
NCRPS issued during the year	-	-	-
Interest expense	-	-	-
Balance as at 31 March 2018	-	-	-
NCRPS issued during the year	1,231.80	2,168.20	3,400.00
Interest expense [#]	0.87	-	0.87
Balance as at 31 March 2019	<u>1,232.67</u>	<u>2,168.20</u>	<u>3,400.87</u>

[#]Interest cost is presented under "finance costs".

The date of allotment and number of shares for the series of preference shares are given below:

Series	Date of allotment	Number of Shares	Face value (INR 100/- each)
1	29-Mar-19	3,400,000	3,400.00
	Total	<u>3,400,000</u>	<u>3,400.00</u>

18. Other financial liabilities - Non-current

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security deposits	254.05	171.20	78.73
Other payables	-	61.42	45.75
	<u>254.05</u>	<u>232.62</u>	<u>124.48</u>



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

19. Other non-current liabilities	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance lease rent	58.25	45.91	32.92
Other payables	12.17	-	19.18
	<u>70.42</u>	<u>45.91</u>	<u>52.10</u>

20. Provisions - Non-current	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for gratuity obligation (refer note 39)	33.93	28.83	27.89
Provision for compensated absences (refer note 39)	29.66	17.51	16.40
	<u>63.59</u>	<u>46.34</u>	<u>44.29</u>

21. Current borrowings (Measured at amortised cost)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Cash credits from banks (secured)	-	-	119.91
	<u>-</u>	<u>-</u>	<u>119.91</u>

Loans guaranteed by others:-

Rupee loan from banks	-	-	119.91
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Details of repayment, rate of interest and security for loans from bank:-

a) The secured overdraft facility of ₹ Nil (31 March 2018: ₹ 500, 1 April 2017 - ₹ 500) from Yes Bank carries an interest at rate of floating 1.80% over and above the Bank's yearly MCLR i.e. having effective rate of 10.20% as on 31 March 2018 and is repayable on demand. The overdraft facility has been closed during the year. The outstanding book balance as on 31 March 2019 is of ₹ Nil (31 March 2018: ₹ Nil, 1 April 2017: ₹ 119.91).

The above facility was secured against the following updated securities (post acquisition of holding company by Future Retail Limited):-

- 1) Exclusive charge on entire fixed assets, movable fixed assets and current assets of the Company (both present and future);
- 2) Exclusive charge over all security deposits of the Company including deposits to all space owner/developers such as Delhi International Airport Limited etc.;
- 3) PDCs for principal repayments; and
- 4) Unconditional and irrevocable corporate guarantee of Future Retail Limited (the holding company) to remain valid during the entire tenor of Yes Bank Limited facilities.

22. Trade payables (Measured at amortised cost)	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Trade payables			
Total outstanding due of micro and small enterprises	29.02	36.89	4.92
Total outstanding due of creditors other than micro and small enterprises #	2,460.48	2,592.49	2,280.93
	<u>2,489.50</u>	<u>2,629.38</u>	<u>2,285.85</u>

*Refer note 46 for details of dues to micro and small enterprises

#Refer note 36(c) for payables to related parties.

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

23. Other financial liabilities - current	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(Measured at amortised cost)			
Creditors for fixed assets	11.11	21.70	39.28
Current maturities of non-current borrowings (refer note 17)	-	100.00	28.37
Interest and other charges accrued and due on borrowings*	-	-	12.97
Interest accrued and not due on borrowings	-	22.02	10.48
Share application money payable #	-	-	2.55
Employee related payables	108.64	78.25	41.42
Retention money	4.32	3.88	3.35
Security deposits	32.00	-	18.00
Bank overdraft	365.86	-	-
	<u>521.93</u>	<u>225.85</u>	<u>156.42</u>

Pursuant to subscription by the Company through Memorandum of Association dated 29 August 2016 of Welcome Retail Private Limited (a subsidiary), the Company has agreed to invest in the form of equity share capital i.e. 25,500 equity shares of ₹ 10 each fully paid up. Subsequent to 31 March 2017, the Company has invested such amount in the Welcome Retail Private Limited.

*Details of period and amount of continuing default as on Balance Sheet date are as follows:-

Particulars	Period of default	As at 31 March 2019	Period of default	As at 31 March 2018	Period of default	As at 1 April 2017
Interest on term loans from financial institution:						
Indiabulls Housing Finance Company	-	-	-	-	164	12.97

24. Other current liabilities	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory liabilities	107.83	93.06	101.25
Advance from customers	8.58	6.81	12.07
Other liabilities	3.51	3.51	67.84
Advance lease rent	30.13	18.51	8.95
Deferred revenue	2.65	-	-
	<u>152.70</u>	<u>121.89</u>	<u>190.11</u>

25. Provisions - Current	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for gratuity (refer note 39)	0.50	0.45	0.48
Provision for compensated absences (refer note 39)	0.66	0.42	0.37
	<u>1.16</u>	<u>0.87</u>	<u>0.85</u>

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
26. Revenue from operations		
Operating revenues:		
Sale of traded goods	14,468.31	11,471.99
Total (A)	14,468.31	11,471.99
Other operating revenue:		
Service income	352.88	554.58
Rental income	1,014.44	452.57
Total (B)	1,367.32	1,007.15
Revenue from operations (A+B)	15,835.63	12,479.14

Note:

New standards adopted - Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018. As a result, the Company has changed its accounting policy for revenue recognition as defined in Note 2(b)(iv). The Company has applied Ind AS 115 using the "Cumulative Effect Method". Under this method, the Company shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the accounting period that includes the date of initial application. Revised reporting standard, Ind AS 115, requires no adjustments to be made to the retained earnings as at 1 April 2018. Consequently, there are no impacts of the standard on Balance Sheet as at 31 March 2019 and profit and loss for the year ended 31 March 2019.

Significant changes in contract assets and liabilities:

There has been no significant changes in contract assets/contract liabilities during the year.

Disaggregation of revenue:

Revenue arises mainly from the sale of traded goods, service income and rental income.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of traded goods	14,468.31	11,471.99
Service income	352.88	554.58
Rental income	1,014.44	452.57
	15,835.63	12,479.14

Revenue recognised in relation to contract liabilities:

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes.

Receivables, contract assets and contract liabilities related to contracts with customers in relation to service and rental income:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Receivables			
Trade receivables	956.52	330.97	620.78
Contract assets			
Unbilled revenue	8.29	-	-
Contract liabilities (Advance from customer and deferred revenue)			
Opening balance	6.81	12.07	-
Revenue recognized that was included in the contract liability balance at the beginning of the year	(6.81)	(12.07)	-
Closing balance	11.25	6.81	12.07



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Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
27. Other income		
Interest income on		
Bank deposits	19.76	13.56
Others	116.59	88.97
Foreign exchange gain (net)	34.47	-
Profit on sale of fixed assets	1.38	-
Miscellaneous income	75.86	49.77
	<u>248.06</u>	<u>152.30</u>
28. Purchase of stock in trade		
Purchase of traded goods	8,101.82	6,261.98
	<u>8,101.82</u>	<u>6,261.98</u>
29. Changes in inventories of stock-in-trade		
Inventories at the end of the year		
Traded goods (including stock in transit)	1,272.26	1,180.15
Packing material and accessories	0.94	5.40
	<u>1,273.20</u>	<u>1,185.55</u>
Inventories at the beginning of the year		
Traded goods (including stock in transit)	1,180.15	1,303.52
Packing material and accessories	5.40	8.76
	<u>1,185.55</u>	<u>1,312.28</u>
	<u>(87.65)</u>	<u>126.73</u>
30. Employee benefits expense		
Salaries, wages and bonus	1,100.97	839.76
Contribution to provident and other funds	84.28	70.10
Staff welfare	22.11	28.94
	<u>1,207.36</u>	<u>938.80</u>
31. Other expenses		
Rent	4,728.39	3,477.86
Property, plant and equipment written off	3.82	22.86
Franchisee fees	819.25	790.61
Advertisement and sales promotion	37.19	37.83
Electricity and water	157.49	137.33
Foreign exchange loss (net)	-	8.55
Communication	91.84	72.63
Travelling and conveyance	38.50	41.50
Bank charges	106.60	91.10
Rates and taxes	36.19	11.57
Marketing fee	94.55	76.65
Legal and professional (refer note below)	115.41	161.18
Printing and stationery	5.92	5.71
Insurance	10.67	7.38
Impairment for loss allowance - debts	9.13	8.36
Bad debts	4.22	-
Impairment for loss allowance - advances	-	58.64
Repairs and maintenance - others	72.52	93.39
Freight expenses	37.18	12.04
Recruitment charges	1.27	1.24
Miscellaneous expenses	216.37	250.41
	<u>6,580.31</u>	<u>5,366.84</u>



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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

Note:

Legal and professional includes payment to auditors (excluding taxes):

- as auditor	11.00	10.00
- for taxation matter	11.96	4.70
- for other services	-	-
- for reimbursement of expenses	0.88	0.92

	For the year ended 31 March 2019	For the year ended 31 March 2018
32. Finance costs		
Interest expense	411.77	333.89
	<u>411.77</u>	<u>333.89</u>
33. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3(a))	287.89	273.44
Amortisation of intangible assets (refer note 3(c))	3.67	6.78
	<u>291.56</u>	<u>280.22</u>
34 Tax expense		
Current tax		
Current tax on profits for the year	-	-
Total current tax expense (a)	<u>-</u>	<u>-</u>
Deferred tax		
Increase in deferred tax assets	479.47	-
Total deferred (tax expense)/benefit (b)	<u>479.47</u>	<u>-</u>
Total income tax expense (a+b)*	<u>479.47</u>	<u>-</u>
*Comprises of		
Total tax credit as per SOPIL	481.01	-
Tax expense on Other Comprehensive Income	(1.54)	-
35. Earnings/(loss) per share		
Profit/(loss) after tax	59.53	(677.02)
Nominal value per share (₹)	10.00	10.00
Weighted average number of equity shares for basic and diluted earnings per share	<u>41.44</u>	<u>41.44</u>
Add: weighted average number of potential equity shares	-	-
Weighted average number of equity shares for diluted earnings per share	<u>41.44</u>	<u>41.44</u>
Earnings/(loss) per share (in ₹) (Basic and diluted)	1.44	(16.34)

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

36. Related party disclosures under Ind AS-24

(a) List of Related Parties and nature of relationship where control exists

Name of Related Party	Nature of Relationship
IDFS Tradings Private Limited	Ultimate holding company (till 10 May 2018)
ADD Advisors Private Limited	Holding company (till 10 May 2018)
Future Retail Limited	Holding company (w.e.f 11 May 2018)
TNSI Retail Private Limited	Subsidiary
Welcome Retail Private Limited	Subsidiary

Directors

Mr. Sunil Mantri	Director (w.e.f 11 May 2018)
Mr. Rajan Malhotra Sushil	Director (w.e.f 28 August 2018)
Mr. Virendra Mansukhlal Samani	Director (w.e.f 11 May 2018)
Mr. Arun Rajasekaran Barathi	Director (till 31 August 2018)
Mr. Sanjeev Bhatia	Director (till 11 May 2018)

Key Managerial Personnel

Mr. Sunil Mantri	
Mr. Ajit Singh Chhiller	Company Secretary (w.e.f 29 March 2019)

Relatives of Key Managerial Personnel

Mrs. Ritu Mantri	Wife of Mr. Sunil Mantri
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Entity able to exercise significant influence

Future Corporate Resources Private Limited (Formerly known as Suhani Trading and Investment Consultants Private Limited)

a) The following transactions were carried out with KMP and relative of KMP in the ordinary course of business:-

Description	Key managerial personnel and Relatives of key managerial personnel	
	Year ended 31 March 2019	Year ended 31 March 2018
<u>Post employment benefits - gratuity</u>		
Mr. Arun Rajasekaran Barathi	-	0.21
Mr. Sunil Mantri	0.49	-
<u>Salaries, wages and bonus</u>		
Mr. Arun Rajasekaran Barathi	34.36	34.36
Mr. Sunil Mantri	42.46	-
<u>Other long term benefits - Leave encashment</u>		
Mr. Arun Rajasekaran Barathi	0.34	0.27
Mr. Sunil Mantri	5.58	-
<u>Director sitting fees</u>		
Mr Virendra Mansukhlal Samani	0.20	-
Mr Rajan Malhotra Sushil	0.20	-
<u>Purchase of services</u>		
Mrs. Ritu Mantri	1.26	-

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

b) The following transactions were carried out with related parties in the ordinary course of business:-

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i) Purchase of traded goods*		
Future Retail Limited	44.28	-
TNSI Retail Private Limited	3,190.79	2,426.67
ii) Sale of goods*		
TNSI Retail Private Limited	110.16	182.84
iii) Service and rental income*		
Future Retail Limited	138.00	-
TNSI Retail Private Limited	315.00	300.00
iv) Interest expense on 7% Cumulative NCRPS		
Future Retail Limited	0.87	-
v) Rent expense*		
Future Retail Limited	25.29	-
Welcome Retail Private Limited	1,437.03	741.59
vi) Reimbursement of expense received		
TNSI Retail Private Limited	96.22	63.70
Welcome Retail Private Limited	230.04	-
vii) Business advances received		
Future Retail Limited	3,926.01	-
viii) Business advances repaid		
Future Retail Limited	3,926.01	-
ix) Lease expense		
TNSI Retail Private Limited [#]	-	-
x) 7% Cumulative NCRPS		
Future Retail Limited	3,400.00	-
xi) Security deposit paid		
Welcome Retail Private Limited	78.39	-
xii) Security deposit received		
Future Retail Limited	27.72	-
xiii) Corporate guarantee issued		
Welcome Retail Private Limited	592.72	-

[#] Warehouse has been taken on lease by TNSI Retail Private Limited (Subsidiary). Such warehouse has been shared by the Company with TNSI Retail Private Limited for storing and maintaining the trading goods, without any consideration.

* Transactions as disclosed above is excluding GST.

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

c) Balances at the end of year:-

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
TNSI Retail Private Limited			
Trade receivables	628.76	36.53	558.86
Investment in equity shares	270.00	270.00	270.00
Welcome Retail Private Limited			
Investment in equity shares	2.55	2.55	2.55
Share application money payable	-	-	2.55
Security deposit paid	360.56	282.17	282.17
Advance to supplier	78.05	0.25	-
Trade payables	6.51	-	39.91
Corporate guarantees provided [^]	1,202.67	609.95	609.95
IDFS Tradings Private limited			
Trade payables	-	0.84	0.28
Future Retail Limited			
Trade payables	36.45	2.99	-
Trade receivables	95.71	-	-
Security deposit received	27.72	-	-
KMP			
<u>Post employment benefits - gratuity</u>			
Mr. Arun Rajasekaran Barathu	-	0.21	-
Mr. Sunil Mantri	0.49	-	-
<u>Other long term benefits</u>			
Mr. Arun Rajasekaran Barathu	-	0.27	-
Mr. Sunil Mantri	5.58	-	-

[^] Corporate guarantees has been provided by the Company on behalf of Welcome Retail Private Limited to Airports of Authority of India (AAI). The outstanding book balance as on 31 March 2019 ₹ 1,202.67 (31 March 2018: ₹ 609.95, 1 April 2017: ₹ 609.95)

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

37. Fair value measurements

The following table shows the carrying amounts of financial assets and financial liabilities.

	31 March 2019			31 March 2018			1 April 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments	-	-	272.55	-	-	272.55	-	-	272.55
Loans	-	-	1,372.74	-	-	1,110.59	-	-	768.90
Cash and cash equivalents	-	-	233.52	-	-	96.07	-	-	377.30
Trade receivables	-	-	956.52	-	-	330.97	-	-	620.78
Margin money deposits	-	-	272.70	-	-	155.36	-	-	331.84
Other receivable	-	-	66.11	-	-	31.21	-	-	52.03
Total financial assets	-	-	3,174.14	-	-	1,996.75	-	-	2,423.40
Financial liabilities									
Borrowings	-	-	1,232.67	-	-	2,224.63	-	-	2,379.55
Security deposits	-	-	286.05	-	-	171.20	-	-	96.73
Trade payables	-	-	2,489.50	-	-	2,629.58	-	-	2,385.85
Employee related payables	-	-	108.64	-	-	78.25	-	-	41.42
Capital creditors	-	-	11.11	-	-	21.70	-	-	39.28
Other payables	-	-	370.18	-	-	87.32	-	-	75.10
Total financial liabilities	-	-	4,498.15	-	-	5,212.48	-	-	4,917.93

Note:

The management assessed that carrying value of financial assets and financial liabilities, carried at amortised cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheet.

(i) Fair value hierarchy

Each class of assets and liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based in the observability of significant inputs to the measurement, as follows:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed traded mutual funds that have quoted price. The mutual funds are reported using the closing N.A.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There has been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2019, 31 March 2018 and 1 April 2017.

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

	Level 1	Level 2	Level 3	Total
As at 31 March 2019				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
As at 31 March 2018				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
As at 1 April 2017				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

38. Financial risk management

A. Capital risk management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The Company determines the amount of capital required on the basis of an annual budget and a five year plan, including, for working capital, capital investment in stores and technology. The Company's funding requirements are met through internal accruals and a combination of both long-term and short-term borrowings.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

Capital	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Long term borrowings (including current maturities)	1,232.67	2,224.63	2,259.64
Short term borrowings	-	-	119.91
Less: Cash and cash equivalents	(233.52)	(96.07)	(377.30)
Total debt	999.15	2,128.56	2,002.25
Equity share capital	414.42	414.42	414.42
Other equity	1,494.56	(737.55)	(65.23)
Total equity	1,908.98	(323.13)	349.19
Gearing ratio	0.52	(6.59)	5.73

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

B. Financial risk management

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

B.1 Market risk :

Market Risk is the risk that changes in market place could affect the future cash flows to the Company. The market risk for the Company arises primarily from interest rate risk, currency risk and product price risk.

i) Interest risk: The Company is exposed to interest rate risk primarily due to borrowings having floating interest rates. The Company uses available working capital limits for availing short term cash credits. The Company mitigates the same through efficient use of working capital limits and regular monitoring of Interest Coverage ratio.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from borrowings carrying floating rate of interest. These borrowings exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable rate instruments	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Term loan from banks (secured)	-	2,224.63	2,374.05
Total	-	2,224.63	2,374.05

Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below:

Particulars	Statement of Profit and Loss	
	Increase by 0.50%	Decrease by 0.50%
Increase/ (decrease) in interest on borrowings		
For the year ended 31 March 2019	-	-
For the year ended 31 March 2018	11.12	(11.12)

The analysis is prepared assuming the amount of the borrowings outstanding at the end of the year was outstanding for the whole year.

ii) Product price risk: In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. In such a scenario, the risk is managed by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses. This mechanism also works in case of a downturn in the retail sector, although overall volumes would get affected.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the franchise fees payable by the Company as on year end.

Unhedged foreign currency risk exposure in GBP:

	31 March 2019 GBP	31 March 2019 INR in lacs	31 March 2018 GBP	31 March 2018 INR in lacs	1 April 2017 GBP	1 April 2017 INR in lacs
Financial liabilities - Trade payables	704,646.19	636.15	789,941.00	700.19	393,084.00	317.93

Foreign currency sensitivity

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

Particulars	Statement of Profit and Loss	
	Increase by 500 basis points	Decrease by 500 basis points
Increase/ (decrease)		
For the year ended 31 March 2019	35.23	(35.23)
For the year ended 31 March 2018	39.50	(39.50)

B.2 Liquidity risk:

Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks. Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Carrying amounts
As at 1 April 2017				
Borrowings (non current and current)	148.28	600.00	1,631.27	2,379.55
Interest payable	23.45	-	-	23.45
Trade payables	4.92	-	-	4.92
Employee related payables	41.42	-	-	41.42
Security deposits	18.00	52.86	25.87	96.73
Capital creditors	39.28	-	-	39.28
Other payables	31.65	-	-	31.65
	327.00	652.86	1,657.14	2,637.00
As at 31 March 2018				
Borrowings (non current and current)	100.00	800.00	1,534.51	2,224.63
Interest payable	22.02	-	-	22.02
Trade payables	36.89	-	-	36.89
Employee related payables	78.25	-	-	78.25
Security deposits	-	148.13	23.07	171.20
Capital creditors	21.70	-	-	21.70
Other payables	65.30	-	-	65.30
	324.16	948.13	1,557.58	2,619.99
As at 31 March 2019				
Borrowings (non current and current)	-	-	1,232.67	1,232.67
Trade payables	29.02	-	-	29.02
Employee related payables	108.64	-	-	108.64
Security deposits	52.00	244.63	9.42	286.05
Capital creditors	11.11	-	-	11.11
Other payables	370.18	-	-	370.18
	550.95	244.63	1,242.09	2,037.67

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

B.3 Credit risk

i) Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

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 default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

As at 31 March 2019

Particulars

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	272.55	-	272.55
Loans	1,372.74	-	1,372.74
Cash and cash equivalents	233.52	-	233.52
Trade receivables			
Not due	40.02	-	40.02
Overdue (0-12 months)	921.41	9.13	912.28
Overdue (more than 12 months)	4.22	-	4.22
Margin money deposits	272.70	-	272.70
Other receivable	66.11	-	66.11
Total financial assets	3,183.27	9.13	3,174.14

As at 31 March 2018

Particulars

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	272.55	-	272.55
Loans	1,110.59	-	1,110.59
Cash and cash equivalents	96.07	-	96.07
Trade receivables			
Not due	92.45	-	92.45
Overdue (0-12 months)	237.80	-	237.80
Overdue (more than 12 months)	9.09	8.37	0.72
Margin money deposits	155.36	-	155.36
Other receivable	31.21	-	31.21
Total financial assets	2,005.12	8.37	1,996.75

As at 1 April 2017

Particulars

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment provisions
Investments	272.55	-	272.55
Loans	768.90	-	768.90
Cash and cash equivalents	377.30	-	377.30
Trade receivables			
Not due	4.86	-	4.86
Overdue (0-12 months)	604.82	-	604.82
Overdue (more than 12 months)	54.42	43.32	11.10
Margin money deposits	331.84	-	331.84
Other receivable	52.03	-	52.03
Total financial assets	2,466.72	43.32	2,423.40

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ laacs, unless stated otherwise)

39. Employee benefits

Employee benefit obligations

	31 March 2019			31 March 2018			1 April 2017		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Gratuity	0.50	33.93	34.43	0.45	28.83	29.28	0.48	27.89	28.37
Compensated absences	0.66	29.66	30.32	0.42	17.51	17.93	0.37	16.40	16.77
Total employee benefit obligations	1.16	63.59	64.75	0.87	46.34	47.21	0.85	44.29	45.14

1. Defined benefits plans - Gratuity

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of five years service.

Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risks are interest rate risk, mortality risk and salary risk.

(a) Balance sheet amounts- Gratuity

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation
Balance as at 1 April 2017	28.37
Current service cost	10.79
expense/(income)	2.23
Total amount recognised in profit or loss	13.02
<i>Remeasurements</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(2.02)
Effect of Experience Adjustments	(2.68)
Experience (gains)/losses	-
Total amount recognised in other comprehensive income	(4.70)
Benefit payments	(2.49)
Acquisition adjustment	(4.94)
Balance as at 31 March 2018	29.26
Balance as at 1 April 2018	29.26
Current service cost	12.61
expense/(income)	2.30
Total amount recognised in profit or loss	14.91
<i>Remeasurements</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	0.06
Effect of Experience Adjustments	(3.98)
Experience (gains)/losses	-
Total amount recognised in other comprehensive income	(5.92)
Benefit payments	(3.83)
Acquisition adjustment	-
Balance as at 31 March 2019	34.42

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

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present value of funded obligations	34.42	29.26	28.37
Unfunded Provision	34.42	29.26	28.37



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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

(b) Assumptions:

1. Economic assumptions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate	7.86%	7.87%	7.51%
Salary growth rate	6.50%	6.50%	6.50%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The salary escalation rate is based on estimates of salary increases, which takes into account inflation, promotion and other relevant factors.

2. Demographic assumptions:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Retirement age	58	58	58
Withdrawal rate, based on age			
18 to 30 Years	2	2	2
30 to 45 Years	2	2	2
Above 45 years	1	1	1
Mortality Table	IAIM (2006-2008)	IAIM (2006-2008)	IAIM (2006-2008)

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate	+/-100 basis	+/-100 basis points	(5.52)	(4.81)	6.95	6.06
Salary growth rate	+/-100 basis	+/-100 basis points	6.98	6.09	(5.63)	(4.91)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions.

(d) Weighted average duration

Particulars	1 year	2-5 years	More than 5 years	Total
31 March 2019				
Defined benefit obligation	0.50	10.34	23.58	34.42
Total				
31 March 2018				
Defined benefit obligation	0.45	4.34	24.49	29.28
Total				

Detailed information to the extent provided by the actuary in the actuarial certificate has been included in the disclosure above.

(e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability.

Mortality risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

Salary escalation risk: The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.



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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

2. Leave encashment

Amount recognized in the statement of profit and loss is as under:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	17.45	8.90
Interest cost	1.41	1.32
Actuarial loss/(gain) recognised during the year	(0.11)	(1.97)
Amount recognized in the statement of profit and loss	18.75	8.25

2. 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 the basic salary as per regulations. The contributions are made to registered provident fund administered by government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognized during the year towards defined contribution plan is ₹ 55.69 (31 March 2018 - ₹ 48.49).

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

40. Contingent liabilities, not acknowledged as debt, include:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Bank guarantee given to Airport Authority of India on behalf of Welcome Retail Private Limited (a subsidiary company)	1,202.67	609.95	609.95

41. Lease commitments

A. Non-cancellable operating leases

The premises are taken on lease for a lease term ranging from five to nine years including the lock-in period ranging from one to three years. These leases are further renewable on the expiry of total lease term subject to mutual consent of both the parties. There are no restrictions imposed on the Company under the lease arrangement.

The minimum lease payments over the lease term are as under:

(A) Total future minimum sublease payments expected to be received under non-cancellable subleases:-

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Not later than 1 year	1,274.78	692.55	109.43
Later than 1 year but not later than 5 years	3,577.27	2,085.49	511.91
Later than 5 years	6.32	271.73	273.29
	<u>4,858.37</u>	<u>3,049.77</u>	<u>894.63</u>
Sublease income for the year recognized in the Statement of Profit and loss	1,014.44	452.57	-

(B) Operating lease commitments - As a lessee

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Not Later than 1 Year	4,212.13	3,030.44	2,151.94
Later than 1 Year but not later than 5 years	14,384.27	12,727.73	10,237.95
Later than 5 Years	1,101.69	1,354.34	3,962.07
	<u>19,698.09</u>	<u>17,112.51</u>	<u>16,351.96</u>
Contingent lease expense for the year recognized in the statement of profit and loss #	752.00	626.66	1,124.41
Minimum lease payments recognized in statement of Profit and Loss	3,976.39	2,851.20	1,439.19
Lease expense for the year recognized in the statement of Profit and loss	<u>4,728.39</u>	<u>3,477.86</u>	<u>2,563.60</u>

Contingent rent computed as fixed percentage of rent

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Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

42 Deferred tax
(i) Effective tax reconciliation (ETR)

Particulars	As at 31 March 2019	As at 31 March 2018
Accounting loss	(421.48)	(677.02)
Applicable tax rate	26%	26%
Expected tax expense	(109.58)	(176.03)
Adjustments:		
Deferred taxes now recognized on unused tax depreciation and temporary differences (refer note (ii) below)	877.61	-
Deferred taxes not recognized on unused tax losses and temporary difference (refer note (ii) below)	-	(135.44)
Deferred tax not created on unused tax losses, pursuant to provisions of Income Tax Act, 1961 (refer note (ii) below)	(503.40)	-
Impact on account of change of income tax rates	-	(40.59)
Other permanent differences	(4.32)	-
Actual tax expense/(credit)	(479.47)	-

Note 1: As per Finance Act, 2019, the income tax rates for domestic companies whose turnover has not exceeded INR 250 crores in year ended 31 March 2017, the applicable rate of income tax shall be 25% plus applicable cesses.

(ii) Deferred tax assets/(liabilities) (net)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Tax effect of items constituting deferred tax assets			
Employee benefits	38.51	27.54	20.93
Impairment for doubtful debts and advances	2.37	17.42	13.39
Difference between accounting base and tax base of property, plant and equipment	222.41	201.63	192.13
Financial assets and liabilities at amortised cost	9.57	-	-
Unused tax depreciation	206.61	176.61	155.59
Unused tax losses	-	503.40	435.53
	479.47	926.59	817.57
Tax effect of items constituting deferred tax liabilities			
Financial assets and liabilities at amortised cost	-	(48.99)	(75.40)
	-	(48.99)	(75.40)
Less: Deferred tax assets restricted up to deferred tax liability	-	877.61	742.17
Deferred tax assets (net)	479.47	-	-
Unused tax credits	-	-	11.51
Total deferred tax assets	479.47	-	11.51

Note 2: Movement in abovementioned deferred tax assets and liabilities

Particulars	As on 1 April 2017	Recognised in statement of profit and loss	Recognised in other reserves	As on 31 March 2018	Recognised in statement of profit and loss	Recognised in other reserves	As on 31 March 2019
Tax effect of items constituting deferred tax assets							
Employee benefits	20.93	5.39	1.22	27.54	36.97	1.54	38.51
Impairment for doubtful debts and advances	13.39	4.03	-	17.42	2.37	-	2.37
Difference between accounting base and tax base of property, plant and equipment	192.13	9.50	-	201.63	222.41	-	222.41
Financial assets and liabilities at amortised cost	-	-	-	-	9.57	-	9.57
Unused tax depreciation	155.59	21.02	-	176.61	206.61	-	206.61
Unused tax losses	435.53	67.87	-	503.40	-	-	-
Tax effect of items constituting deferred tax liabilities							
Financial assets and liabilities at amortised cost	(75.40)	26.41	-	(48.99)	-	-	-
Deferred tax assets (net)	742.17	134.22	1.22	877.61	477.93	1.54	479.47
Less: Deferred tax assets restricted up to deferred tax liability	(742.17)	(134.22)	(1.22)	(877.61)	-	-	-
Total	-	-	-	-	477.93	1.54	479.47

The Company follows Indian Accounting Standard 12 "Income Taxes", specified under Section 133 of the Act. During the year ended 31 March 2019, the Company has recognised the deferred tax assets on all deductible temporary differences and unused tax depreciation - based on the analysis of taxable income and future business projections and operations made by the management, to the extent it is probable that future taxable profit will be available against which such deductible temporary differences and unused tax depreciation can be utilised. However, such probability regarding future available taxable profits does not exist as at 31 March 2018 and 1 April 2017.



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

Note 3: The unused tax losses for which no deferred tax assets are recognised representing business losses are as follows:

As at 31 March 2018

Year of loss (Assessment year)	Year of expiry (Assessment year)	Amount
2015-2016	2024	255.21
2016-2017	2025	149.26
2017-2018	2026	1,005.03
2018-2019	2027	526.67
		<u>1,936.16</u>

As at 1 April 2017

Year of loss (Assessment year)	Year of expiry (Assessment year)	Amount
2015-2016	2024	255.21
2016-2017	2025	149.26
2017-2018	2026	1,005.03
		<u>1,409.49</u>

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

43. Operating Segments

In the opinion of the management, there is only one reporting segment "Retail Sales" as envisaged by Ind AS 108 "Operating Segments". The Company is operating only in India and there is no other significant geographical segment.

44. The Hon'ble Supreme Court (SC) has, in a recent decision ("SC decision"), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ("PF" or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays special allowance, conveyance allowance and others allowances to its employees as a part of its their compensation structure, which are not included in the basic wages for the purpose of computing the PF.

As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for contribution has been recognised in the financial statements for the year ended 31 March 2019.

45. The Company carries out physical verification to cover all its retail stores and storage units during the year. Shortfall identified during such physical verification is adjusted for each store/unit at the relevant time during the year after conclusion of such exercise. Such write-off pertains to damage goods, short/excess inventory, misappropriation of inventory etc. During the year, the Company has created provision for inventory write off amounting ₹ 65.58 (31 March 2018: ₹ 133.94).

46. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
-Principal Amount	27.04	36.89	4.92
-Interest thereon, included in finance cost	1.98		
ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year			
iii) 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 Micro, Small and Medium Enterprise Development Act, 2006			
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and			
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006			

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

47 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Non-current borrowings	Current borrowings	Deemed equity	Total
As at 01 April 2017	2,259.64	119.91	-	2,379.55
Cash adjustments				
Cash inflows	-	-	-	-
Cash outflows	(70.99)	(119.91)	-	(190.90)
Interest paid	(261.08)	(13.85)	-	(274.93)
Non-cash adjustments				
Interest accruals/expense	261.08	13.85	-	274.93
Effective interest rate adjustments	35.98	-	-	35.98
As at 31 March 2018	<u>2,224.63</u>	<u>-</u>	<u>-</u>	<u>2,224.63</u>
Cash adjustments				
Cash inflows	1,231.80	-	2,168.20	3,400.00
Cash outflows	(2,434.63)	-	-	(2,434.63)
Interest paid	(199.94)	-	-	(199.94)
Non-cash adjustments				
Interest accruals/expense	199.94	-	-	199.94
Effective interest rate adjustments		-	-	-
on NCRPS	0.87			0.87
on term loans	210.00			210.00
As at 31 March 2019	<u>1,232.67</u>	<u>-</u>	<u>2,168.20</u>	<u>3,400.87</u>

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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

48. First time adoption of Ind AS

Explanations of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act (Previous GAAP).

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2019, including for the comparative information presented in these financial statements for the year ended 31 March 2018 and the opening Ind AS balance sheet as on the date of transition, i.e., 1 April 2017.

In preparing its Ind AS balance sheet as at 1 April 2017 and presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Ind AS Optional exemptions and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions:-

a) Optional exemptions available

1. Fair valuation of property plant and equipment, and intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
 - fair value,
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

- (iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at 1 April 2017 measure as per previous GAAP.

2. Lease arrangements

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. Accordingly, the Company has elected to assess all the contracts existing at the date of transition to Ind AS.

b) Mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B. The following reconciliations provides the effect of transition to IND AS from IGAAP in accordance with Ind AS 101

1. Reconciliation of equity as at 1 April 2017 and 31 March 2018
2. Net profit for the year ended 31 March 2018
3. Reconciliation of total equity as at 1 April 2017 and 31 March 2018
4. Reconciliation of total comprehensive income for 31 March 2018



Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

C. Reconciliations between previous GAAP and Ind AS
1. Reconciliations of equity

Particulars	Notes	As at 31 March 2018		As at 1 April 2017		Ind AS
		Previous GAAP*	Adjustment on transition to Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	
Assets						
Non-current assets						
Property, plant and equipment		695.73	-	667.71	-	667.71
Capital work in progress		-	-	35.64	-	35.64
Intangible assets		15.31	-	22.09	-	22.09
Financial assets						
Investments		272.55	-	272.55	-	272.55
Loans	2	1,606.24	(578.87)	1,338.78	(569.88)	768.90
Other financial assets		165.61	-	207.21	-	207.21
Deferred tax assets (net)		-	-	11.51	-	11.51
Non-current tax assets (net)		119.62	-	23.70	-	23.70
Other non current assets	2 and 3	414.47	364.35	371.37	466.45	837.82
Total non-current assets		3,289.53	(214.52)	2,950.56	(103.43)	2,847.13
Current assets						
Inventories		1,185.55	-	1,312.28	-	1,312.28
Financial assets						
Trade receivables		330.97	-	330.97	-	330.97
Cash and cash equivalents		96.07	-	377.30	-	377.30
Other bank balances		3.44	-	133.79	-	133.79
Loans		83.22	-	83.22	-	83.22
Other financial assets		17.52	-	42.87	-	42.87
Other current assets	2	187.46	125.12	123.34	96.98	220.32
Total current assets		1,904.23	125.12	2,610.36	96.98	2,707.34
Total Assets		5,193.76	(89.40)	5,560.92	(6.45)	5,554.47
Equity and liabilities						
Equity						
Equity share capital		414.42	-	414.42	-	414.42
Other equity		(1,739.06)	1,001.51	(855.39)	790.16	(65.23)
Total equity		(1,324.64)	1,001.51	(440.97)	790.16	349.19
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	4	2,334.51	(209.88)	2,124.63	(245.86)	2,231.27
Other financial liabilities	2	299.94	(67.32)	232.62	(42.19)	124.48
Other non-current liabilities	2 and 3	878.12	(832.21)	45.91	(517.51)	52.10
Provisions		46.34	-	44.29	-	44.29
Total non-current liabilities		3,558.91	(1,109.41)	2,449.50	(805.56)	2,452.14
Current liabilities						
Financial liabilities						
Borrowings		-	-	119.91	-	119.91
Trade payables		2,629.38	-	2,285.85	-	2,285.85
Other financial liabilities		225.85	-	156.42	-	156.42
Other current liabilities	2	103.39	18.50	121.89	8.95	190.11
Provisions		0.87	-	0.85	-	0.85
Total current liabilities		2,959.49	18.50	2,744.19	8.95	2,753.14
Total liabilities		6,518.40	(1,090.91)	5,427.49	(796.61)	5,205.28
Total equity and liabilities		5,193.76	(89.40)	5,560.92	(6.45)	5,554.47

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



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Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

2. Reconciliation of total comprehensive income for the year ended 31 March 2018

Particulars	Notes	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from operations	2 and 3	12,525.88	(46.74)	12,479.14
Other income	2	63.33	88.97	152.30
Total revenue		12,589.21	42.23	12,631.44
Expenses				
Purchase of stock-in-trade		6,261.98	-	6,261.98
Changes in inventories of stock-in-trade		126.73	-	126.73
Employer benefit expense	1	934.09	4.71	938.80
Other expenses	2 and 3	5,583.38	(216.54)	5,366.84
Total expenses		12,906.18	(211.83)	12,694.35
Loss before interest, tax, depreciation and amortization (LBITDA)		(316.97)	254.06	(62.91)
Finance costs	2 and 4	286.47	47.42	333.89
Depreciation and amortisation expense		280.22	-	280.22
Loss before tax		(883.66)	206.64	(677.02)
Income tax expense				
Current tax		-	-	-
Deferred tax		-	-	-
Loss for the year		(883.66)	206.64	(677.02)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gain on post employment benefit obligations	1	-	4.70	4.70
Income tax effect on above		-	-	-
Other comprehensive income for the year		-	4.70	4.70
Total comprehensive loss for the year		(883.66)	211.34	(672.32)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

3. Reconciliation of total equity as at 31 March 2018 and 1 April 2017

Particulars	Notes	As at 31 March 2018	As at 1 April 2017
Total equity as per previous GAAP		(1,324.64)	(440.97)
Adjustments			
Measurement of financial liability (security deposits received) at amortised cost (net)	2	2.90	0.33
Measurement of financial assets (security deposits paid) at amortised cost (net)	2	(24.36)	(2.15)
Measurement of financial liability (borrowings received) at amortised cost (net)	4	209.88	245.86
Rent income adjustment - reversal of escalation impact (net)	3	(62.05)	(4.29)
Rent expense adjustment - reversal of escalation impact (net)	3	878.12	550.42
Total adjustments		1,001.49	790.17
Total equity as per Ind AS		(323.15)	349.20

4. Reconciliation of total comprehensive income for 31 March 2018

Particulars	Notes	Year ended 31 March 2018
Net loss as per previous GAAP		(883.66)
Adjustments		
Measurement of financial liability (security deposits received) at amortised cost (net)	2	2.57
Measurement of financial assets (security deposits paid) at amortised cost (net)	2	(22.21)
Measurement of financial liability (borrowings received) at amortised cost (net)	4	(35.98)
Rent income adjustment - reversal of escalation impact (net)	3	(60.76)
Rent expense adjustment - reversal of escalation impact (net)	3	327.70
Total adjustments		211.32
Total comprehensive loss for the year ended 31 March 2018		(672.34)

→ The transition to Ind AS as above did not have any material impact on the cash flow activities of the Company as reported under Previous GAAP.



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Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019

(All amounts in ₹ lacs, unless stated otherwise)

D. Notes to first-time adoption

1. Remeasurements of post-employment benefit obligations

Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This has resulted in a reclassification between profit or loss and other comprehensive income.

2. Security deposits

As per Ind AS 109 - "Financial Instruments", security deposits are financial instruments which have to be measured at its fair value on initial recognition. Under previous GAAP, interest free security deposits were recorded at their transaction value. Accordingly, the Company has done fair valuation of these deposits and the difference between the transaction value and fair value is treated as advance rentals which is amortised on straight line basis over the related period of security deposit. Further, interest income/ interest expense is recognised on the present value with reference to the discounting rate.

3. Lease equalization reserve

Under the previous GAAP, rent expenses/ rent income including rent escalations and rent free period were recorded on a straight-line basis over the lease term. However, Ind AS 17 permits the Company to ignore straight-lining of rent expense/ rent income in case escalation reflects expected inflationary cost increases. Accordingly, the Company has reversed the lease equalisation reserve to the extent it pertains to rent escalations since it considers increases in rent largely to be consistent with the inflation rate.

4. Term loan from bank

The Company had taken a term loan of ₹ 2,500 from Yes Bank limited in March 2017. The Company had paid upfront processing charges on that loan which has been expensed off during that year. Under Ind AS, loan processing fee on all financial liabilities has been recognized in the carrying amount of the loan and considered in the effective interest rate on the borrowings.

49. Assets pledged as security:

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Non-current assets			
Property, plant and equipment	-	695.73	667.71
Capital work in progress	-	15.31	35.64
Intangible assets	-	-	22.09
Financial assets	-	1,027.37	768.90
Loans	-	1,738.41	1,494.34
Current assets			
Inventories	-	1,185.55	1,312.28
Financial assets	-	330.97	620.78
Trade receivables	-	96.07	377.30
Cash and cash equivalents	-	3.44	133.79
Other bank balances	-	83.22	-
Loans	-	17.52	42.87
Other financial assets	-	512.58	220.32
Other current assets	-	2,029.35	2,707.34
Total assets pledged as security	-	3,767.76	4,201.68

50. Changes in accounting policies:

Except for the changes in accounting policy as referred in Note 26 (Revenue from operations), the Company has consistently applied the accounting policies to all periods presented in these financial statements.

51. The financial statements were approved for external issue by the board of directors on 23 May 2019.

The accompanying notes form an integral part of these financial statements.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076/N/500013

Lalit Kumar
Partner
Membership No. 095256

Place: New Delhi
Date: 23 May 2019

For and on behalf of the board of directors of
Travel News Services (India) Private Limited

Suni Mantri
Director
DIN No. 02082403

Mukul Jain
Chief Financial Officer

Rajan Malhotra Sushil
Director
DIN No. 02919149

Ajit Singh Chhillar
Company Secretary
Membership No. 35436