

S G S R & CO LLP

CHARTERED ACCOUNTANTS

(A limited liability partnership with LLP Identification No. AAH-3391)



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March, 2020, and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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.
2. 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.
3. 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
 - 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, 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B;
 - 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March, 2020; and
- 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, 2020.

For **SGSR & CO LLP**
Chartered Accountants
Firm's Registration No.: N500044



Sandeep Gupta
Partner

Membership No.: 509750
UDIN: 20509750AAAABX7569

Place: New Delhi
Date: 20 July, 2020

Annexure A to the Independent Auditor's Report
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section
of the independent auditors' report of even date on the financial statements of Travel News
Services (India) Private Limited for the year ended 31 March, 2020)

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 property, plant and equipment.
- (b) As explained to us, the property, plant and equipment are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipment. No material discrepancies were noticed on such physical verification.
- (c) The Company does not hold any immovable property (in the nature of 'property, plant and equipments'). 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 loans and security. Further, the Company has complied with the provisions of Section 186 of the Act in respect of 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, goods and service 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) The disputed statutory dues aggregating to Rs. 1,749.08, that have not been deposited on account of matters pending in appeals before appropriate authorities are as under: However Security deposit of Rs 31,76,265 has been deposited- whether to be included or not

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
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Haryana Value Added Tax Act.	Value Added Tax (VAT)	2.22	A.Y. 2015-16	VAT Authorities.
Maharashtra Value Added Tax Act.	Value Added Tax (VAT)	16.98	A.Y. 2013-14	Commissioner of sale Tax Appeal (III) Mumbai VAT
Income Tax Act, 1961	Income Tax	1,698.12	A.Y. 2017-18	The Commissioner of Income Tax (Appeals)

- (viii) The Company has no loans or borrowings payable to a financial institution, bank or government and no dues payable to debenture-holders during the year.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 **SGSR & CO LLP**
Chartered Accountants
Firm's Registration No.: N500044


Sandeep Gupta
Partner
Membership No.: 509750

Place: New Delhi
Date: 20 July, 2020

Annexure B to the Independent Auditor's Report
(Referred to in paragraph 3.f under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the financial statements of Travel News Services (India) Private Limited for the year ended 31 March, 2020)

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')

We have audited the internal financial controls over financial reporting of **Travel News Services (India) Private Limited** ("the Company") as of 31 March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control 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

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.

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.

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

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 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

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.

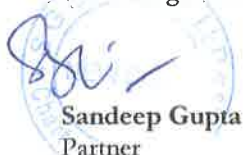
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2020, 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 Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SGSR & CO LLP

Chartered Accountants

Firm's Registration No.: N500044



Sandeep Gupta
Partner

Membership No.: 509750

UDIN: 20509750AAAABX7569

Place: New Delhi

Date: 20 July, 2020

Travel News Services (India) Private Limited
Balance Sheet as at 31 March, 2020
(All amounts in ₹ lacs, unless stated otherwise)

	Notes	As at 31 March, 2020	As at 31 March, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	503.87	621.70
Right-of-use-assets	3(b)	10,078.15	-
Capital work in progress	3(c)	28.03	7.12
Intangible assets	3(d)	1.79	11.64
Financial assets			
- Investments	4	272.55	272.55
- Loans	5(a)	1,471.97	1,314.91
- Other non-current financial assets	5(b)	298.47	300.49
Deferred tax assets (net)	6	1,240.76	479.47
Non-current tax assets (net)	7	390.90	230.17
Other non-current assets	8	285.25	411.37
		14,571.74	3,649.42
Current assets			
Inventories	9	969.99	1,273.20
Financial assets			
- Trade receivables	10	724.91	956.52
- Cash and cash equivalents	11	129.05	233.52
- Bank balances other than cash and cash equivalents	12	374.25	3.45
- Loans	13(a)	81.55	57.83
- Other current financial assets	13(b)	8.71	34.87
Other current assets	14	862.57	486.19
		3,151.03	3,045.58
		17,722.77	6,695.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15 (i)	414.42	414.42
Other equity	16	(1,030.14)	1,494.56
		(615.72)	1,908.98
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,392.92	1,232.67
Lease liabilities	40	9,935.47	-
Other non-current financial liabilities	18	293.60	254.05
Other non-current liabilities	19	82.45	70.42
Provisions	20	128.56	63.59
		11,833.00	1,620.73
Current liabilities			
Financial liabilities			
Lease liabilities	40	3,292.93	-
Trade payables	21		
- Total outstanding due of micro and small enterprises		58.68	29.02
- Total outstanding due of creditors other than micro and small enterprises		1,749.01	2,020.38
Other current financial liabilities	22	1,148.65	962.03
Other current liabilities	23	253.87	152.70
Provisions	24	2.35	1.16
		6,505.49	3,165.29
		17,722.77	6,695.00

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 SGSR & CO LLP

Chartered Accountants

Firm's Registration No. N500044

(Sandeep Gupta)

Partner

Membership No. 509750



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

Sunil Mantri
Managing Director
DIN No. 02082403

Ritesh Raja
Director
DIN No. 08650272

Mukul Kumar Jain
Chief Financial Officer

Surbha Bansal
Company Secretary
Membership No. 28492

Place: New Delhi
Date : 20 July, 2020

Travel News Services (India) Private Limited
Statement of Profit and Loss for the year ended 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
REVENUE			
Revenue from operations	25	16,741.61	15,835.63
Other income	26	230.19	248.06
Total Revenues		16,971.80	16,083.69
EXPENSES			
Purchase of stock-in-trade	27	7,904.07	8,101.82
Changes in inventories of stock-in-trade	28	303.21	(87.65)
Employee benefits expense	29	1,307.96	1,207.36
Finance costs	30	1,668.02	413.75
Depreciation and amortization expense	31	3,570.88	291.56
Other expenses	32	2,891.18	6,578.33
Total expenses		17,645.32	16,505.17
Loss before tax		(673.52)	(421.48)
Tax expense	33		
Deferred tax		(82.05)	(481.01)
Total tax expense		(82.05)	(481.01)
(Loss) / Profit for the year		(591.47)	59.53
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain on post employment benefit obligations		(21.13)	5.92
Income tax effect on above		5.49	(1.54)
Total other comprehensive (loss) / income		(15.64)	4.38
Total comprehensive (loss) / income for the year		(607.11)	63.91
Earnings per share (in ₹)	34		
Basic and Diluted		(14.27)	1.44

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 SGSR & CO LLP

Chartered Accountants

Firm's Registration No. N500044

(Sandeep Gupta)

Partner

Membership No. 5097750

Place: New Delhi

Date : 20 July, 2020



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

Sunil Mantri
Managing Director
DIN No. 02082403

Mukul Kumar Jain
Chief Financial Officer

Ritesh Raja

Director

DIN No 08650272

Smriti Bansal

Company Secretary

Membership No 28492

Travel News Services (India) Private Limited
Statement of Changes in Equity for the period ended 31 March, 2020
(All amounts in ₹ lacs, unless stated otherwise)

	Amount				
A. Equity share capital					
Balance as on 01 April, 2018					414.42
Changes in equity share capital during the year					-
Balance as on 31 March, 2019 / 01 April, 2019					414.42
Changes in equity share capital during the year					-
Balance as on 31 March, 2020					414.42
B. Other equity					
Particulars	Deemed equity	Securities premium	Other comprehensive income - Remeasurement of Defined Benefit Plans	Retained Earnings	Total
Balance as on 01 April, 2018	-	2,465.39	4.70	(3,207.64)	(737.55)
Profit for the year	-	-	-	59.53	59.53
Other comprehensive gain for the year (net of tax)	-	-	4.38	-	4.38
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	9.08	(3,148.11)	1,494.56
Less: Adjustment on adoption of Ind AS 116 (net of tax) (Refer Note 2 b ii)	-	-	-	(1,917.59)	(1,917.59)
Balance as on 1 April, 2019	2,168.20	2,465.39	9.08	(5,065.70)	(423.03)
Loss for the year	-	-	-	(591.47)	(591.47)
Other comprehensive loss for the year (net of tax)	-	-	(15.64)	-	(15.64)
Balance as on 31 March, 2020	2,168.20	2,465.39	(6.56)	(5,657.17)	(1,030.14)

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 **SGSR & CO LLP**

Chartered Accountants
Firm's Registration No. N500044


(Sandeep Gupta)
Partner
Membership No. 509750



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


Sunil Mantri
Managing Director
DIN No. 02082403


Ritesh Raja
Director
DIN No. 08650272

Place: New Delhi
Date : 20 July, 2020


Mukul Kumar Jain
Chief Financial Officer


Surbhi Bansal
Company Secretary
Membership No. 28492

Travel News Services (India) Private Limited
Statement of Cash Flow for the year ended 31 March, 2020
(All amounts in ₹ lacs, unless stated otherwise)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Cash flow from operating activities		
Loss before income tax	(673.52)	(421.48)
Adjustments for		
Depreciation and amortisation expense	3,570.88	291.56
Finance costs	1,666.27	411.77
Gain on sale/disposal of property, plant and equipment	(0.74)	(1.38)
Property, plant and equipment written off	-	3.82
Bad debts	6.14	4.22
Impairment for loss allowances - debts and advances	4.41	9.13
Interest income	(159.93)	(136.35)
Cash generated from operations before working capital changes	4,413.51	161.29
Working capital adjustments		
Movement in inventories	303.21	(87.65)
Movement in trade receivables and loans	311.18	(738.59)
Movement in other financial assets	27.76	(17.68)
Movement in other assets	(367.13)	(185.00)
Movement in trade payables and other financial liabilities	(89.35)	311.10
Movement in other liabilities	94.80	31.36
Movement in provisions	45.03	23.46
Cash generated from/(used in) operating activities	4,739.01	(501.71)
Income taxes paid (net)	(160.73)	(110.55)
Net cash from/(used in) operating activities (A)	4,578.28	(612.26)
Cash flows from investing activities		
Purchase of property, plant and equipment	(130.78)	94.70
(Investment in)/proceeds from margin money deposits (net)	(350.00)	(117.34)
Proceeds from sale of property, plant and equipment	12.09	4.26
Interest income	2.87	2.54
Net cash (used in) investing activities (B)	(465.82)	(15.84)
Cash flows from financing activities		
Repayment of long-term borrowings	-	(2,434.51)
Proceeds from issue of cumulative non-convertible redeemable preference shares	-	3,400.00
Interest paid	-	(199.94)
Payment of principal portion of lease liabilities	(2,744.73)	-
Payment of interest portion of lease liabilities	(1,472.20)	-
Net cash (used in)/generated from financing activities (C)	(4,216.93)	765.55
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(104.47)	137.45
Cash and cash equivalents at the beginning of the year	233.52	96.07
Cash and cash equivalents at the end of the year (refer note 11)	129.05	233.52

Reconciliation of cash and cash equivalents as per the cash flow statement

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (refer note 11)	129.05	233.52
Balance as per statement of cash flows (as per above)	129.05	233.52



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Travel News Services (India) Private Limited
Cash Flow Statement for the year ended 31 March 2020
(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 Changes in Equity referred to in our report of even date,
For **SGSR & CO LLP**
Chartered Accountants
Firm's Registration No. N500044



Place: New Delhi
Date : 20 July, 2020



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


Sunil Mantri
Managing Director
DIN No. 02082403


Mukul Kumar Jain
Chief Financial Officer


Ritesh Raja
Director
DIN No 08650272

Surbhi Bansal
Company Secretary
Membership No.28492

Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

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.

The financial statements for the year ended 31 March, 2020 were approved by the Board of Directors and authorized for issue on 20 July, 2020.

2 Basis for Preparation and Significant accounting policies

(i) Basis for preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

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.

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

Ind AS 116 – Leases

During the year, Ind AS 116 – Leases (the 'Standard'), has become effective from 1st April, 2019, replacing the existing Ind AS 17 - Leases.

As permitted by the transitional provisions of the Standard, the Company has not restated the comparative information, but has recognized the cumulative effect of its initial application as an adjustment to opening Retained Earnings at the date of initial application i.e. 1st April, 2019 by using modified retrospective method. Adjusted opening balances as at 01st April, 2019 are disclosed under note no. 40.

The lease liabilities were discounted using the incremental borrowing rate as at 1st April, 2019. In the reporting period, the first-time application of Ind AS 116 meant that rental / lease expenses were replaced by depreciation charges on right-of-use assets and interest expenses. Refer to Note 2.(b).(xii) for accounting policy followed by Company in respect of accounting of lease.

(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:



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- 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

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.

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



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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.

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.

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.



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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.

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



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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.

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



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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 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.



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Asset Category	Useful life estimated by the management based on technical assessment (years)	Useful life as per Schedule II (years)
Computers	3 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.

(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



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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.

The Company as lessee

The Company's lease asset primarily consist of leases for building. The Company assesses whether a contract contains a lease, at inception of a contract. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether i) the contract involves use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of lease and iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right- of- use asset ("ROU") at cost and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expenses on a straight-line basis over the term of the lease.

Certain lease arrangements includes the option to extend or terminate the lease before the end of lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right- of- use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right- of- use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever event or changes



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in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease Liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU have been separately presented in the Balance sheet and lease payment have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of these lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it account for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from head lease.

For operating lease, rental income is recognized on straight line basis over terms of the relevant lease.

(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.



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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



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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



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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.

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.

b) Defined benefit obligation



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

3(a) : Property, plant and equipment

At Cost	Leasehold Improvements	Vehicles	Plant and machinery	Computers	Office equipment's	Furniture and fixtures	Total
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
As at 1 April, 2019	884.52	-	221.21	232.91	170.46	561.38	2,070.48
Additions	35.18	-	42.96	9.50	23.02	40.16	150.82
Disposals	-	-	-	(17.93)	-	(23.83)	(41.76)
As at 31 March, 2020	919.70	-	264.17	224.48	193.48	577.71	2,179.54
Accumulated depreciation							
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
As at 1 April, 2019	618.65	-	119.69	190.17	155.68	364.59	1,448.78
Charge for the year	145.19	-	24.08	25.51	6.05	56.47	257.30
Disposals	-	-	-	(16.94)	-	(13.47)	(30.41)
As at 31 March, 2020	763.84	-	143.77	198.74	161.73	407.59	1,675.67
Carrying amount (net)							
As at 31 March, 2019	265.87	-	101.52	42.74	14.78	196.79	621.70
As at 31 March, 2020	155.86	-	120.40	25.74	31.75	170.12	503.87



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

3(b) : Right-of-use assets	
At Cost	
As at 1 April, 2019	-
Adjustments as per Ind AS 116 as at 1 April, 2019 (Refer Note 2 b.ii)	13,381.79
Additions	-
Disposal	-
As at 31 March, 2020	13,381.79
Accumulated amortization	
As at 1 April, 2019	-
Charge for the year	3,303.64
Disposals/adjustments	-
As at 31 March, 2020	3,303.64
Carrying amount (net)	
As at 31 March, 2020	10,078.15
3(c) : Capital work-in-progress	
At Cost	
As at 1 April, 2018	-
Additions	7.12
Capitalised	-
As at 31 March, 2019	7.12
As at 1 April, 2019	7.12
Additions	28.03
Capitalised	(7.12)
As at 31 March, 2020	28.03
3(d) : Other intangible assets	
	Computer Software
At Cost	
As at 1 April, 2018	99.38
Additions	-
Disposal	-
As at 31 March, 2019	99.38
As at 1 April, 2019	99.38
Additions	0.09
Disposal	-
As at 31 March, 2020	99.47
Accumulated depreciation	
As at 1 April, 2018	84.07
Charge for the year	3.67
Disposals/adjustments	-
As at 31 March, 2019	87.74
As at 1 April, 2019	87.74
Charge for the year	9.94
Disposals/adjustments	-
As at 31 March, 2020	97.68
Carrying amount (net)	
As at 31 March, 2019	11.64
As at 31 March, 2020	1.79



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information as at 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

4. Investments	As at 31 March, 2020	As at 31 March, 2019
(Valued at cost, unless stated otherwise)		
In equity instruments - Subsidiaries - unquoted - fully paid up		
a. TNSI Retail Private Limited*		
(18,940,000 (previous year 18,940,000) equity shares of ₹ 10 each)	270.00	270.00
b. Welcome Retail Private Limited*		
(25,500 (previous year: 25,500) equity shares of ₹ 10 each)	2.55	2.55
Total	272.55	272.55

* It includes shares held by nominee shareholders on behalf of the Company.

4.1 Information about subsidiaries

Name of the Company and Country of Incorporation	Principal Activities	Proportionate % of Shareholding	
		As at 31 March, 2020	As at 31 March, 2019
TNSI Retail Private Limited, India	Business of retail chains, running outlets at Delhi Metro Rail Corporation ("DMRC") metro stations across Delhi/NCR	100%	100%
Welcome Retail Private Limited, India	Setting-up, development, operating, sub-leasing and managing retail shops at Airport	51%	51%

5(a). Loans	As at 31 March, 2020	As at 31 March, 2019
(Measured at amortised cost)		
Unsecured, considered good		
Security deposits	1,471.97	1,314.91
	1,471.97	1,314.91

5(b). Other non-current financial assets	As at 31 March, 2020	As at 31 March, 2019
(Measured at amortised cost)		
Unsecured, considered good		
Margin money deposits with banks against bank guarantees	248.45	269.25
Interest accrued but not due on margin money deposits	50.02	31.24
	298.47	300.49

6. Deferred tax assets (net)	As at 31 March, 2020	For the year 2019-20	Adjustments	As at 31 March, 2019
Tax effect of items constituting deferred tax assets				
- Provision for Employee benefits	52.20	13.69	-	38.51
- Impairment for doubtful debts	3.52	1.15	-	2.37
- Depreciation	239.95	17.54	-	222.41
- Right-of-use assets & Lease liabilities (Refer Note 2.b.ii)	819.07	145.32	673.75	-
- Unused tax depreciation	118.39	(88.22)	-	206.61
- Others	7.63	(1.94)	-	9.57
	1,240.76	87.54	673.75	479.47

7. Non-current tax assets (net)	As at 31 March, 2020	As at 31 March, 2019
Advance income tax (net of provisions)	390.90	230.17
	390.90	230.17



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Summary of significant accounting policies and other explanatory information as at 31 March, 2020
(All amounts in ₹ lacs, unless stated otherwise)

	As at 31 March, 2020	As at 31 March, 2019
8. Other non-current assets		
Unsecured, considered good		
Prepaid lease rent	248.15	385.72
Prepaid expense	5.45	11.36
Capital advances	31.65	14.29
	<u>285.25</u>	<u>411.37</u>
9. Inventories	As at 31 March, 2020	As at 31 March, 2019
(valued at lower of cost or net realizable value, unless stated otherwise)		
Packing and accessories	3.54	0.94
Traded goods (including stock-in-transit)	966.45	1,272.26
	<u>969.99</u>	<u>1,273.20</u>
10. Trade receivables	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good	724.91	956.52
Unsecured, credit impaired	13.54	9.13
Less : Allowance for doubtful receivables	(13.54)	(9.13)
	<u>724.91</u>	<u>956.52</u>
10.1. Refer note 35(c) for balances held with related parties.		
11. Cash and cash equivalents	As at 31 March, 2020	As at 31 March, 2019
Balances with banks - Current accounts	66.61	162.64
Cash on hand	12.44	70.88
Deposits with Bank having original maturity less than 3 months	50.00	-
	<u>129.05</u>	<u>233.52</u>
12. Bank balances other than cash and cash equivalents	As at 31 March, 2020	As at 31 March, 2019
Margin money deposits with banks against bank guarantees	272.70	272.70
Less: Amount disclosed under non current assets (refer note 5(b))	(248.45)	(269.25)
	<u>24.25</u>	<u>3.45</u>
Deposits with Bank having original maturity more than 3 months and less than 12 months	350.00	-
	<u>374.25</u>	<u>3.45</u>
13(a). Loans	As at 31 March, 2020	As at 31 March, 2019
(Measured at amortised cost)		
Unsecured, considered good		
Security deposits	81.55	57.83
	<u>81.55</u>	<u>57.83</u>
13(b). Other current financial assets	As at 31 March, 2020	As at 31 March, 2019
(Measured at amortised cost)		
Unsecured, considered good		
Credit card receivables	0.43	26.36
Unbilled revenue	2.03	8.29
Advance to employees against salary	4.44	-
Interest accrued but not due on margin money deposits	1.81	0.22
	<u>8.71</u>	<u>34.87</u>



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information as at 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

14. Other current assets	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good		
Prepaid expenses	20.37	38.75
Prepaid lease rent	126.29	122.93
Advance to employees for expenses	4.60	2.38
Advance to suppliers	386.89	148.70
Balances with government authorities - GST	324.42	173.43
	862.57	486.19

15. Equity

(i) Equity share capital	As at 31 March, 2020	As at 31 March, 2019
Authorised		
1,00,00,000 (31 March, 2019: 1,00,00,000) equity shares of ₹10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid up		
41,44,211 (31 March, 2019: 41,44,211) equity shares of ₹ 10 each	414.42	414.42
	414.42	414.42

a) Reconciliation of number of equity shares outstanding:

	As at 31 March, 2020		As at 31 March, 2019	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	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

b) Rights, Preferences and Restrictions 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, 2020		As at 31 March, 2019	
	Nos.	Amount	Nos.	Amount
Future Retail Limited*	4,144,211	414	4,144,211	414.42

d) Details of equity shareholders holding more than 5% equity shares:

Name of the Shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Nos.	% holding	Nos.	% holding
Future Retail Limited*	4,144,211	100%	4,144,211	100%

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

c) During the previous year, 100% shareholding of the Company was being acquired by the Future Retail Limited from ADD Advisors Private Limited and other shareholders w.e.f. 11 May, 2018.

f) 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.

(ii) Preference share capital	As at 31 March, 2020	As at 31 March, 2019
Authorised		
35,00,000 (31 March, 2019: 35,00,000) 7% Cumulative non-convertible redeemable preference shares (NCRPS) of ₹100 each	3,500.00	3,500.00
	3,500.00	3,500.00
Issued, subscribed and fully paid up		
34,00,000 (31 March, 2019: 34,00,000) Cumulative non-convertible redeemable preference shares (NCRPS) of ₹100 each	3,400.00	3,400.00
	3,400.00	3,400.00



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information as at 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

a) Reconciliation of number of preference shares outstanding:

	As at 31 March, 2020		As at 31 March, 2019	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	3,400,000	3,400.00	-	-
Shares issued during the year	-	-	3,400,000	3,400.00
Outstanding at the end of the year	3,400,000	3,400.00	3,400,000	3,400.00

b) Rights, Preferences and Restrictions attached to preference shares:

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 after 15 months from the date of allotment of such shares.

c) Shares held by the Holding Company:

Name of the shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Nos.	Amount	Nos.	Amount
Future Retail Limited	3,400,000	3,400	3,400,000	3,400.00

d) Details of preference shareholders holding more than 5% preference shares:

Name of the Shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Nos.	% holding	Nos.	% holding
Future Retail Limited	3,400,000	100%	3,400,000	100%

16. Other equity

	As at 31 March, 2020	As at 31 March, 2019
Security premium ⁽ⁱ⁾	2,465.39	2,465.39
Retained earnings ⁽ⁱⁱ⁾	(5,657.17)	(3,148.11)
Deemed equity ⁽ⁱⁱⁱ⁾	2,168.20	2,168.20
Other comprehensive income ^(iv)	(6.56)	9.08
	<u>(1,030.14)</u>	<u>1,494.56</u>

Description of nature and purpose of reserve

(i) Securities premium

	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	2,465.39	2,465.39
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". 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, 2020	As at 31 March, 2019
Opening Balance	(3,148.11)	(3,207.64)
Less: Adjustment on adoption of Ind AS 116 (net of tax) (Refer Note 2.b.ii)	(1,917.59)	-
(Loss)/Profit for the year	(591.47)	59.53
Closing balance	<u>(5,657.17)</u>	<u>(3,148.11)</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 as at 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

(iii) Deemed equity	As at 31 March, 2020	As at 31 March, 2019
Opening balance	2,168.20	-
Additions during the year	-	2,168.20
Closing balance*	2,168.20	2,168.20

* Refer note 17 for further details related to NCRPS.

Nature and purpose:

Company had issued Cumulative NCRPS during the previous 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.

(iv) Other comprehensive income	As at 31 March, 2020	As at 31 March, 2019
Remeasurement of defined benefit plans (net of tax)		
Opening balance	9.08	4.70
Additions during the year	(15.64)	4.38
Closing balance	(6.56)	9.08
Total other equity [(i) +(ii)+(iii)+(iv)]	(1,030.14)	1,494.56

17. Borrowings	As at 31 March, 2020	As at 31 March, 2019
Unsecured, measured as amortised cost		
Financial liability part of 7% cumulative non-convertible redeemable preference shares (NCRPS) (refer note 17.1).	1,392.92	1,232.67
	1,392.92	1,232.67

17.1) 7% Cumulative Non-convertible Redeemable 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. 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".

18. Other non-current financial liabilities	As at 31 March, 2020	As at 31 March, 2019
Security deposits	293.60	254.05
	293.60	254.05
19. Other non-current liabilities	As at 31 March, 2020	As at 31 March, 2019
Advance lease rent	73.79	58.25
Other payables	8.66	12.17
	82.45	70.42
20. Provisions	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits: (Refer note 38)		
- Gratuity	70.16	33.93
- Compensated absences	58.40	29.66
	128.56	63.59



Travel News Services (India) Private Limited**Summary of significant accounting policies and other explanatory information as at 31 March, 2020**

(All amounts in ₹ lacs, unless stated otherwise)

21. Trade payables	As at 31 March, 2020	As at 31 March, 2019
(Measured at amortised cost)		
Trade payables		
Total outstanding due of micro and small enterprises	58.68	29.02
Total outstanding due of creditors other than micro and small enterprises #	1,749.01	2,020.38
	1,807.69	2,049.40

*Refer note 44 for details of dues to micro and small enterprises.

#Refer note 35(c) for payables to related parties.

22. Other current financial liabilities	As at 31 March, 2020	As at 31 March, 2019
(Measured at amortised cost)		
Creditors for assets	69.51	11.11
Employee related payables	122.60	108.64
Accrued expenses	866.14	440.10
Retention money	5.37	4.32
Security deposits	85.03	32.00
Book overdraft	-	365.86
	1,148.65	962.03

22.1 There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as on 31 March, 2020 and 31 March, 2019.

23. Other current liabilities	As at 31 March, 2020	As at 31 March, 2019
Statutory liabilities including GST	214.48	107.83
Advance from customers	-	8.58
Advance lease rent	32.99	30.13
Deferred revenue	2.81	2.65
Other liabilities	3.59	3.51
	253.87	152.70

24. Provisions	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits: (Refer note 38)		
- Gratuity	0.98	0.50
- Compensated absences	1.37	0.66
	2.35	1.16



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
25. Revenue from operations		
Sale of products - traded goods	15,112.14	14,468.31
Sale of services	319.95	352.88
Other operating revenue - rental income	1,309.52	1,014.44
Total	16,741.61	15,835.63

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, 2020	As at 31 March, 2019
Receivables		
Trade receivables	724.91	956.52
Contract assets		
Unbilled revenue	2.03	8.29
Contract liabilities (Advance from customer and deferred revenue)		
Opening balance	11.23	6.81
Revenue recognized that was included in the contract liability balance at the beginning of the year	(11.23)	(6.81)
Closing balance	2.81	11.23

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
26. Other income		
Interest income on:		
- Bank deposits	23.24	19.76
- Security deposits	136.68	116.59
Foreign exchange gain (net)	50.21	34.47
Profit on sale of property, plant and equipment	0.74	1.38
Other miscellaneous income	19.32	75.86
Total	230.19	248.06

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
27. Purchase of stock in trade		
Traded goods	7,904.07	8,101.82
Total	7,904.07	8,101.82

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
28. Changes in inventories of stock-in-trade		
Inventories at the end of the year		
Traded goods (including stock in transit)	966.45	1,272.26
Packing material and accessories	3.54	0.94
	969.99	1,273.20
Inventories at the beginning of the year		
Traded goods (including stock in transit)	1,272.26	1,180.15
Packing material and accessories	0.94	5.40
	1,273.20	1,185.55
Total	303.21	(87.65)



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

29. Employee benefits expense	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Salaries, wages, bonus, gratuity, compensated absences, allowances etc.	1,201.33	1,100.97
Contribution to provident, ESI and other funds etc.	87.79	84.28
Staff welfare expenses	18.84	22.11
Total	1,307.96	1,207.36
30. Finance costs	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Interest expense on:		
- Non-convertible redeemable preference shares (NCRPS)	160.25	0.88
- Term loans	-	384.22
- Lease liabilities	1,472.21	-
- Deposits	33.81	26.67
- Others	1.75	1.98
Total	1,668.02	413.75
31. Depreciation and amortisation expense	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation on property, plant and equipment (refer note 3(a))	257.30	287.89
Amortization of right-of-use assets (refer note 3(b))	3,303.64	-
Amortisation of intangible assets (refer note 3(d))	9.94	3.67
Total	3,570.88	291.56
32. Other expenses	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Rent, Revenue sharing & CAM charges	1,182.91	4,728.39
Property, plant and equipment written off	-	3.82
Franchisee fees	770.57	819.25
Advertisement and sales promotion	31.05	37.19
Electricity and water	154.28	157.49
Communication	77.17	91.84
Travelling and conveyance	28.97	38.50
Bank charges	90.36	106.60
Rates and taxes	8.89	36.19
Legal and professional (refer note below)	124.67	115.41
Printing and stationery	4.18	5.92
Insurance	11.39	10.67
Impairment for loss allowance - debts	4.41	9.13
Bad debts	6.14	4.22
Repairs and maintenance - others	58.31	72.52
Freight expenses	52.06	37.18
Warehouse Expenses	1.44	-
Recruitment charges	-	1.27
Miscellaneous expenses	284.38	302.74
Total	2,891.18	6,578.33
Note:		
Legal and professional includes payment to Statutory and Tax Auditors (excluding taxes):		
- as auditor	4.50	11.00
- for taxation matter	0.50	11.96
- for reimbursement of expenses	-	0.88
	5.00	23.84



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
33 Tax expense		
Current tax		
Current tax on profits for the year	-	-
Total current tax expense (a)	-	-
Deferred tax		
Increase in deferred tax assets	87.54	479.47
Total deferred tax benefit (b)	87.54	479.47
Total income tax expense (a+b)*	87.54	479.47
*Comprises of :-		
Total tax credit as per Statement of Profit and Loss	82.05	481.01
Tax expense on Other Comprehensive Income	5.49	(1.54)
34. Earnings per share	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(Loss) / Profit after tax	(591.47)	59.53
Nominal value per share (₹)	10.00	10.00
Weighted average number of equity shares for basic and diluted earnings per share	41.44	41.44
Add: weighted average number of potential equity shares	-	-
Weighted average number of equity shares for diluted earnings per share	41.44	41.44
Earnings per share (in ₹) (Basic and diluted)	(14.27)	1.44



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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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

35. 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
Future Retail Limited	Holding company
TNSI Retail Private Limited	Subsidiary
Welcome Retail Private Limited	Subsidiary
Entity able to exercise significant influence	
Future Consumer Limited	
Future Supply Chain Solutions Limited	
Fonterra Future Dairy Private Limited	
Future Lifestyle Fashions Limited	
Future Specialty Retail Limited	
Retail Light Techniques India Ltd	
Future Generali India Insurance Company Limited	
Directors	
Mr. Sunil Mantri	Managing Director (w.e.f 01 Oct 2018)
Mr. Rajan Malhotra Sushil	Director (upto 02 Dec 2019)
Mr. Virendra Mansukhlal Samani	Director (w.e.f 11 May 2018)
Mr. Vijay Singh Dugar	Director (w.e.f 08 May 2019)
Mr. Mayank Arora	Director (w.e.f 08 May 2019)
Mr. Ritesh Raja	Director (w.e.f 27 Dec 2019)
Key Managerial Personnel	
Mr. Sunil Mantri	Chief Executive Officer
Mr. Ajit Singh Chhillar	Company Secretary (till 13 Dec 2019)
Mrs. Surbhi Bansal	Company Secretary (w.e.f 06 Feb 2020)
Mr. Mukul Kumar Jain	Chief Financial Officer (w.e.f 08 May 2019)
Relatives of Key Managerial Personnel	
Mrs. Ritu Mantri	Wife of Mr. Sunil Mantri
Mrs. Shilpi Jain	Wife of Mr. Mukul Kumar Jain

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, 2020	Year ended 31 March, 2019
Post employment benefits - gratuity		
Mr. Sunil Mantri	1.09	0.49
Mr. Mukul Kumar Jain	0.17	-
Salaries, wages and bonus		
Mr. Sunil Mantri	101.35	42.46
Mr. Mukul Kumar Jain	17.13	-
Mrs. Surbhi Bansal	1.06	-
Other long term benefits - Leave encashment		
Mr. Sunil Mantri	-	5.58
Mr. Mukul Kumar Jain	0.29	-
Director sitting fees		
Mr. Virendra Mansukhlal Samani	0.30	0.20
Mr. Ritesh Raja	0.10	-
Mr. Rajan Malhotra Sushil	0.30	0.20
Mr. Mayank Arora	0.30	-
Mr. Vijay Singh Dugar	0.30	-
Purchase of services		
Mrs. Ritu Mantri	2.52	1.26
Mrs. Shilpi Jain	1.44	-

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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, 2020

(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, 2020	Year ended 31 March, 2019
i) Purchase of traded goods*		
Future Retail Limited	66.83	44.28
Future Consumer Limited	84.27	97.06
TNSI Retail Private Limited	3,216.10	3,190.79
ii) Sale of goods*		
TNSI Retail Private Limited	144.73	110.16
iii) Sale of Property, plant and equipment*		
TNSI Retail Private Limited	7.81	-
iv) Purchase of Property, plant and equipment*		
TNSI Retail Private Limited	0.38	-
Retail Light Techniques India Ltd	2.01	-
v) Service and rental income*		
Future Retail Limited	272.10	138.00
TNSI Retail Private Limited	291.67	315.00
Future Consumer Limited	6.91	4.13
Fonterra Future Dairy Private Limited	0.63	-
Future Lifestyle Fashions Limited	27.62	13.72
Future Specialty Retail Limited	56.96	28.29
vi) Interest expense on 7% Cumulative NCRPS		
Future Retail Limited	160.25	0.87
vii) Service and Rent expense*		
Future Retail Limited	31.01	25.29
Welcome Retail Private Limited	1,506.25	1,437.03
Future supply chain solutions Ltd.	22.74	14.82
Future Generali India Insurance Company Limited	7.89	6.30
Future Lifestyle Fashions Limited	10.60	-
viii) Reimbursement of expense received		
TNSI Retail Private Limited	118.16	96.22
Welcome Retail Private Limited	309.21	230.04
ix) Business advances received		
Future Retail Limited	-	3,926.01
x) Business advances repaid		
Future Retail Limited	-	3,926.01
xi) 7% Cumulative NCRPS		
Future Retail Limited	-	3,400.00
xii) Security deposit paid		
Welcome Retail Private Limited	-	78.39
xiii) Security deposit received		
Future Retail Limited	107.42	27.72
Future Lifestyle Fashions Limited	13.54	-
Future Specialty Retail Limited	13.96	-
xiv) Corporate guarantee issued		
Welcome Retail Private Limited	-	592.72

* 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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

c) Balances at the end of year:-

Particulars	As at 31 March, 2020	As at 31 March, 2019
TNSI Retail Private Limited		
Trade receivables	200.44	628.76
Investment in equity shares	270.00	270.00
Welcome Retail Private Limited		
Investment in equity shares	2.55	2.55
Security deposit paid	360.56	360.56
Advance to supplier	-	78.05
Trade payables	16.65	6.51
Corporate guarantees provided	1,202.67	1,202.67
Future Consumer Ltd.		
Trade payables (net)	2.49	56.48
Future Supply Chain Solutions Ltd.		
Trade payables	40.10	13.25
Future Retail Limited		
Trade receivables (net)	144.43	59.25
Security deposit received	135.14	27.72
Future Lifestyle Fashions Limited		
Trade payables (net)	0.63	-
Security deposit received	13.54	-
Future Specialty Retail Limited		
Trade receivables (net)	10.78	18.16
Security deposit received	13.96	-
Retail Light Techniques India Ltd		
Trade payables	0.61	-
KMP		
<u>Post employment benefits - gratuity</u>		
Mr. Sunil Mantri	14.18	0.49
Mr. Mukul Kumar Jain	3.30	-
<u>Other long term benefits</u>		
Mr. Sunil Mantri	5.58	5.58
Mr. Mukul Kumar Jain	1.18	-
<u>Remuneration</u>		
Mr. Sunil Mantri	3.61	-
Mr. Mukul Kumar Jain	1.40	-

^ Corporate guarantees has been provided by the Company on behalf of Welcome Retail Private Limited to Airports of Authority of India (AAI). The outstanding balance as on 31 March 2020 ₹ 1,202.67 (31 March 2019 ₹ 1,202.67)

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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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

36. Fair value measurements

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

	31 March, 2020			31 March, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments	-	-	272.55	-	-	272.55
Loans	-	-	1,553.52	-	-	1,372.74
Cash and cash equivalents	-	-	129.05	-	-	233.52
Trade receivables	-	-	724.91	-	-	956.52
Margin money deposits	-	-	248.45	-	-	272.70
Bank balances other than cash and cash equivalents	-	-	374.25	-	-	-
Other receivable	-	-	58.73	-	-	66.11
Total financial assets	-	-	3,361.46	-	-	3,174.14
Financial liabilities						
Borrowings	-	-	1,392.92	-	-	1,232.67
Security deposits	-	-	378.63	-	-	286.05
Trade payables	-	-	1,807.69	-	-	2,049.40
Employee related payables	-	-	122.60	-	-	108.64
Capital creditors	-	-	69.51	-	-	11.11
Other payables	-	-	5.37	-	-	370.18
Total financial liabilities	-	-	3,776.72	-	-	4,058.05

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 NAV.

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 2020 & 31 March 2019.

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

	Level 1	Level 2	Level 3	Total
As at 31 March, 2020				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
As at 31 March, 2019				
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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

37. 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, 2020	As at 31 March, 2019
Long term borrowings (including current maturities)	1,392.92	1,232.67
Less: Cash and cash equivalents	(129.05)	(233.52)
Total debt	1,263.87	999.15
Equity share capital	414.42	414.42
Other equity	(1,030.14)	1,494.56
Total equity	(615.72)	1,908.98
Gearing ratio	(2.05)	0.52

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 2020 and 31 March 2019.

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: Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of lease liabilities, loans and advances from related parties and security deposits, although company has no such interest bearing financial liability. However, there are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/ agreement and do not change for any market fluctuation and hence, the company does not have any interest bearing financial liability as on 31st March, 2020.

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.

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 2020 GBP	31 March 2020 INR in lacs	31 March 2019 GBP	31 March 2019 INR in lacs
Financial liabilities - Trade payables	620,406.92	573.76	704,646.19	636.15

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 2020	31.02	(31.02)
For the year ended 31 March 2019	35.23	(35.23)



Travel News Services (India) Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless stated otherwise)

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 31 March 2019				
Borrowings (non current and current)	-	-	1,232.67	1,232.67
Trade payables	2,049.40	-	-	2,049.40
Employee related payables	108.64	-	-	108.64
Security deposits	32.00	244.63	9.42	286.05
Capital creditors	11.11	-	-	11.11
Other payables	370.18	-	-	370.18
	2,571.33	244.63	1,242.09	4,058.05
As at 31 March 2020				
Borrowings (non current and current)	-	-	1,392.92	1,392.92
Lease liabilities (non current and current)	3,292.93	9,715.26	220.21	13,228.40
Trade payables	1,807.69	-	-	1,807.69
Employee related payables	122.60	-	-	122.60
Security deposits	85.03	293.60	-	378.63
Capital creditors	69.51	-	-	69.51
Other payables	5.37	-	-	5.37
	5,383.13	10,008.86	1,613.13	17,005.12

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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 2020

(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, 2020

Particulars	Estimated gross carrying amount	Expected credit loss	Carrying amount net of impairment
Investments	272.55	-	272.55
Loans	1,553.52	-	1,553.52
Cash and cash equivalents	129.05	-	129.05
Trade receivables			
Not due	-	-	-
Overdue (0-12 months)	692.89	13.54	679.35
Overdue (more than 12 months)	45.56	-	45.56
Margin money deposits	248.45	-	248.45
Bank balances other than cash and cash equivalents	374.25	-	374.25
Other receivable	58.73	-	58.73
Total financial assets	3,375.00	13.54	3,361.46

As at 31 March, 2019

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

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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 2020

(All amounts in ₹ lacs, unless stated otherwise)

38. Employee benefits

Employee benefit obligations

	31 March, 2020			31 March, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Gratuity	0.98	70.16	71.14	0.50	33.93	34.43
Leave Encashment	1.37	58.40	59.77	0.66	29.66	30.32
Total employee benefit obligations	2.35	128.56	130.91	1.16	63.59	64.75

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.

2. Other long-term benefits - Leave Encashment

Employees of the Company are entitled to accumulate their earned/privilige leave up to a maximum of 90 days which is payable/ encashable as per the policy on their separation.

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 and Leave Encashment

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- Gratuity	Present value of obligation-Leave Encashment
Balance as at 1st April 2018	29.26	17.93
Current service cost	12.61	17.45
Interest expense/(income)	2.30	1.41
Total amount recognised in profit or loss	14.91	18.86
Reversals:		
Loss from change in financial assumptions	0.06	0.05
Experience (gains)	(5.98)	(0.16)
Total amount recognised in other comprehensive income	(5.92)	(0.11)
Benefit payments	(3.83)	(6.36)
Balance as at 31st March 2019	34.43	30.32
Balance as at 1st April 2019	34.43	30.32
Current service cost	15.83	22.41
Interest expense/(income)	2.69	2.36
Total amount recognised in profit or loss	18.52	24.77
Loss / (Gain) from change in demographic assumptions	10.42	(0.03)
(Gain)/loss from change in financial assumptions	(0.03)	9.65
Experience losses	10.74	3.27
Total amount recognised in other comprehensive income	21.13	12.89
Benefit payments	(2.95)	(8.21)
Balance as at 31st March 2020	71.14	59.77

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

Particulars	Gratuity		Leave Encashment	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Present value of funded obligations	71.14	34.43	59.77	30.32
Unfunded Provision	71.14	34.43	59.77	30.32

(b) Assumptions:

1. Economic assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Discount rate	6.80%	7.86%	6.80%	7.86%
Salary growth rate	6.50%	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	Gratuity		Leave Encashment	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Retirement age	58	58	58	58
Withdrawal rate, based on age				
18 to 30 Years	2%	2%	2%	2%
30 to 45 Years	2%	2%	2%	2%
Above 45 years	1%	1%	1%	1%
Mortality Table	IALM (2012-2014)	IALM (2006-2008)	IALM (2012-2014)	IALM (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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Discount rate						
Gratuity	+/-100 basis points	+/-100 basis points	(9.80)	(5.52)	12.41	6.95
Leave Encashment	+/-100 basis points	+/-100 basis points	(9.17)	(4.24)	11.70	5.33
Salary growth rate						
Gratuity	+/-100 basis points	+/-100 basis points	12.32	6.98	(10.00)	(5.63)
Leave Encashment	+/-100 basis points	+/-100 basis points	11.62	5.35	(9.27)	(4.32)

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

(d) Weighted average duration

Particulars	1 year	2-5 years	More than 5 years	Total
31 March 2020				
Defined benefit obligation	2.31	34.69	24.48	61.48
31 March 2019				
Defined benefit obligation	0.50	10.34	23.58	34.42

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.

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

3. 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 ₹ 65.12 (31 March 2019 - ₹ 55.69).

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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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Claims against the Company not acknowledged as Debts:		
Disputed liabilities not adjusted as expense in the accounts being in Appeal towards:		
i. Sales Tax	20.96	
ii. Income Tax	1,728.12	
Total	1,749.08	

40. Lease

The Company has entered into lease arrangements for its warehouses, office premises etc.

These leasing arrangements which are non-cancellable range between 3 to 10 years on an average and are usually renewable by mutual consent on mutually agreeable terms.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application. Consequently, the Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under accounting policies included as part of our Annual Report for the year ended 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of use' asset of Rs 13,381.79 Lacs, and a lease liability of Rs. 15,973.13 Lacs. The cumulative effect of applying the standard, amounting to Rs. 2,591.34 Lacs, was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on profit before tax, profit for the period and earnings per share. Ind AS 116 will result in increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10.25%

i) Following are the changes in the carrying value of right of use assets for the year ended 31st March, 2020:-

Particulars	Year ended 31 March, 2020
Balance as on April 1, 2019	13,381.79
Addition	-
Deletion	-
Depreciation	3,303.64
Balance as on March 31, 2020	10,078.15

The aggregate depreciation expense on ROU assets is included under depreciation and amortization Expense in statement of Profit & Loss.

ii) The following is the break-up of current and non-current lease liabilities as at 31st March, 2020:-

Particulars	Year ended 31 March, 2020
Current lease liabilities	3,292.93
Non-current lease liabilities	9,935.47
Total	13,228.40

iii) The following is the movement in lease liabilities during the year ended 31st March, 2020:-

Particulars	Year ended 31 March, 2020
Balance at the beginning	15,973.13
Addition	-
Deletion	-
Finance cost accrued during the period	1,472.21
Payment of lease liabilities	4,216.94
Total	13,228.40

The Company does not face a significant liquidity risk with regards to its lease Liabilities as the current assets are sufficient to meet obligations to lease liabilities as and when they fall due.

iv) Reconciliation for the effects of the transition on Statement of Profit and loss for year ended 31st March, 2020 as follows:-

Particulars	Year ended 31 March, 2020 Comparable basis	Changes due to Ind-AS 116 Increase / (decrease)	Year ended 31 March, 2020 (As Reported)
Rent including lease rentals	5,399.85	(4,216.94)	1,182.91
Depreciation and amortisation expense	267.23	3,303.64	3,570.88
Finance costs	195.81	1,472.21	1,668.02
Profit/ (Loss) before exceptional item and tax	(114.61)	558.91	(673.52)



Travel News Services (India) Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2020

(All amounts in ₹ lacs, unless stated otherwise)

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

Particulars	As at 31 March 2020	As at 31 March 2019
Accounting loss	(673.52)	(421.48)
Applicable tax rate	26%	26%
Expected tax expense	(175.12)	(109.58)
Adjustments:		
Deferred taxes now recognized on unused tax depreciation and temporary differences (refer note (ii) below)	(117.33)	877.61
Recognition of Right-of-use assets and lease liabilities	(819.07)	-
Deferred tax not created on unused tax losses, pursuant to provisions of Income Tax Act, 1961 (refer note (ii) below)	-	(503.40)
Other differences	-	(4.32)
Actual tax expense/(credit)	761.28	(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 2020	As at 31 March 2019
Tax effect of items constituting deferred tax assets		
Lease Liability	3,439.39	-
Employee benefits	52.20	38.51
Impairment for doubtful debts and advances	3.52	2.37
Difference between accounting base and tax base of property, plant and equipment	239.95	222.41
Financial assets and liabilities at amortised cost	7.63	9.57
Unused tax depreciation	118.39	206.61
Unused tax losses	-	-
	3,861.08	479.47
Tax effect of items constituting deferred tax liabilities		
Right of use assets	(2,620.32)	-
	(2,620.32)	-
Less: Deferred tax assets restricted up to deferred tax liability	-	-
Deferred tax assets (net)	1,240.76	479.47

Note 2: Movement in abovementioned deferred tax assets and liabilities

Particulars	As on 1 April 2018	Recognised in statement of profit and loss	Recognised in other reserves	As on 31st March, 2019	Recognised in statement of profit and loss	Recognised in other reserves	As on 31st March, 2020
Tax effect of items constituting deferred tax assets							
Employee benefits	27.54	9.43	1.54	38.51	19.18	(5.49)	52.20
Impairment for doubtful debts and advances	17.42	(15.05)	-	2.37	1.15	-	3.52
Difference between accounting base and tax base of property, plant and equipment	201.63	20.78	-	222.41	17.54	-	239.95
Financial assets and liabilities at amortised cost	-	9.57	-	9.57	(1.94)	-	7.63
Unused tax depreciation	176.61	30.00	-	206.61	(88.22)	-	118.39
Unused tax losses	503.40	(503.40)	-	-	-	-	-
Lease liabilities	-	-	-	-	3,439.39	-	3,439.39
Tax effect of items constituting deferred tax liabilities							
Financial assets and liabilities at amortised cost	(48.99)	48.99	-	-	-	-	-
Right of use assets	-	-	-	-	(2,620.32)	-	(2,620.32)
Deferred tax assets (net)	877.61	(399.68)	1.54	479.47	766.78	(5.49)	1,240.76
Less: Deferred tax assets restricted up to deferred tax liability	(877.61)	877.61	-	-	-	-	-
Total	-	477.93	1.54	479.47	766.78	(5.49)	1,240.76

The Company follows Indian Accounting Standard 12 "Income Taxes", specified under Section 133 of the Act. During the year ended 31 March 2020, 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 2019 and 1 April 2018.

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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, 2020

(All amounts in ₹ lacs, unless stated otherwise)

42. 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.

43. 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 ₹ 104.78 (31 March 2019: ₹ 65.58).

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

Particulars	As at 31 March 2020	As at 31 March 2019
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal Amount	56.93	27.04
-Interest thereon, included in finance cost	1.75	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.

45. The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization, continues to spread across the globe, and has contributed to a significant decrease in global and local economic activities, and most of the governments including the Indian Government, have announced the strict lockdowns across their respective countries as one of the strongest measures to contain the spread of the virus. As at the date of approval of these financial statements, it is estimated that the impact of Covid-19 on the financial statements is not significant. Extent to which the COVID-19 pandemic will impact the Company's future activities and financial results will depend on future developments which are highly uncertain, therefore the impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

46. The Previous year's figures have been re-grouped/ re-classified wherever considered necessary.

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 **SGSR & CO. LLP**

Chartered Accountants

Firm's Registration No. N500044

Sandeep Gupta

Partner

Membership No. 509750

Place: New Delhi

Date : 20 July, 2020



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

Sunil Mantri

Director

DIN No. 02082403

Mukul Kumar Jain
Chief Financial Officer

Ritesh Raja

Ritesh Raja

Director

DIN No. 08650272

Surbhi Bansal

Company Secretary

Membership No. 28492