

**NOTICE**

**NATIONAL COMPANY LAW TRIBUNAL, PRINCIPAL BENCH AT NEW DELHI CONVENED MEETING OF THE SECURED CREDITORS OF MAIL TODAY NEWSPAPERS PRIVATE LIMITED (“TRANSFEROR COMPANY 1”)**

Day	:	<b>Saturday</b>
Date	:	<b>8<sup>th</sup> September, 2018</b>
Time	:	<b>02:30 P.M.</b>
Venue	:	<b>Air Force Auditorium, Near R &amp; R Hospital, Subroto Park, New Delhi, Delhi 110-010.</b>

**POSTAL BALLOT**

Commencing on	:	10:00 a.m. on Thursday 9 <sup>th</sup> August, 2018
Ending on	:	05:00 p.m. on Friday, 7 <sup>th</sup> September, 2018

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
PRINCIPAL BENCH AT NEW DELHI  
COMPANY APPLICATION (CAA) - 77 (PB) OF 2018  
(under Section 230-232 of the Companies Act 2013)**

**IN THE MATTER OF:**

SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013  
READ WITH RULES FRAMED THEREUNDER.

**AND IN THE MATTER OF:**

**MAIL TODAY NEWSPAPERS PRIVATE LIMITED** [CIN NO. U22210DL2007PTC163174], A COMPANY INCORPORATED UNDER THE PROVISIONS OF THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT F-26, CONNAUGHT PLACE, NEW DELHI-110001; PAN NO. AAFCM1533J; EMAIL: yatender.tyagi@mailtoday.in; WEBSITE: www.mailtoday.in; TEL NO. 120-4807100; FAX NO. 120-4807172

**TRANSFEROR COMPANY 1**

**AND IN THE MATTER OF:**

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION BETWEEN MAIL TODAY NEWSPAPERS PRIVATE LIMITED AND INDIA TODAY ONLINE PRIVATE LIMITED AND T.V. TODAY NETWORK LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF MAIL TODAY NEWSPAPERS PRIVATE LIMITED**

To

**The Secured Creditors of Mail Today Newspapers Private Limited (the “Company”)**

NOTICE is hereby given that by an orders dated 2<sup>nd</sup> July, 2018 and 9<sup>th</sup> July, 2018 (**the “Order”**), the National Company Law Tribunal, Principal Bench at New Delhi has directed a meeting to be held of the Secured Creditors of the Company (**“Meeting”**), for the purpose of considering, and if thought fit, approving with or without modification(s), the Composite Scheme of Arrangement and Amalgamation between Mail Today Newspapers Private Limited and India Today Online Private Limited and T.V. Today Network Limited and their respective Shareholders and Creditors (**the “Scheme”**).

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors of the Company will be held to transact the special business at 02:30 pm on Saturday, the 8<sup>th</sup> day of September 2018, at Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi 110-010, at which time and place the Secured Creditors are requested to attend, to consider and if thought fit, approve with or without modification(s), the resolution set out below in this Notice under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) with the requisite majority.

**“RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, other applicable enactments, rules, regulations and guidelines, Memorandum and Articles of Association of the Company and subject to the sanction by the National Company Law Tribunal, Principal Bench at New Delhi (“NCLT”/“Tribunal”) and subject to other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT, the approval of the Secured Creditors of the Company be and is hereby accorded to the proposed Composite Scheme of Arrangement and Amalgamation between Mail Today Newspapers Private Limited and India Today Online Private Limited and T.V. Today Network Limited and their respective Shareholders and Creditors (**the “Scheme”**).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modification, amendments, limitations and conditions, if any, which may be required and/or imposed by the NCLT and/or any other authorit(ies) while sanctioning the Scheme or by any authority under the law, or as may be required for the purpose of resolving any doubt or difficulties that may arise in giving effect to the Scheme, as the Board may be deem fit and proper”

The Company has also provided an alternative facility to the Secured Creditor(s) to cast their vote by Postal Ballot and the Notes to this notice may be referred for the detailed instructions for casting vote by Postal Ballot.

Explanatory Statement pertaining to the said resolution setting out the material facts and reasons thereof under Sections 230 and Section 102 of the Companies Act, 2013, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith. Copies of the same can also be obtained free of cost from the registered office of the Company situated at F-26, Connaught Place, New Delhi-110001.

The National Company Law Tribunal, Principal Bench at New Delhi, has appointed Mr. S. Balasubramanian, former Chairman, Company Law Board, Advocate failing whom Mr. Virender Ganda, Senior Advocate to be the Chairperson of the said meeting.

The above mentioned Scheme, if approved by the meeting, will be subject to the subsequent approval by the National Company Law Tribunal, Principal Bench at New Delhi.

Sd/-  
Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Dated this 12<sup>th</sup> day of July, 2018

Place: New Delhi

**Notes:**

1. A statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
2. Only Secured Creditors of the Company may attend and vote (either in person or by proxy or by authorized representative under Section 113 of the Companies Act, 2013) at the Secured Creditors meeting. The representative of a body corporate which is an Secured Creditor of the Company may attend and vote at the Secured Creditors meeting provided a certified true copy of the resolution or authorization document of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Company not later than 48 hours before the meeting authorizing such a representative to attend and vote at the Secured Creditors meeting.
3. The Proxy form is attached to this Notice. An additional proxy form can also be obtained from the registered office of the Company situated at F-26, Connaught Place, New Delhi-110001.
4. All alterations in the Form of Proxy should be initialled.
5. A Secured Creditor or his proxy or authorized representative, as the case may be, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. It is clarified that casting of votes by Postal Ballot does not disentitle a Secured Creditor as on the Cut-off date of 28<sup>th</sup> February, 2018 from attending the Meeting. It is further clarified that the Proxies can only vote on Poll at the meeting and not through any other mode.
7. As directed by the Tribunal, Mr. Sanjay Grover, Company Secretary has been appointed as the scrutinizer for the said meeting of the Secured Creditors for conducting the Postal Ballot and poll process in a fair and transparent manner. Post the meeting, the scrutinizer will submit the report to the Chairman, after completing the scrutiny of the Postal Ballots. The results as declared by the Chairman, along with the report of the scrutinizer shall be displayed at the registered office of the Company situated at F-26, Connaught Place, New Delhi-110001 and shall also be placed on the website viz. [www.mailtoday.in](http://www.mailtoday.in)
8. The Secured Creditors can opt for only one mode of voting i.e. either through Postal Ballot or polling paper at the Tribunal Convened Meeting. In case Secured creditors cast their vote by more than one means of voting, then voting will be counted in the following sequence of priority, namely, (i) Postal Ballot and (ii) Polling Paper at Tribunal Convened Meeting, as may be applicable.
9. The notice convening the meeting will be published through advertisement in “FINANCIAL EXPRESS” in English language and “JANSATTA” in Hindi language.
10. The material documents referred to in the accompanying Explanatory Statement and pursuant to the applicable provisions, shall be open for inspection, from 10.00 a.m. to 1.00 p.m. on all working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting of the Secured Creditors at the registered office of the Company.
11. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Secured Creditors of the Company, voting in person or by proxy, agree to the Scheme.
12. In case of any grievance, an Secured Creditor may contact the below mentioned person:

Name of the Contact Person	: Neeraj Soni
Designation	: Chief Financial Officer
Email Id	: <a href="mailto:Neeraj.soni@mailtoday.in">Neeraj.soni@mailtoday.in</a>
Phone Number	: 0120-4807100

13. The instructions for members for voting are as under:-

**Voting through Postal Ballot Form**

A Secured Creditor desiring to exercise vote by postal ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the scrutinizer. Envelopes containing Postal Ballot, if sent by courier or by registered post at the expense of the Secured Creditor, will be accepted. The Postal Ballot Form, duly completed and signed should reach the scrutinizer on or before 5:00 P.M, 7<sup>th</sup> September, 2018. Any Postal Ballot Form received after 5:00 P.M, 7<sup>th</sup> September, 2018, shall be treated as if the reply from the Secured Creditor has not been received. The Company shall not be responsible for the loss or delay attributable to the postal department or for reasons beyond the control of the Company. The Secured Creditor are requested to carefully read the instructions printed overleaf the Postal Ballot Form before exercising their votes.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
PRINCIPAL BENCH AT NEW DELHI  
COMPANY APPLICATION (CAA) - 77 (PB) OF 2018  
(under Section 230-232 of the Companies Act 2013)**

**IN THE MATTER OF:**

SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH RULES FRAMED THEREUNDER.

**AND IN THE MATTER OF:**

**MAIL TODAY NEWSPAPERS PRIVATE LIMITED** [CIN U22210DL2007PTC163174], A COMPANY INCORPORATED UNDER THE PROVISIONS OF THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT F-26, CONNAUGHT CIRCUS, NEW DELHI-110001; PAN NO. AAFCM1533J; EMAIL: yatender.tyagi@mailtoday.in; TEL NO. 0120-4807100; FAX NO. 0120-4807172

**AND**

**INDIA TODAY ONLINE PRIVATE LIMITED** [CIN U99999DL2000PTC107733], A COMPANY INCORPORATED UNDER THE PROVISIONS OF THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT F-26, FIRST FLOOR, CONNAUGHT CIRCUS, NEW DELHI-110001; PAN NO. AAACI8107M; EMAIL: pramod.gupta@intoday.com; TEL NO. 0120-4078100; FAX NO. 0120-4019627

**AND**

**T.V. TODAY NETWORK LIMITED** [CIN L92200DL1999PLC103001], A COMPANY INCORPORATED UNDER THE PROVISIONS OF THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT F-26, FIRST FLOOR, CONNAUGHT CIRCUS, NEW DELHI-110001; PAN NO. AABCT0424B; EMAIL: investors@ajtak.com; WEBSITE: www.ajtak.intoday.in; TEL NO. 0120-4807100; FAX NO. 0120-4807172

**AND IN THE MATTER OF:**

COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION BETWEEN MAIL TODAY NEWSPAPERS PRIVATE LIMITED AND INDIA TODAY ONLINE PRIVATE LIMITED AND T.V. TODAY NETWORK LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**EXPLANATORY STATEMENT UNDER SECTION 230 AND 102 OF THE COMPANIES ACT, 2013, READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. The National Company Law Tribunal, Principal Bench at New Delhi, by an Orders dated 2<sup>nd</sup> July, 2018 and 9<sup>th</sup> July, 2018 in the Company Application referred to above, with respect to the Composite Scheme of Arrangement and Amalgamation between Mail Today Newspapers Private Limited and India Today Online Private Limited and T.V. Today Network Limited and their respective shareholders and creditors ("Scheme") has directed the convening of the meeting of the Equity Shareholders and Secured Creditors of Mail Today Newspapers Private Limited ("**Applicant/ Transferor Company 1**") to be held at 01:30 P.M. and 02:30 P.M. respectively on Saturday, the 8<sup>th</sup> day of September, 2018, at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010.

The National Company Law Tribunal, Principal Bench at New Delhi by the said Orders has directed the convening of the meeting of the Equity Shareholders of India Today Online Private Limited ("**Applicant/ Transferor Company 2**") to be held at 04:30 P.M. on Saturday, the 8<sup>th</sup> day of September, 2018, at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010.

The National Company Law Tribunal, Principal Bench at New Delhi by the said Order has further directed the convening of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of T.V. Today Network Limited ("**Applicant/ Transferee Company**") to be held at 10:00 A.M., 03:30 P.M. and 12:00 Noon respectively on Saturday, the 8<sup>th</sup> day of September, 2018, at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010.

2. The Order further directs the dispensing with the requirement of convening the meetings of the Unsecured Creditors of the Applicant/ Transferor Company 1 and Applicant/ Transferor Company 2.
3. Mail Today Newspapers Private Limited (**Applicant/Transferor Company 1**) was incorporated in the NCT of Delhi under the Companies Act, 1956 ("**1956 Act**") in terms of Certificate of Incorporation dated 09 May, 2007. The Registered Office of the Applicant/Transferor Company 1 is situated at F-26, Connaught Place, New Delhi-110001. The shares of the Applicant/ Transferor Company 1 are not listed on any stock exchange in India.
4. The main objects for which the Applicant/ Transferor Company 1 has been incorporated are set out in its Memorandum of Association. The main objects of the Applicant/ Transferor Company 1 are as follows :
  - "1. To print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any other Language, anywhere in India, either daily or otherwise.
  2. To manufacture, produce, exhibit, distribute, buy and sell, assign, licence, telecast, broadcast news and current affairs, television films, commercial films, video films, video magazines and to engage in other similar activities related thereto.
  3. To engage in the business of dissemination of news, knowledge and information of general interest, across the globe, through web-page design, creation, hosting and any business relating to the Internet or e-mail, networking and communication environments.
  4. To engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs."
5. The current share capital structure of the Applicant/Transferor 1 Company is as follows:

Particulars	Amount in Rs.
<b>Authorised Share Capital</b>	
177,000,000 equity shares of Rs. 10/- each	1,770,000,000
<b>Total</b>	<b>1,770,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
171,604,018 equity shares of Rs. 10/- each	1,716,040,180
<b>Total</b>	<b>1,716,040,180</b>



6. India Today Online Private Limited (**Applicant/Transferor Company 2**) was incorporated under the Companies, Act, 1956 in the NCT of Delhi in terms of Certificate of Incorporation dated 14 September 2000. The Registered Office of the Applicant/ Transferor Company 2 is situated at F-26, Connaught Circus, New Delhi-110001. The shares of the Applicant/Transferor Company 2 are not listed on any stock exchange in India. The Applicant/Transferor Company 2 holds 51.01% equity shares in the Applicant/ Transferor Company 1. The Applicant/Transferor Company 2 is a subsidiary of the Applicant/Transferee Company.
  
7. The main objects for which the Applicant/Transferor Company 2 has been incorporated are set out in its Memorandum of Association. The main objects of the Applicant/ Transferor Company 2 are as follows:
  1. *To develop, design, up-date, maintain, promote, publish, sell web pages, web sites, internet portals, search engines and provide services for the same.*
  2. *To publish Web Pages and Web Sites on Internet, Web Servers and Websites to promote global business.*
  3. *To supply information and services related to World Wide Web, Internet and E-mail, Multi-media and E-Commerce and to carry on any business and/or trade including buy and/or sell services over the medium of internet and/or any other media directly and/or as a agent/commission agents.*
  4. *To provide internet based subscription and to deal in equipment and services for providing internet access, registration and internet listing services, to provide subscription based internet access, to undertake in the activity of providing subscription based internet services such as web TV and Web Music, to produce, develop, purchase, take on lease or license, exchange, hire or otherwise acquire internet rights.*
  5. *To carry on the business of buying, Selling, licensing, marketing, dealing in, sorting, exporting, developing, designing, training, carrying on research and development, rendering of consultancy services in information Technology, application software and any other software and programme, products of any and all descriptions in India and abroad, creation and maintenance of Websites, internet and internet related services, telecommunication services including maintenance and running of call centres, data processing units, software development centres and training institutes.*
  6. *To carry on the business of Internet Service Providers and Application Services Providers and to develop, maintain and up-date Internet portal or cluster of specialized Internet portal, vertical, portals or network of portals offering a spectrum of content services encompassing search engines, directories and localized as well as specialized content or otherwise, and to provide other value added services including community products such as but not limited to e-mail, advertisement, chat, message boards, and e-commerce products such as on-line shopping, trading, banking, news and live coverage including carrying on of the business of on-line trading of all types of shares, debt instruments, securities, mutual funds, goods, services commodities etc. including placing of orders, checking transactions on-line, getting stock/price quotes, business news, market update news and information of all or any kind on-line, selling and purchasing of all types of movable and immovable properties.*

7. *To carry on the business of Internet Service providers and other allied business, and to publish, distribute, market and sell news papers, music, magazines, journals, periodicals or any other publication on internet, by satellite, cable, cable channels, or other communication channels.*
8. *To carry on business as advertisers, advertising agents, to purchase and sell advertising time or space on any television, radio, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s) or entities for soliciting/booking advertisements and/or any other promotional, commercial, educational, entertainment and other programs in any form or media or medium.*
9. *To hold seminars, courses, business conference, for training in computers, computer programming, web sites development, system analysis, operational research computer operations, data entry operations and other activities related to computers within India, and abroad to enable people to develop their computer skills.*
10. *To advise and render services like technical analysis of data including but not limited to electronic data processing, preparation of project reports, surveys and analysis for implementation of projects and their progress review, critical path analysis, organization and methods, studies and other economic, mathematical, jobs and appointments and to enter into any contracts in relation thereto, to advise and render services like technical analysis of data including electronic data processing, preparation of project reports, surveys and analysis for implementation of projects and their progress review critical path analysis organization and methods studies and other economic, mathematical, statistical, scientific and to undertake assignments, jobs and appointments and to enter into any contracts in relation thereto.*
11. *To establish, provide, maintain and conduct research with respect to the development of the main business of the Company and for furtherance of such business to set-up, own, run such other laboratories, training colleges, schools and such other institutions for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, seminars, meetings and conferences in connection therewith.*
12. *To act as a cable operator and for that purpose to enter into any arrangement and/or agreement for acquiring license or rights to distribute any channel to any person whether residential, commercial or institutional subscribers, viewers, user and to import, export, purchase, sell any equipment that may be required for reception, transmission and distribution of the channel including but not limited to dish antenna, aerial, headend, decoder, receiver, cable set up converter and the like, to carry on the business of internet services through cable operation.*
13. *To deal in Computer based multimedia presentation and information technology business regarding all types of audio, video, television, and cinematographic films, serials softwares, and other programmes in India or elsewhere for the purpose of furtherance of the main objects of the Company.”*

8. The current share capital structure of the Applicant/ Transferor Company 2 is as follows:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
95,000,000 equity shares of Rs. 10/- each	95,00,00,000
2,000,000 preference shares of Rs. 10/- each	2,00,00,000
<b>Total</b>	<b>97,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
94,807,389 equity shares of Rs. 10/- each	94,80,73,890
NIL preference shares	NIL
<b>Total</b>	<b>94,80,73,890</b>

9. T.V. Today Network Limited (**Applicant/ Transferee Company**) was incorporated under the Companies Act, 1956 in the NCT of Delhi and Haryana in terms of Certificate of Incorporation dated 28 December 1999. The Registered Office of the Applicant/ Transferee Company is situated at F-26, First Floor, Connaught Circus, New Delhi-110001. The Equity Shares of the Applicant/ Transferee Company are listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). The Applicant/Transferee Company holds 48.99% equity shares in the Applicant/ Transferor Company 1.

10. The main objects for which the Applicant/Transferee Company has been incorporated are set out in its Memorandum of Association. The main objects of the Applicant/ Transferee Company are as follows:

- “1. To carry on the business of broadcasting, telecasting, relaying, transmitting or distributing in any manner, any audio, video or other programmes or software for television, radio, internet or any other media through, including but not limited to, terrestrial satellite, cable, direct to home, internet or interactive television network.
2. To carry on the business of producing, directing, editing, distributing, purchasing, selling, acquiring or otherwise dealing in any manner, in any audio, video programme or software with respect to news, entertainment, current affairs, information, sports, education, history, cultural, art, science, fiction, games and communication and dubbing, recording, selling the same either in tapes, cassettes, photographs, floppies, compact discs, laser discs, internet or on any other media or software. To acquire rights for broadcasting, transmitting or distributing, in any manner, any live sports and entertainment events, shows, recorded programmes, highlights, films and other programmes.
3. To carry on the business of import, export, purchase, sell, lease, distribute and supply of decoding and receiving equipment, to decode and receive any encrypted and un-encrypted channels, including but not limited to, decoders, receivers, IRDs (integrated decoders cum receivers), headends and any other equipment for receiving, transmitting and distribution of channels, set up converter and the like for the purpose of attainment of above objects.
4. To carry on business as advertising agent, to purchase and sell advertising time or space on any television, radio, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s) or entities for soliciting / booking advertisements and/or any other promotional, commercial and other programmes

on any form of media or medium including collection of charges and remittances thereof to principals.

5. To carry on the business of cable operation and for that purpose to enter into any arrangement and, or, agreement for acquiring license or rights to distribute any channel to any person whether residential, commercial or institutional subscribers, viewers and to import, export, purchase, sell any equipment that may be required for reception, transmission and distribution of the Channel including but not limited to dish antenna, aerial, headend, decoder, receiver, cable set up converter and the like. To carry on the business of Internet services through cable operation.
6. To deal in computer based multimedia presentations and information technology business regarding all types of audio, video, television and cinematographic films, serials software and other programmes in India or elsewhere.
7. To telecast, broadcast relay through any media including satellite, radio, computers, distribute through any cable and satellite channels, on cable networks, Director to Home, Internet, Interactive Television or transmit the information/ advertisement/ products of the company of any other person."

11. The current share capital structure of the Applicant/Transferee Company is as follows:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
68,000,000 equity shares of Rs. 5/- each	34,00,00,000
300,000 preference shares of Rs. 100/- each	3,00,00,000
<b>Total</b>	<b>3,70,00,00,00</b>
<b>Issued, Subscribed and Paid-up</b>	
5,96,61,115 equity shares of Rs. 5/- each	29,83,05,575
NIL preference shares	NIL
<b>Total</b>	<b>29,83,05,575</b>

12. The Composite Scheme of Arrangement and Amalgamation as approved by the Board of Directors of the Applicant Companies proposes inter alia :-

- (i) Reduction in the Paid-Up Equity Share Capital and Securities Premium Account of the Applicant/Transferor Company 1;
- (ii) Reduction in the Paid-Up Equity Share Capital and Securities Premium Account of the Applicant/ Transferor Company 2;
- (iii) Demerger of the MTN Undertaking (**as defined in the Scheme**) of the Applicant/Transferor Company 1 and its transfer and vesting in the Applicant/Transferee Company; and
- (iv) The amalgamation of the Applicant/Transferor Company 2 into and with the Applicant/Transferee Company and the consequent dissolution without winding up of the Applicant/Transferor Company 2.

13. The Applicant/ Transferor Company 1 is primarily engaged in the business of printing, publishing and sale of newspapers. The Applicant/Transferor Company 2 is inter alia authorised to engage in the business to develop, design, update, publish, sell web pages, websites, internet portals, research engine and provide services for the same. The Applicant/Transferee Company is primarily engaged in the business of television programming and broadcasting activities.

14. The proposed restructuring would be in the best interest of the Applicant Companies and their respective shareholders and creditors as the proposed restructuring will yield advantages of generating editorial and business synergies which will result in operational efficiencies due to optimal utilization of content of the newspaper business by the TV channels and other advantages as set out below :
- (i) consolidation of business and entities;
  - (ii) ease of management;
  - (iii) pooling of resources, creating better synergies across the group, optimal utilization of resources and greater economies of scale; and
  - (iv) faster and effective decision making, better administration and cost reduction (including reduction in administrative and other common costs).
15. The salient features of the Scheme are as follows (In this paragraph, the Applicant/ Transferor Company 1, Applicant/ Transferor Company 2 and the Applicant/ Transferee Company are referred to as the Transferor Company 1, Transferor Company 2 and Transferee Company) respectively:
- A. The Appointed Date under the Scheme means 01 January 2017.
  - B. The Scheme proposes that upon the Scheme becoming effective and with effect from the Effective Date, the paid up equity share capital of the Transferor Company 1 shall stand reduced by Rs. 484,457,320/- and the securities premium account of the Transferor Company 1 shall stand reduced by Rs. 2,252,676,779/-.
  - C. The Scheme proposes that upon the Scheme becoming effective and with effect from the Effective Date, the paid up equity share capital of the Transferor Company 2 shall stand reduced by Rs. 691,691,380/- and the securities premium account of the Transferor Company 2 shall stand reduced by Rs. 1,497,348,580/-.
  - D. The reduction in the paid up share capital and securities premium account as set out at “B” and “C” above is to set off the accumulated losses of the Transferor Company 1 and Transferor Company 2 respectively.
  - E. The MTN Undertaking of the Transferor Company 1 includes the business activities and operation of publishing daily English newspaper “Mail Today” and comprises of the assets (moveable and immoveable) and specified liabilities related to the said Undertaking.
  - F. The Scheme further provides that upon the Scheme becoming effective and with effect from the Appointed Date:-
    - (i) All assets and properties of the Transferor Company 1 pertaining to MTN Undertaking (as defined in the Scheme) shall stand transferred to and be vested in the Transferee Company;
    - (ii) All contracts, deeds, bonds, agreements, etc. to which the Transferor Company 1 are a party and pertains to the MTN Undertaking (as defined in the Scheme) shall stand transferred to and vested in the Transferee Company.
    - (iii) All pending suits, appeals or other proceedings of whatsoever nature relating to the Transferor Company 1 and pertaining to the MTN Undertaking (as defined in the Scheme) shall stand transferred to and be deemed to be the proceedings by or against the Transferee Company.

- G. The Scheme further provides that all employees of the Transferor Company 1 pertaining to MTN Undertaking shall become the employee of the Transferee Company without any break or interruption in their services and on the same terms and conditions on which they are engaged as on the Effective Date.
- H. The Scheme provides for the amalgamation of the Transferor Company 2 into and with the Transferee Company.
- I. The Scheme provides that upon the Scheme becoming effective and with effect from the Appointed Date:-
- (i) All assets and properties of the Transferor Company 2 shall stand transferred to and be vested in the Transferee Company;
  - (ii) all immovable and moveable assets of the Transferor Company 2 shall stand transferred to and be vested in the Transferee Company;
  - (iii) all registrations, goodwill, licenses etc. relating to the Transferor Company 2 shall stand transferred to and be vested in and/or be deemed to be transferred to and vested in the Transferee Company;
  - (iv) All contracts, deeds, bonds, agreements, etc. to which the Transferor Company 2 are a party shall stand transferred to and vested in the Transferee Company.
  - (v) All pending suits, appeals or other proceedings of whatsoever nature relating to the Transferor Company 2 shall stand transferred to and be deemed to be the proceedings by or against the Transferee Company.
- J. It is further provided for in the Scheme that all employees of the Transferor Company 2 as on the Effective Date shall become the employees of the Transferee Company on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company 2 without any interruption of service.
- K. The Scheme further provides that in terms of Clause 3 of Part V of the Scheme, upon the Scheme becoming effective and upon the vesting of the MTN Undertaking (as defined in the Scheme) in the Transferee Company, the Equity Shareholders of the Transferor Company 1 shall not be entitled to receive any shares of the Transferee Company.
- L. The Scheme further provides that in terms of Clause 3 of Part VII of the Scheme, upon the Scheme becoming effective and upon the amalgamation of the Transferor Company 2 into and with the Transferee Company, the Equity Shares of Rs. 10 each of the Transferor Company 2 held by the Transferee Company (either by itself or through its nominees) shall stand cancelled in their entirety.
- M. It is provided in the Scheme, that upon the Scheme becoming effective, the Transferor Company 2 shall stand dissolved without being wound up.

**The aforesaid are only the salient features of the Scheme, you are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.**

16. The Scheme has no adverse effect on any of the directors, key management personnel, promoters, non promoter members, creditors and employees of the Applicant/ Transferor Companies. The Scheme would be in the best interest of all stakeholders of Applicant/Transferor Company 1 and Applicant/ Transferor Company 2.
17. The Scheme has no adverse effect on any of the directors, key management personnel, promoters, non promoter members, creditors and employees of the Applicant/Transferee Company. The Scheme would be in the best interest of all stakeholders of Applicant/Transferee Company.
18. No investigation proceedings have been instituted or are pending in relation to the Applicant Transferor Companies or the Applicant/ Transferee Company under the 1956 Act or under the Companies Act, 2013.
19. There is no petition for winding up of the Applicant/Transferor Companies or the Applicant/ Transferee Company.
20. The Scheme does not propose any corporate debt restructuring of either of the Applicant Companies.
21. The Details of the Equity Shareholders of the Applicant/ Transferor Company 1 are as under:

S. No.	Name	Address	No. of Shares Held
1.	T.V. Today Network Limited	F-26, First Floor, Connaught Circus, New Delhi 110001	8,40,70,137
2	India Today Online Private Limited	F-26, First Floor, Connaught Place, New Delhi 110001	8,75,33,777
3.	Mr. Aroon Purie (as a nominee of India Today Online Private Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	100
4.	Mrs. Rekha Purie (as a nominee of India Today Online Private Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
5.	Mr. Ankoor Purie (as a nominee of India Today Online Private Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
6.	Ms. Kalli Purie Bhandal (as a nominee of India Today Online Private Ltd)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
7.	Mr. Dinesh Bhatia (as a nominee of India Today Online Private Ltd)	B8/6018, Vasant Kunj, New Delhi – 110070	01

Subsequent to the Scheme becoming effective, there shall be no change in the aforesaid shareholding pattern of the Applicant/Transferor Company 1.

22. The Board of the Directors of the Applicant/ Transferor Company 1 in its meeting held on 15th December, 2017 approved the Scheme and filing thereof:

The details of the Directors of the Applicant/ Transferor Company 1 who voted in favour of the resolution, against the resolution and who did not participate or vote on such resolution are as under:

S. No.	Name	Address	Voted for the Resolution	Voted Against the Resolution	Did not Vote or participate
1.	Mr. Aroon Purie	6, Palam Marg, Vasant Vihar, New Delhi 110057	-	-	Yes
2.	Ms. Kalli Purie Bhandal	6, Palam Marg, Vasant Vihar, New Delhi 110057	-	-	Yes
3.	Mr. Devajyoti Nirmalkumar Bhattacharya	Flat No. 2303, C-Wing, Vivarea Towers Sane Guruji Marg, Jacob Circle Mumbai 400011	Yes	-	-
4.	Mr. Vinay Kumar Singh	House Number -1376 Sector -16 Faridabad 121001	Yes	-	-
5.	Mr. Rajnder Kumar Mangla	H.No.-591, Sector 16 Faridabad 121007	Yes	-	-

All the Directors were present at the above mentioned meeting.

23. The Details of the Equity Shareholders of the Applicant/ Transferor Company 2 are as under:

S. No.	Name	Address	No. of Shares Held.
1.	T.V. Today Network Limited	F-26, First Floor, Connaught Place, New Delhi 110001	9,48,07,383
2.	Mr. Aroon Purie (as a nominee of T.V. Today Network Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
3.	Mr. Anil Mehra (as a nominee of T.V. Today Network Limited)	B 223B, Greater Kailash Part – 1, New Delhi – 110048.	01
4.	Mrs. Rekha Purie (as a nominee of T.V. Today Network Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
5.	Mr. Ankoor Purie (as a nominee of T.V. Today Network Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
6.	Ms. Kalli Purie Bhandal (as a nominee of T.V. Today Network Limited)	6, Palam Marg, Vasant Vihar, New Delhi 110057	01
7.	Mr. Dinesh Bhatia (as a nominee of T.V. Today Network Limited)	B8/6018, Vasant Kunj, New Delhi – 110070.	01

24. The Board of the Directors of the Applicant/ Transferor Company 2 in its meeting held on 15<sup>th</sup> December, 2017 approved the Scheme and filing thereof:



The details of the Directors of the Applicant/ Transferor Company 2 who voted in favour of the resolution, against the resolution and who did not participate or vote on such resolution are as under:

S. No.	Name	Address	Voted for the Resolution	Voted Against the Resolution	Did not Vote or participate
1.	Mr. Vinay Kumar Singh	House Number -1376 Sector -16 Faridabad 121001	Yes	-	-
2.	Mr. Rajender Kumar Mangla	H.NO.-591, Sector 16 Faridabad -121007	Yes	-	-
3.	Mr. Dinesh Kumar Sehgal	A-71 Sector-26 Noida 201301	Yes	-	-

All the Directors were present at the above mentioned meeting.

25. The details of the promoters and promoter groups of the Applicant/ Transferee Company are as under:

S. No.	Name of the Promoter	Address of the Promoter	No. of Shares held
1.	Aroon Purie	6, Palam Marg, Vasant Vihar, Delhi-110057	2,94,172
2.	Koel Purie Rinchet	28 Rue, De Lubeck 75116, Paris, France-999999	1,315
3.	Living Media India Limited	K-9, Connaught Circus, New Delhi-110001	3,39,54,333
4.	World Media Private Limited	K-9, Connaught Circus, New Delhi-110001	1,666

26. The current shareholding pattern of the Applicant/Transferee Company is as under:

Particulars	Prior to the Scheme becoming effective	
	Total No. of Shares held	Shareholding as a % to total paid up capital
Promoter & Promoter Group (A)	3,42,51,486	57.41
Total Public (B)	2,54,09,629	42.59
<b>Total (A + B)</b>	<b>5,96,61,115</b>	<b>100</b>

As no shares shall be issued by the Applicant/Transferee Company upon the Scheme becoming effective, there shall be no change in the aforesaid shareholding pattern of the Applicant/Transferee Company.

27. The Board of the Directors of the Applicant/ Transferee Company in its meeting held on 15<sup>th</sup> December, 2017 approved the Scheme and filing thereof:

The details of the Directors of the Applicant/ Transferee Company who voted in favour of the resolution, against the resolution and who did not participate or vote on such resolution are as under:

S. No.	Name	Address	Voted for the Resolution	Voted Against the Resolution	Did not Vote or participate
1.	Mr. Aroon Purie	6, Palam Marg, Vasant Vihar, New Delhi - 110057	-	-	Yes
2.	Ms. Kalli Purie Bhandal	6, Palam Marg, Vasant Vihar, New Delhi - 110057	-	-	Yes
3.	Mr. Devajyoti Nirmalkumar Bhattacharya	Flat No. 2303, C-Wing, Vivarea Towers Sane Guruji Marg, Jacob Circle Mumbai 400011	Yes	-	-
4.	Mr. Ashok Kapur	B- 5, Chirag Enclave New Delhi 110048	Yes	-	-
5.	Mr. Rajeev Gupta	Krishna Kutir, 28, Union Park, Bandra (West) Mumbai 400050	-	-	Yes
6.	Mr. Anil Vig	12B-14, Shakuntala Farms Sultanpur, MG Road, Mehrauli New Delhi 110030	Yes	-	-

All the Directors except Mr. Rajeev Gupta were present at the above mentioned meeting.

28. The details of the directors of the Applicant/ Transferor Company 1 and their shareholding in the Applicant/ Transferor Company 1 ("**A**"), Applicant/ Transferor Company 2 ("**B**") and the Applicant/ Transferee Company ("**C**") either singly or jointly are as follows:

S. No.	Name of the Directors	Age	Position	Equity Shares Held		
				A	B	C
1.	Mr. Aroon Purie	73	Director	100*	1**	2,94,172
2.	Ms. Kalli Purie Bhandal	45	Director	1*	1**	0
3.	Mr. Devajyoti Nirmalkumar Bhattacharya	60	Director	0	0	0
4.	Mr. Vinay Kumar Singh	52	Director	0	0	0
5.	Mr. Rajender Kumar Mangla	58	Director	0	0	0

\* as nominee of India Today Online Private Limited.

\*\* as nominee of T.V. Today Network Limited.

29. The details of the directors of the Applicant/ Transferor Company 2 and their shareholding in the Applicant/ Transferor Company 1 ("**A**"), Applicant/ Transferor Company 2 ("**B**") and the Applicant/ Transferee Company ("**C**") either singly or jointly are as follows:

S. No	Name of the Directors	Age	Position	Equity Shares Held		
				A	B	C
1.	Mr. Vinay Kumar Singh	52	Director	0	0	0
2.	Mr. Rajender Kumar Mangla	58	Director	0	0	0
3.	Mr. Dinesh Kumar Sehgal	50	Director	0	0	0

30. The details of the directors of the Applicant/ Transferee Company and their shareholding in the Applicant/ Transferor Company 1 (“A”), Applicant/ Transferor Company 2 (“B”) and the Applicant/ Transferee Company (“C”) either singly or jointly are as follows:

S. No.	Name of the Directors	Age	Position	Equity Shares Held		
				A	B	C
1.	Mr. Aroon Purie	73	Chairman & Whole time Director	100*	1**	2,94,172
2.	Ms. Kalli Purie Bhandal	45	Vice Chairperson & Managing Director	1*	1**	0
3.	Mr. Devajyoti Nirmalkumar Bhattacharya	60	Non-Executive Director	0	0	0
4.	Mr. Ashok Kapur	71	Independent Director	0	0	0
5.	Mr. Rajeev Gupta	60	Independent Director	0	0	0
6.	Mr. Anil Vig	53	Independent Director	0	0	0

\* as nominee of India Today Online Private Limited.

\*\* as nominee of T.V. Today Network Limited.

31. Mr. Vinay Kumar Singh and Mr. Rajender Kumar Mangla are common Directors in the Applicant/ Transferor Company 1 and Applicant/ Transferor Company 2. Mr. Aroon Purie, Mrs. Kalli Purie Bhandal and Mr. Devajyoti Nirmalkumar Bhattacharya are common directors in the Applicant/ Transferor Company 1 and Applicant/Transferee Company. There are no common directors between the Applicant/ Transferor Company 2 and the Applicant/ Transferee Company.
32. The Applicant/ Transferor Company 2 and the Applicant/Transferee Company hold 51.01% and 48.99% equity share capital respectively of the Applicant/ Transferor Company 1. The Applicant/ Transferor Company 2 is a subsidiary of the Applicant/ Transferee Company.
33. Save as otherwise disclosed above, none of the directors or Key Managerial Personnel (“KMPs”) or their relatives except being shareholder of the companies involved in the Scheme are concerned, or interested financially or otherwise in the Scheme.
34. The proposed Scheme does not affect in any manner nor vary the rights in any manner of the Key Managerial Personnel (as defined under the 2013 Act) or directors of the Applicant/ Transferor Companies or the Applicant/Transferee Company.
35. The is conditional upon and subject to :-

- (a) the Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Applicant/ Transferor Companies and the Applicant/ Transferee Company as may be directed by the Competent Authority;
  - (b) the Sanction of the Competent Authority under the applicable provisions of the Act in favour of the Applicant/ Transferor Companies and the Applicant/Transferee Company by passing the necessary order;
  - (c) approval of the Ministry of Information and Broadcasting, for foreign investment in the Applicant/Transferee Company in the newspaper publishing sector being obtained;
  - (d) receipt of such other sanctions and approvals including sanction of any governmental authority (including Securities and Exchange Board of India) or stock exchange(s) as may be required by law in respect of the Scheme; and
  - (e) certified or authenticated copy of the order of the Competent Authority sanctioning the Scheme being filed with the Registrar of Companies, by the Applicant/ Transferor Companies and the Applicant/Transferee Company, as may be applicable.
36. An Equity Shareholder entitled to attend and vote at meeting of the Equity Shareholders of the Applicant/Transferor Company 1 being convened on Saturday, the 8<sup>th</sup> day of September, 2018 at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 at 01:30 PM is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/ Transferor Company 1 not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.
37. A Corporate Equity Shareholder intending to send their authorized representative to attend the meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney or authorization document not later than 48 (forty eight) hours before the time of commencement of the respective meeting at the Registered Office of the Applicant/ Transferor Company 1, authorizing such person to attend and vote on its behalf at the respective meetings.
38. A Secured Creditor entitled to attend and vote at meeting of the Secured Creditors of the Applicant/Transferor Company 1 being convened on Saturday, the 8<sup>th</sup> day of September, 2018 at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 at 02:30 PM is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/ Transferor Company 1 not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.
39. A Corporate Secured Creditor intending to send their authorized representative to attend the meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney or authorization document not later than 48 (forty eight) hours before the time of commencement of the respective meeting at the Registered Office of the Applicant/ Transferor Company, authorizing such person to attend and vote on its behalf at the respective meetings.
40. An Equity Shareholder entitled to attend and vote at meeting of the Equity Shareholders of the Applicant/Transferor Company 2 being convened on Saturday, the 8<sup>th</sup> day of September, 2018 at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 at 04:30 PM is

entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/Transferor Company 2 not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.

41. A Corporate Equity Shareholder intending to send their authorized representative to attend the meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney or authorization document not later than 48 (forty eight) hours before the time of commencement of the respective meeting at the Registered Office of the Applicant/ Transferor Company 2, authorizing such person to attend and vote on its behalf at the respective meetings.
42. An Equity Shareholder entitled to attend and vote at meeting of the Equity Shareholders of the Applicant/Transferee Company being convened on Saturday, the 8<sup>th</sup> day of September, 2018 at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 at 10:00 AM is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/ Transferee Company not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.
43. A Corporate Equity Shareholder intending to send their authorized representative to attend the meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney or authorization document not later than 48 (forty eight) hours before the time of commencement of the respective meeting at the Registered Office of the Applicant/ Transferee Company, authorizing such person to attend and vote on its behalf at the respective meetings.
44. A Secured Creditor entitled to attend and vote at meeting of the Secured Creditors of the Applicant/Transferee Company being convened on Saturday, the 8<sup>th</sup> day of September, 2018 at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 at 03:30 PM is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/ Transferee Company not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.
45. A Corporate Secured Creditor intending to send their authorized representative to attend the meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney or authorization document not later than 48 (forty eight) hours before the time of commencement of the respective meeting at the Registered Office of the Applicant/ Transferee Company, authorizing such person to attend and vote on its behalf at the respective meetings.
46. An Unsecured Creditor entitled to attend and vote at meeting of the Unsecured Creditors of the Applicant/Transferee Company being convened on Saturday, the 8<sup>th</sup> day of September, 2018 at the Air Force Auditorium, Near R&R Hospital, Subroto Park, New Delhi-110010 at 12:00 Noon is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/ Transferee Company not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.
47. A Corporate Unsecured Creditor intending to send their authorized representative to attend the meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney or authorization document not later than 48 (forty eight) hours before the time of commencement of the respective meeting at the Registered Office of the Applicant/ Transferee Company, authorizing such person to attend and vote on its behalf at the respective meetings.

48. In the present matter, Corporate Professionals Capital Private Limited, Merchant Bankers, have provided the Fairness Opinion dated 14<sup>th</sup> December, 2017.
49. The Applicant Companies have not accepted any deposit nor has issued any debentures.
50. A copy of the Notice issued to the Equity Shareholders and Secured Creditors of the Applicant/ Transferor Company 1, Composite Scheme of Arrangement and Amalgamation and Explanatory Statement under Section 230 of the Act, have been placed on the website [www.mailtoday.in](http://www.mailtoday.in).
51. A copy of the Notice issued to the Equity Shareholders of the Applicant/ Transferor Company 2, Composite Scheme of Arrangement and Amalgamation and Explanatory Statement under Section 230 of the Act, have been placed on the website viz <https://ajitak.intoday.in/investor/>
52. A copy of the Notice issued to the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant/ Transferee Company, Composite Scheme of Arrangement and Amalgamation and Explanatory Statement under Section 230 of the Act, have been placed on the website viz <https://ajitak.intoday.in/investor/>
53. A Copy of the Orders dated viz. 2<sup>nd</sup> July, 2018 and 9<sup>th</sup> July, 2018 of the National Company Law Tribunal, Principal Bench at New Delhi has been filed with the Registrar of Companies by the Applicant/Transferor Company 1, Applicant/Transferor Company 2 and the Applicant/Transferee Company on 11<sup>th</sup> July, 2018.
54. The following documents will be open for inspection by the Equity Shareholders and Secured Creditors of the Applicant/ Transferor Company 1, Equity Shareholders of the Applicant/Transferor Company 2 and Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant/Transferee Company between 10:00 am and 01:00 pm on all working days (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting, i.e. 7<sup>th</sup> September, 2018.
- (a) Explanatory Statement under Section 230, Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- (b) Copy of the Company Application No. CAA 77 (PB) of 2018.
- (c) Copy of the Orders dated 2<sup>nd</sup> July, 2018 and 9<sup>th</sup> July, 2018 of the National Company Law Tribunal, Principal Bench at New Delhi passed in the above Company Application.
- (d) Copy of the Memorandum and Articles of Association of the Applicant/ Transferor Companies and the Applicant/ Transferee Company.
- (e) Copy of the Composite Scheme of Arrangement and Amalgamation between Mail Today Newspapers Private Limited and India Today Online Private Limited and T.V. Today Network Limited and their respective shareholders and creditors.
- (f) Copy of the Fairness Opinion dated 14<sup>th</sup> December, 2017 issued by Corporate Professionals Capital Private Limited, Merchant Bankers.
- (g) Copy of the Communications issued by the National Stock Exchange of India Limited and BSE Limited dated 29<sup>th</sup> January 2018 and 21<sup>st</sup> February, 2018 respectively.

- (h) Report under Section 232 (2) (c) of the Companies Act, 2013 adopted by the Board of Directors of the Applicant/ Transferee Company.
- (i) Report under Section 232 (2) (c) of the Companies Act, 2013 adopted by the Board of Directors of the Applicant/ Transferor Company 1.
- (j) Report under Section 232 (2) (c) of the Companies Act, 2013 adopted by the Board of Directors of the Applicant/ Transferor Company 2.
- (k) Copy of the Audited Accounts of the Applicant/Transferee Company as on 31<sup>st</sup> March, 2017.
- (l) Copy of the Audited Accounts of the Applicant/Transferor Company 1 as on 31<sup>st</sup> March, 2017.
- (m) Copy of the Audited Accounts of the Applicant/Transferor Company 2 as on 31 March, 2017.
- (n) Copy of the Audited Accounts of each of the Applicant Companies as on 31<sup>st</sup> March, 2018 as approved by the respective Board of Directors.
- (o) Copy of the Extracts of the Board Resolutions, dated 15<sup>th</sup> December, 2017 of the Applicant/ Transferor Companies and the Applicant/ Transferee Company approving the Scheme.
- (p) Certificates issued by the auditor of the Applicant/Transferor Companies and the Applicant/ Transferee Company to the effect that the accounting treatment, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

**APPLICANT/ TRANSFEROR COMPANY 1**

**APPLICANT/ TRANSFEROR COMPANY 2**

**APPLICANT/ TRANSFEE COMPANY**



Annexure 1

# COMPOSITE SCHEME OF ARRANGEMENT & AMALGAMATION

UNDER CHAPTER XV AND SECTION 66 OF THE COMPANIES ACT, 2013

AMONG

MAIL TODAY NEWSPAPERS PRIVATE LIMITED

TRANSFEROR COMPANY 1

INDIA TODAY ONLINE PRIVATE LIMITED

TRANSFEROR COMPANY 2

T.V. TODAY NETWORK LIMITED

TRANSFeree COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



## PART I

### OBJECTIVE AND OVERVIEW

#### 1. OVERVIEW AND OBJECTS OF THIS SCHEME

- 1.1 This Scheme seeks to restructure, amalgamate and consolidate the business of publishing of daily English newspaper "Mail Today", conducted through Mail Today Newspapers Private Limited ("**Transferor Company 1**"), India Today Online Private Limited ("**Transferor Company 2**") (Transferor Company 1 and Transferor Company 2 together referred to as "**Transferor Companies**") and T.V. Today Network Limited ("**Transferee Company**"). The board of directors of each of the Transferor Companies and the Transferee Company (together referred to as the "**Restructured Companies**") have resolved that the capital reduction of the Transferor Companies, the demerger of the MTN Undertaking (as defined below) of Transferor Company 1 and the amalgamation of Transferor Company 2 with the Transferee Company would be in the interests of the shareholders, creditors and employees of the Restructured Companies. The Transferee Company is engaged in the operation of news channels such as Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly the Scheme of consolidation of the two businesses carried on by the India Today Group is strategic in nature and will generate editorial and business synergies.
- 1.2 This Scheme will result in consolidation of the newspaper business of the Transferee Company presently being carried out through Transferor Companies in one entity and would strengthen the position of the resultant entity i.e., the Transferee Company, by enabling it to harness and optimise the synergies of the Transferor Companies. Accordingly, it would be in the best interests of the Restructured Companies and their respective shareholders. The Transferee Company is engaged in the operation of news channels like Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly the Scheme of consolidation of the two businesses carried on by the India Today Group is strategic in nature and will generate editorial and business synergies. The Scheme will result in operational efficiencies due to optimal utilization of content of the newspaper business by the TV channels. In addition, the content created by Transferor Company 1 will be valuable for Transferee Company's news content for its television and digital platforms.
- 1.3 This Scheme presented under Chapter XV of the Companies Act, 2013 for the reduction of capital of the Transferor Companies, the demerger of the MTN Undertaking into the Transferee Company and the merger of Transferor Company 2 into the Resultant Company (as defined below) is divided into the following parts:
- Part I : Deals with the overview and objects of this Scheme;
  - Part II : Deals with share capital of the Restructured Companies;
  - Part III : Deals with the reduction of share capital to be undertaken by Transferor Company 1;
  - Part IV : Deals with the reduction of share capital to be undertaken by Transferor Company 2;
  - Part V : Deals with the demerger of the MTN Undertaking into and with the Transferee Company in accordance with Chapter XV of the Companies Act 2013;
  - Part VI : Deals with the Residual Undertaking of Transferor Company 1;
  - Part VII : Deals with the amalgamation of Transferor Company 2 into and with the Resultant Company (as defined below) in accordance with Chapter XV of the Companies Act 2013; and
  - Part VIII : Deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.
- 1.4 This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

#### 2. BRIEF OVERVIEW OF THE RESTRUCTURED COMPANIES

##### 2.1 Mail Today Newspapers Private Limited

- (i) Transferor Company 1 is a private limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, Connaught Place, New Delhi 110 001.
- (ii) Transferor Company 1 was incorporated on 9 May 2007 with the Registrar of Companies, National Capital Territory of Delhi and Haryana under Company Registration No. U22210DL2007PTC163174.
- (iii) The main objects of Transferor Company 1 as provided in its Memorandum of Association are, *inter alia*, to carry on business:
  - (a) to print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any language, anywhere in India, either daily or otherwise;

- (b) to manufacture, produce, exhibit, distribute, buy and sell, assign, licence, telecast, broadcast news and current affairs, television films, commercial films, video films, video magazines and to engage in other similar activities related thereto;
- (c) to engage in the business of dissemination of news, knowledge and information of general interest, across the globe, through web-page design, creation, hosting and any business relating to the Internet or e-mail, networking and communication environments; and
- (d) to engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs.

## 2.2 India Today Online Private Limited

- (i) Transferor Company 2 is a private limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, First Floor, Connaught Place, New Delhi 110 001.
- (ii) Transferor Company 2 was incorporated on 14 September 2000 with the Registrar of Companies, National Capital Territory of Delhi and Haryana under Company Registration No. U99999DL2000PTC107733.
- (iii) The main objects of Transferor Company 2 as provided in its Memorandum of Association are, *inter alia*, to:
  - (a) to develop, design, update, maintain, promote, publish, sell web pages, websites, internet portals, search engines and provide services for the same;
  - (b) to publish web pages and websites on internet, web servers and websites to promote global business;
  - (c) to supply information and services related to world wide web, internet and e-mail, multi-media and e-commerce and to carry on any business and/or trade including buy and/or sell services over the medium of internet and/or any other media directly and/or as an agent/commission agents;
  - (d) to provide internet based subscription and to deal in equipment and services for providing internet access, registration and internet listing services, to provide subscription based internet access, to undertake in the activity of providing subscription based internet services such as web TV and Web music, to produce, develop, purchase, take on lease or license, exchange, hire or otherwise acquire internet rights;
  - (e) to carry on the business of buying, selling, licensing, marketing, dealing in, sorting, exporting, developing, designing, training, carrying on research and development, rendering of consultancy services in information technology, application software and any other software and programme, products of any and all descriptions in India and abroad, creation and maintenance of websites, internet and internet related services, telecommunication services including maintenance and running of call centres, data processing units, software development centres and training institutes;
  - (f) to carry on the business of internet service providers and application services providers and to develop, maintain and update internet portal or cluster of specialized internet portal, vertical portals or network of portals offering a spectrum of content services encompassing search engines, directories and localized as well as specialised content or otherwise, and to provide other value added services including community products such as but not limited to e-mail, advertisement, chat, message boards, and e-commerce products such as online shopping, trading, banking, news and live coverage including carrying on of the business of online trading of all types of shares, debt instruments, securities, mutual funds, goods, services, commodities, etc. including placing of orders, checking transactions online, getting stock/price quotes, business news, market update news and information of all or any kind online, selling and purchasing of all types of movable and immovable properties;
  - (g) to carry on the business of internet service providers and other allied business, and to publish, distribute, market and sell newspapers, music, magazines, journals, periodicals or any other publication on internet, by satellite, cable, cable channels, or other communication channels;
  - (h) to carry on business as advertisers, advertising agents, to purchase and sell advertising time or space on any television, radio, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s) or entities for soliciting/booking advertisements and/or any other promotional, commercial, educational, entertainment and other programs in any form or media or medium;
  - (i) to hold seminars, courses, business conference, for training in computers, computer programming, websites development, system analysis, operational research computer operations, data entry operations and other activities related to computers within India, and abroad to enable people to develop their computer skills;

- (j) to advise and render services like technical analysis of data including but not limited to electronic data processing, preparation of project reports, surveys and analysis for implementation of projects and their progress review, critical path analysis, organisation and methods, studies and other economic, mathematical, jobs and appointments and to enter into any contracts in relation thereto, to advise and render services like technical analysis of data including electronic data processing, preparation of project reports, surveys and analysis for implementation of projects and their progress review critical path analysis organisation and methods studies and other economic, mathematical, statistical, scientific and to undertake assignments, jobs and appointments and to enter into any contracts in relation thereto;
- (k) to establish, provide, maintain and conduct research with respect to the development of the main business of the company and for furtherance of such business to set-up, own, run such other laboratories, training colleges, schools and such other institutions for the training, education and instruction of students and other who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, seminars, meetings and conferences in connection therewith;
- (l) to act as a cable operator and for that purpose to enter into any arrangement and/or agreement for acquiring license or rights to distribute any channel to any person whether residential, commercial or institutional subscribers, viewers, user and to import, export, purchase, sell any equipment that may be required for reception, transmission and distribution of the channel including but not limited to dish antenna, aerial, headend, decoder, receiver, cable set up converter and the like, to carry on the business of internet services through cable operation; and
- (m) to deal in computer based multimedia presentation and information technology business regarding all types of audio, video, television and cinematographic films, serials softwares, and other programmes in India or elsewhere for the purpose of furtherance of the main objects of the company.

### 2.3 T.V. Today Network Limited

- (i) The Transferee Company is a public limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, First Floor, Connaught Circus, New Delhi 110 001.
- (ii) The Transferee Company was incorporated on 28 December 1999 with the Registrar of Companies, National Capital Territory of Delhi and Haryana under Company Registration No. L92200DL1999PLC103001.
- (iii) The Transferee Company is *inter alia* engaged in the business of television programming and broadcasting activities.
- (iv) The objects of the Transferee Company as provided in its Memorandum of Association are, *inter alia*, to carry on business:
  - (a) To carry on the business of broadcasting, telecasting, relaying, transmitting or distributing in any manner, any audio, video or other programmes or software for television, radio, internet or any other media through, including but not limited to terrestrial satellite, cable, direct to home, internet or interactive television network.
  - (b) To carry on the business of producing, directing, editing, distributing, purchasing, selling, acquiring or otherwise dealing in any manner, in any audio, video programme or software with respect to news, entertainment, current affairs, information, sports, education, history, cultural, art, science, fiction, games and communication and dubbing, recording, selling the same either in tapes, cassettes, photographs, floppies, compact discs, internet or on any other media or software. To acquire rights for broadcasting, transmitting or distributing in any manner, any live sports and entertainment events, shows, recorded programmes, highlights, films and other programmes.
  - (c) To carry on the business of import, export, purchase, sell, lease, distribute and supply of decoding and receiving equipment, to decode and receive any encrypted and un-encrypted channels, including but not limited to, decoders, receivers, IRDs (integrated decoders cum receivers), headends and any other equipment for receiving, transmitting and distribution of channels, setup converter and the like for the purpose of attainment of above objects.
  - (d) To carry on business as advertising agent, to purchase and sell advertising time or space on any television, radio, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s) or entities for soliciting/booking advertisements and/or any other promotional, commercial and other programmes on any form of media or medium including collection of charges and remittances thereof to principals.

- (e) To carry on the business of cable operation and for that purpose to enter into any arrangement and, or, agreement for acquiring license or rights to distribute any channel to any person whether residential, commercial or institutional subscribers, viewers and to import, export, purchase, sell any equipment that may be required for reception, transmission and distribution of the channel including but not limited to dish antenna, aerial, headend, decoder, receiver, cable set up converter and the like. To carry on the business of internet services through cable operation.
- (f) To deal in computer based multimedia presentations and information technology business regarding all types of audio, video, television and cinematographic films, serials softwares and other programmes in India or elsewhere.
- (g) To telecast, broadcast relay through any media including satellite, radio, computers, distribute through any cable and satellite channels, on cable networks, Direct to Home, internet, interactive television or transmit the information/advertisement/products of the company of any other person.

### 3. OBJECTS OF THIS SCHEME

3.1 The proposed restructuring would be in the best interest of the Restructured Companies and their respective shareholders and creditors as the proposed restructuring will yield advantages of generating editorial and business synergies which will result in operational efficiencies due to optimal utilisation of content of the newspaper business by the TV channels and other advantages as set out below:

- (i) consolidation of business and entities;
- (ii) ease of management;
- (iii) pooling of resources, creating better synergies across the group, optimal utilisation of resources and greater economies of scale; and
- (iv) faster and effective decision making, better administration and cost reduction (including reduction in administrative and other common costs).

As a result, the Restructured Companies are proposing this Scheme under Chapter XV of the Act (as defined below).

### 4. DEFINITIONS

4.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meanings as set out herein below:

**“Act”** means the Companies Act, 2013 as notified, clarified and/or modified by rules and notifications issued by the Ministry of Corporate Affairs, from time to time;

**“Appointed Date”** means 1 January 2017, being the date with effect from which Parts III to VII of this Scheme shall, upon sanction by the Competent Authority and satisfaction to the conditions to effectiveness set out in Clause 8 of Part VIII of this Scheme, be deemed to be effective;

**“Board of Directors”** in relation to the Restructured Companies means their respective board of directors, and unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;

**“Competent Authority”** means the National Company Law Tribunal constituted in accordance with the provisions of the Act and authorised in accordance with the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under the provisions of the Act;

**“Effective Date”** means the last of the dates on which the conditions set out in Clause 8.1 of Part VIII of the Scheme are satisfied or waived in accordance with this Scheme. Any references in this Scheme to “upon this Scheme becoming effective”, “Scheme becomes effective” or “effectiveness of this Scheme” means and refers to the Effective Date;

**“Net Assets”** shall have the meaning ascribed to such term in Clause 4.2(a) of Part V;

**“MTN Undertaking”** means the business, activities and operations of Transferor Company 1 of publishing daily English morning newspaper “Mail Today” comprising of all the assets (moveable and immoveable) and specified liabilities (reference balance sheet of which undertaking is set out in **Schedule I**), which relate thereto or are necessary therefore and including specifically the following:

- (i) all immovable property, land, buildings, movable assets, including monetary assets (like cash, receivables etc.,) plant, machinery and equipment, whether leased or otherwise, title, interests, investments, loans, advances

(including accrued interest), covenants, undertakings and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by Transferor Company 1 in, or otherwise identified for use in, Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it;

- (ii) all debts and liabilities pertaining to the MTN business, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it;
- (iii) any and all of the advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, as may be lying with them;
- (iv) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Transferor Company 1 is a party, exclusively relating to Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it;
- (v) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, applications for trademarks, trade names, service marks, copyrights, patents, designs, and domain names exclusively used by or held for use by Transferor Company 1 in Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it;
- (vi) all permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, clearances, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges, benefits and similar rights and any waiver of the foregoing issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority exclusively used or held for use by Transferor Company 1 in Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it;
- (vii) all such permanent employees of Transferor Company 1, employees/personnel engaged on contract basis and contract labourers and secondees/interns/trainees, as are primarily engaged in or in relation to Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by Transferor Company 1 after the date hereof who are primarily engaged in or in relation to Transferor Company 1's MTN Undertaking, business, activities and operations pertaining to the MTN business carried on by it; and
- (viii) all books, record files, papers, computer programs along with engineering and process information, manuals, data, catalogues, quotations, websites, sales and advertising material, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form in connection with or relating to Transferor Company 1's MTN business carried on by it,

it being clarified that the MTN Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Residual Undertaking. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the MTN Undertaking or the Residual Undertaking shall be resolved by mutual agreement between the Board of Directors of each of Transferor Company 1 and the Transferee Company;

**"Record Date"** means the date to be fixed by the Board of Directors of each of the Transferor Companies for the purpose of determining the shareholders of the Transferor Companies whose equity shares shall be cancelled in terms of this Scheme;

**"Registrar of Companies"** or **"RoC"** means the Registrar of Companies, National Capital Territory of Delhi and Haryana;

**"Residual Undertaking"** means all the undertakings, businesses, activities and operations of Transferor Company 1 other than the MTN Undertaking and including without limitation the events business (reference balance sheet of which undertaking is set out in **Schedule II**);

“**Restructured Companies**” shall have the meaning ascribed to such term in Clause 1.1 of Part I;

“**Resultant Company**”, subsequent to the completion and vesting of the MTN Undertaking into and with the Transferee Company in accordance with the provisions of Part V of this Scheme, the Transferee Company shall be referred to as “**Resultant Company**”;

“**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Composite Scheme of Arrangement and Amalgamation pursuant to Chapter XV and other relevant provisions of the Act; with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the Competent Authority and other relevant regulatory authorities, as may be required under the Act and under all other applicable laws;

“**Transferee Company**” means T.V. Today Network Limited, a company incorporated under the Companies Act, 1956 and having its registered office at F-26, First Floor, Connaught Circus, New Delhi 110 001;

“**Transferor Company 1**” means Mail Today Newspapers Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at F-26, Connaught Place, New Delhi 110 001;

“**Transferor Company 2**” means India Today Online Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at F-26, First Floor, Connaught Place, New Delhi 110 001 and, notwithstanding anything to the contrary in this Scheme, means and includes:

- (a) any and all of its assets, movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, plant, machinery, equipment, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
- (b) any and all of its investments (including shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities), loans and advances, including dividends declared or interest accrued thereon;
- (c) any and all of its licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions, approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, trade names, trademarks, service marks, copyrights, domain names, applications for trade names, copyrights, sales tax credits, income-tax credits, privileges and benefits of all contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever;
- (d) any and all of its debts, borrowings and liabilities, present or future, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to Transferor Company 2;
- (e) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which Transferor Company 2 is a party, exclusively relating to the business, activities and operations carried on by Transferor Company 2;
- (f) any and all of its permanent employees, who are on its payrolls, including those employed at its offices and branches, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by Transferor Company 2 in terms of its license, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by Transferor Company 2 after the date hereof who are primarily engaged in or in relation to the business, activities and operations carried on by Transferor Company 2;
- (g) any and all of the advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, as may be lying with them; and
- (h) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by Transferor Company 2 in the business, activities and operations carried on by Transferor Company 2.



## 5. INTERPRETATION

5.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-Tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Competent Authority in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the Competent Authority under the Act and/or rules made thereunder.

5.2 In this Scheme, unless the context otherwise requires:

- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (iii) references to one gender includes all genders;
- (iv) words in the singular shall include the plural and vice versa; and
- (v) Percentages have been rounded off up to two decimal places.

## PART II

### **CAPITAL STRUCTURE**

#### **1. SHARE CAPITAL OF TRANSFEROR COMPANY 1**

1.1 The share capital of Transferor Company 1 as at 15 December, 2017 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
177,000,000 equity shares of Rs. 10/- each	1,770,000,000
<b>Total</b>	<b>1,770,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
171,604,018 equity shares of Rs. 10/- each	1,716,040,180
<b>Total</b>	<b>1,716,040,180</b>

1.2 Transferor Company 1 is an indirectly held wholly-owned subsidiary of the Transferee Company, with the Transferee Company holding 48.99% of the share capital of Transferor Company 1 and Transferor Company 2 legally and beneficially holding the remaining 51.01% share capital of Transferor Company 1 along with its five (5) other nominee shareholders (for the purposes of ensuring compliance with the provisions of the Act, which require a private company which is a subsidiary of a public company to have at least seven (7) shareholders).

#### **2. SHARE CAPITAL OF TRANSFEROR COMPANY 2**

2.1 The share capital of Transferor Company 2 as at 15 December 2017 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
95,000,000 equity shares of Rs. 10/- each	950,000,000
2,000,000 preference shares of Rs. 10/- each	20,000,000
<b>Total</b>	<b>970,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
94,807,389 equity shares of Rs. 10/- each	948,073,890
NIL preference shares	NIL
<b>Total</b>	<b>948,073,890</b>

2.2 Transferor Company 2 is a subsidiary of the Transferee Company. Transferee Company and its six (6) other nominee shareholders (for the purposes of ensuring compliance with the provisions of the Act, which require a private company which is a subsidiary of a public company to have at least seven (7) shareholders), legally and beneficially hold one hundred per cent. (100%) equity shares of Transferor Company 2.

#### **3. SHARE CAPITAL OF THE TRANSFEE COMPANY**

3.1 The share capital of the Transferee Company as at 15 December 2017 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
68,000,000 equity shares of Rs. 5/- each	340,000,000
300,000 preference shares of Rs. 100/- each	30,000,000
<b>Total</b>	<b>370,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
59,653,615 equity shares of Rs. 5/- each	298,268,075
NIL preference shares	NIL
<b>Total</b>	<b>298,268,075</b>



## PART III

### **REDUCTION OF SHARE CAPITAL**

#### **1. REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY TRANSFEROR COMPANY 1**

- 1.1 As at the Appointed Date, the authorised share capital of Transferor Company 1 was Rs. 1,350,000,000 (Rupees one billion three hundred fifty millions) and the paid up equity share capital of Transferor Company 1 was Rs. 1,310,870,160 (Rupees One billion three hundred ten millions eight hundred seventy thousand one hundred sixty). The authorised and paid up equity share capital of Transferor Company 1 as on 15 December 2017 is Rs. 1,770,000,000 (Rupees one billion seven hundred seventy millions) and Rs. 1,716,040,180 (Rupees one billion seven hundred sixteen million forty thousand one hundred eighty) respectively. The securities premium account of Transferor Company 1 as on 15 December 2017 is Rs. 2,252,676,779 (Rupees two billion two hundred fifty two million and six seventy six thousand seven hundred seventy nine). Subject to the terms and conditions contained herein, all requisite approvals being obtained and in accordance with the provisions of Section 66 of the Act, on and from the Effective Date, the paid up equity share capital and securities premium account of Transferor Company 1 shall stand reduced by the amounts set out below:
- (i) Rs. 484,457,320 (Rupees four hundred eighty four millions four fifty seven thousand three hundred twenty) from the paid up equity share capital of Transferor Company 1; and
  - (ii) Rs. 2,252,676,779 (Rupees two billion two hundred fifty two million and six seventy six thousand seven hundred seventy nine) from the securities premium account.
- 1.2 The above reduction in the issued, subscribed and paid up equity share capital shall be effected by offsetting the accumulated losses of Transferor Company 1 in the following manner: (x) first, against the securities premium account of the Transferor Company; and (y) the balance, if any, of the accumulated losses after offsetting against the securities premium account shall be offset against the paid up equity share capital, in accordance with the provisions of Part III of this Scheme.
- 1.3 The above reduction in the issued, subscribed and paid up equity share capital shall be effected by a reduction and cancellation of the equity shares held by all the shareholders pro rata to their shareholding in Transferor Company 1. The paid up equity share capital of Transferor Company 1 after giving effect to the capital reduction stated above shall be Rs. 1,231,582,860 (Rupees One billion two hundred thirty one million five hundred eighty two thousand eight hundred sixty only), divided into 123,158,286 shares of the face value of Rs. 10 each.
- 1.4 The reduction of the issued and paid-up share capital of Transferor Company 1 shall become effective, in accordance with the provisions of Section 66(5) of the Act, and/or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Competent Authority sanctioning this Scheme (along with the aforesaid capital reduction by Transferor Company 1) with the RoC and upon registration by the RoC of such order of the Competent Authority and of the minutes approved by the Competent Authority showing, with respect to the share capital of Transferor Company 1 as altered by the order: (a) the amount of issued, subscribed and paid up share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minutes and order by the RoC.
- 1.5 The order of the Competent Authority sanctioning this Scheme shall also be deemed to be orders passed under Section 66(3) of the Act for the purpose of confirming the reduction. Notwithstanding the reduction in the equity share capital of Transferor Company 1, Transferor Company 1 shall not be required to add "And Reduced" as suffix to its name. The reduction in the issued and paid up share capital of Transferor Company 1 shall be effected as an integral part of the Scheme and in accordance with the provisions of Section 66 and/or any other applicable provisions of the Act and rules and regulations framed thereunder without any further act or deed on the part of Transferor Company 1.
- 1.6 The consent of the shareholders of Transferor Company 1 to the Scheme by way of a special resolution and the consent of the secured and unsecured creditors of Transferor Company 1 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganisation in the share capital of Transferor Company 1 resulting in a reduction in the issued and paid-up share capital of the Transferor Company 1 and no further resolution or action under Sections 66 of the Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.

1.7 Pursuant to the reduction in the equity share capital of Transferor Company 1 in accordance with Part III of this Scheme, Transferor Company 1 shall provide the following accounting treatment for the reduction:

(a) The effect of the above transaction is explained in the below mentioned table:

Particulars	Balance before reduction in capital	Proposed Reduction/ (Addition)	Balance after reduction in capital
Share Capital	1,716,040,180	484,457,320	1,231,582,860
Securities Premium	2,252,676,779	2,252,676,779	0
Accumulated Losses	2,737,134,101	2,737,134,099	2

(b) The number of shares held by the shareholders would also change as there is a reduction in paid up share capital of Transferor Company 1. The pre and post reduction share holding pattern of Transferor Company 1 is as follows:

Particulars	Prior to Capital Reduction			Post Capital reduction		
	Number of shares	Face Value	Amount of share capital	Number of shares	Face Value	Amount of share capital
T.V. Today Network Limited	84,070,137	10	840,701,370	60,336,198	10	603,361,980
India Today Online Private Limited and its Nominee(s)	87,533,881	10	875,338,810	62,822,088	10	628,220,880

1.8 KM & Co., the statutory auditor of Transferor Company 1 has certified that the accounting treatment for the reduction is in accordance with the accounting standards prescribed under Section 133 of the Act.

## PART IV

### REDUCTION OF SHARE CAPITAL

#### 1. REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY TRANSFEROR COMPANY 2

- 1.1 As at the Appointed Date, the authorised share capital of Transferor Company 2 was divided into equity share capital and preference share capital of Rs. 780,000,000 (Rupees seven hundred eighty millions) and 20,000,000 (Rupees twenty millions) respectively and the paid up equity share capital of Transferor Company 2 was Rs. 748,873,890 (Rupees seven hundred forty eight millions eight hundred seventy three thousand eight hundred ninety). As on 15 December 2017, the authorised share capital was divided into Rs. 950,000,000 (Rupees nine hundred and fifty million) and Rs. 20,000,000 (Rupees twenty million) respectively. The paid up equity share capital of Transferor Company 2 as on 15 December 2017 is Rs. 948,073,890 (Rupees nine hundred forty eight million seventy three thousand eight hundred and ninety). The securities premium account of Transferor Company 2 as on 15 December 2017 is Rs. 1,497,348,580 (Rupees one billion four hundred ninety seven million three forty eight thousand five hundred eighty). Subject to the terms and conditions contained herein, all requisite approvals being obtained and in accordance with the provisions of Section 66 of the Act, on and from the Effective Date, the paid up equity share capital and securities premium account of Transferor Company 2 shall stand reduced by the amounts set out below:
- (i) Rs. 691,691,380 (Rupees six hundred and ninety one million six hundred ninety one thousand three hundred eighty) from the paid up equity share capital of Transferor Company 2; and
  - (ii) Rs. 1,497,348,580 (Rupees one billion four hundred ninety seven million three forty eight thousand five hundred eighty) from the securities premium account.
- 1.2 The above reduction in the issued, subscribed and paid up equity share capital shall be effected by a reduction and cancellation of the equity shares held by all the shareholders pro rata to their shareholding in Transferor Company 2. The paid up equity share capital of Transferor Company 2 after giving effect to the capital reduction stated above shall be Rs. 256,382,510 (Rupees two fifty six million three eighty two thousand five hundred and ten), divided into 25,638,251 shares of the face value of Rs. 10 each.
- 1.3 The reduction of the issued and paid-up share capital of Transferor Company 2 shall become effective, in accordance with the provisions of Section 66(5) of the Act, and/or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Competent Authority sanctioning this Scheme (along with the aforesaid capital reduction by Transferor Company 2) with the RoC and upon registration by the RoC of such order of the Competent Authority and of the minutes approved by the Competent Authority showing, with respect to the share capital of Transferor Company 2 as altered by the order: (a) the amount of issued, subscribed and paid up share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minutes and order by the RoC.
- 1.4 The above reduction in the issued, subscribed and paid up equity share capital shall be effected by offsetting the accumulated losses of Transferor Company 2 in the following manner: (x) first, against the securities premium account of the Transferor Company 2; and (y) the balance, if any, of the accumulated losses after offsetting against the securities premium account shall be offset against the paid up equity share capital, in accordance with the provisions of Part IV of this Scheme.
- 1.5 The order of the Competent Authority sanctioning this Scheme shall also be deemed to be orders passed under Section 66(3) of the Act for the purpose of confirming the reduction. Notwithstanding the reduction in the equity share capital of Transferor Company 2, Transferor Company 2 shall not be required to add "And Reduced" as suffix to its name. The reduction in the issued and paid up share capital of Transferor Company 2 shall be effected as an integral part of the Scheme and in accordance with the provisions of Section 66 and/or any other applicable provisions of the Act and rules and regulations framed thereunder without any further act or deed on the part of Transferor Company 2.
- 1.6 The consent of the shareholders of Transferor Company 2 to the Scheme by way of a special resolution and the consent of the secured and unsecured creditors of Transferor Company 2 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganisation in the share capital of Transferor Company 2 resulting in a reduction in the issued and paid-up share capital of Transferor Company 2 and no further resolution or action under Sections 66 of the Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.

1.7 Pursuant to the reduction in the equity share capital of Transferor Company 2 in accordance with Part III of this Scheme, Transferor Company 2 shall provide the following accounting treatment for the reduction:

(a) The effect of the above transaction is explained in the below mentioned table:

Particulars	Balance before reduction in capital	Proposed Reduction/ (Addition)	Balance after reduction in capital
Share Capital	948,073,890	691,691,380	256,382,510
Securities Premium	1,497,348,580	1,497,348,580	0
Accumulated Losses	2,189,039,968	2,189,039,960	8

(b) The number of shares held by the shareholders would also change as there is a reduction in paid up share capital of Transferor Company 2. The pre and post reduction share holding pattern of Transferor Company 2 is as follows:

Particulars	Prior to Capital Reduction			Post Capital reduction		
	Number of shares	Face Value	Amount of share capital	Number of shares	Face Value	Amount of share capital
T.V. Today Network Limited	94,807,389	10	948,073,890	25,638,251	10	256,382,510

1.8 G. Anand & Associates, the statutory auditor of Transferor Company 2 has certified that the accounting treatment for the reduction is in accordance with the accounting standards prescribed under Section 133 of the Act.

## PART V

### **DEMERGER OF THE MTN UNDERTAKING FROM TRANSFEROR COMPANY 1 TO THE TRANSFEREE COMPANY**

#### **1. TRANSFER AND VESTING OF THE MTN UNDERTAKING FROM TRANSFEROR COMPANY 1 TO THE TRANSFEREE COMPANY.**

- 1.1 With effect from the Appointed Date and upon this Scheme becoming effective, all the assets and liabilities and the entire business of the MTN Undertaking of Transferor Company 1, shall stand transferred to and vest in the Transferee Company, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and as may be modified by them, subject to the provisions of this Scheme, in accordance with Chapter XV of the Act and all applicable provisions of law, if any, in accordance with the provisions contained herein. In addition, for the avoidance of doubt, the Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Transferor Company 1.
- 1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:
- (a) all assets of Transferor Company 1 pertaining to the MTN Undertaking, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature shall stand transferred and/or be deemed to be transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
  - (b) All other movable properties of Transferor Company 1 pertaining to the MTN Undertaking, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Transferor Company 1 and pertaining to the MTN Undertaking and all the rights, title and interest of Transferor Company 1 pertaining to the MTN Undertaking in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company and/or be deemed to be demerged from Transferor Company 1 and transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Chapter XV of the Act.
  - (c) All immovable properties of Transferor Company 1 and pertaining to the MTN Undertaking, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Transferor Company 1 and pertaining to the MTN Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by Transferor Company 1 and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof.
  - (d) The transfer and vesting as aforesaid shall be subject to the existing charges/hypothecation/mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements, pertaining to the MTN Undertaking, to which Transferor Company 1 is party wherein the assets of Transferor Company 1 and pertaining to the MTN Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to Transferor Company 1's MTN Undertaking and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company, provided that the Scheme shall not operate to enlarge the security for the said liabilities of Transferor Company 1 pertaining to the MTN Undertaking which shall vest in the

Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the demerger has become effective or otherwise. The transfer/vesting of the assets of the MTN Undertaking as aforesaid shall be subject to the existing charges/hypothecation/mortgages over or in respect of the assets or any part thereof of Transferor Company 1 pertaining to the MTN Undertaking. For this purpose, no further consent from the existing secured creditors/other security holders shall be required and sanction of this Scheme shall be considered as a specific consent towards the same.

- (e) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of Transferor Company 1 pertaining to the MTN Undertaking, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company 1 and pertaining to the MTN Undertaking, or to the benefit of which, the MTN Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company 1 as pertaining to the MTN Undertaking, the Transferee Company had been a party or beneficiary or obligor thereto. If the Transferee Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Transferor Company 1 will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by Transferor Company 1 (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of Transferor Company 1.
- (f) Any pending suits/appeals or other proceedings of whatsoever nature relating to Transferor Company 1 pertaining to the MTN Undertaking, whether by or against Transferor Company 1 and pertaining to the MTN Undertaking, whether pending on the Appointed Date or which may be instituted at any time in the future and shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the MTN Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company after the Effective Date. The Transferee Company shall, after the Effective Date, be replaced as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Transferor Company 1 in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against Transferor Company 1, as if this Scheme had not been implemented.

Any suit, appeal or other proceeding of whatever nature by or against Transferor Company 1 pertaining to the MTN Undertaking and pending, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company 1 as if this Scheme had not been implemented.

The Transferee Company undertakes to pay all amounts including interest, penalties, damages and costs which Transferor Company 1 may be called upon to pay or secure in respect of any liability of obligation relating to the MTN Undertaking from the period starting on the Appointed Date up to the Effective Date, upon submission of necessary evidence by Transferor Company 1 to the Transferee Company for making such payments.

- (g) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Transferor Company 1 and relating to the MTN Undertaking shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

Where any of the liabilities and obligations attributed to the MTN Undertaking on the Appointed Date have been discharged by Transferor Company 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.

- (h) All the permanent employees of Transferor Company 1 pertaining to the MTN Undertaking who are on its payrolls shall become the employees of the Transferee Company, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with Transferor Company 1, shall also be taken into account. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees

of Transferor Company 1 pertaining to the MTN Undertaking, the Transferee Company shall stand substituted for Transferor Company 1 for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by Transferor Company 1 pertaining to the MTN Undertaking, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Transferor Company 1 pertaining to the MTN Undertaking for such purpose shall be treated as having been continuous.

- (i) With regard to any provident fund, gratuity fund, superannuation fund or other special fund created or existing for the benefit of such employees of Transferor Company 1 pertaining to the MTN Undertaking, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company 1 pertaining to the MTN Undertaking, in relation to such schemes or funds shall become those of the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for Transferor Company 1 pertaining to the MTN Undertaking, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by Transferor Company 1 for its employees and pertaining to the MTN Undertaking shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees of Transferor Company 1 pertaining to the MTN Undertaking transferred to the Transferee Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (j) The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) if entered into, with any labour unions/employees by Transferor Company 1 pertaining to the MTN Undertaking. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees pertaining to the MTN Undertaking, if any, with Transferor Company 1, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- (k) All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the MTN Undertaking, if any, shall stand transferred to and vested in the Transferee Company.
- (l) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) payable by or refundable to Transferor Company 1 and relating to the MTN Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to the MTN Undertaking, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.
- (m) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the MTN Undertaking, or to the benefit of which the MTN Undertaking may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the MTN Undertaking, the Transferee Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (n) Benefits of any and all corporate approvals as may have already been taken by Transferor Company 1 in relation to the MTN Undertaking, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company.

- (o) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by Transferor Company 1 in relation to the MTN Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- (p) All bank accounts operated or entitled to be operated by Transferor Company 1 relating to the MTN Undertaking shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of Transferor Company 1 pertaining to the MTN Undertaking, shall be substituted by the name of the Transferee Company in the bank's records.
- 1.3 Upon this Scheme becoming effective, the secured creditors of Transferor Company 1 pertaining to the MTN Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the MTN Undertaking, as existing immediately prior to the demerger of the MTN Undertaking into the Transferee Company. It is hereby clarified that pursuant to the demerger and vesting of the MTN Undertaking into the Transferee Company, the secured creditors of the MTN Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and hence such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. Further, other security holders over the properties of Transferor Company 1 pertaining to the MTN Undertaking (other than the secured creditors of the MTN Undertaking) shall not be entitled to any security over the properties of Transferor Company 1 pertaining to the Residual Undertaking. For this purpose, no further consent from the existing secured creditors/other security holders shall be required and sanction of this Scheme shall be considered as a specific consent towards the same.
- 1.4 It is clarified that if any assets, estate, claim, right, title, interest in or authorities relating to such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the MTN Undertaking, which Transferor Company 1 owns or to which Transferor Company 1 is a party and pertains to the MTN Undertaking and which cannot be transferred to the Transferee Company for any reason whatsoever, Transferor Company 1 shall hold such assets or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments in trust for the benefit of the Transferee Company to which the MTN Undertaking is being transferred, in terms of the provisions of this Scheme in so far as permissible to do so until such as time as the transfer is effected.
- 1.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the MTN Undertaking in the Transferee Company by virtue of Part V of the Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which Transferor Company 1 has been a party, including any filings with the regulatory authorities (or any charge related filing) in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the MTN Undertaking. The Transferee Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of Part V of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of Transferor Company 1 to be carried out or performed.
- 1.6 Transferor Company 1 and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company 1 in relation to the MTN Undertaking. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- 1.7 Upon approval of the Scheme by the members of the Transferee Company pursuant to Section 230 of the Act, it shall be deemed that the members have also accorded their consent under Section 13 of the Act or other provisions of the Act as may be applicable to alter the main objects of the Transferee Company to include the following additional object:
- “to print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any language, anywhere in India, either daily or otherwise.”*



## 2. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

2.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) Transferor Company 1 undertakes to carry on and shall be deemed to have carried on the business activities of the MTN Undertaking and stand possessed of the properties and assets of the MTN Undertaking, for and on account of and in trust for the Transferee Company;
- (b) Transferor Company 1 shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the MTN Undertaking of Transferor Company 1 for and on account of and in trust for the Transferee Company. Transferor Company 1 hereby undertakes to hold its said assets pertaining to the MTN Undertaking with utmost prudence until the Effective Date;
- (c) Transferor Company 1 shall carry on its business and activities in relation to the MTN Undertaking with reasonable diligence, business prudence and in the same manner as it had been doing hitherto and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:
  - (i) when it is expressly provided in this Scheme; or
  - (ii) when it is in the ordinary course of business as carried on by Transferor Company 1 and pertains to the MTN Undertaking, as on the date of filing of this Scheme in the Competent Authority; or
  - (iii) when written consent of the Transferee Company has been obtained in this regard;
- (d) all the profits or income accruing or arising to or received by Transferor Company 1 in relation to the MTN Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) or expenditure or losses arising or incurred or suffered by Transferor Company 1 in relation to the MTN Undertaking shall, for all purposes, be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company;
- (e) Transferor Company 1 shall not vary the terms and conditions of employment of any of the employees of the MTN Undertaking except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by Transferor Company 1 as the case may be;
- (f) except by mutual consent of the Boards of Directors of Transferor Company 1 and the Transferee Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by Transferor Company 1 pertaining to the MTN Undertaking and/or the Transferee Company as on the Appointed Date, or except as contemplated in this Scheme, pending sanction of this Scheme, Transferor Company 1 and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies);
- (g) Transferor Company 1 shall not alter or substantially expand the business relating to the MTN Undertaking except with the written concurrence of the Transferee Company; and
- (h) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorisations of Transferor Company 1 pertaining to the MTN Undertaking, shall stand transferred by the order of the Competent Authority, to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Competent Authority.

2.2 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the MTN Undertaking.

2.3 For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the Competent Authority, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of Transferor Company 1 relating to the MTN Undertaking, in accordance with the provisions of Chapter XV of the Act. The Transferee Company

is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

- 2.4 Upon this Scheme becoming effective, the Transferee Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of Transferor Company 1 pertaining to the MTN Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- 2.5 All profits accruing to Transferor Company 1 from the MTN Undertaking and all taxes thereof or losses arising or incurred by it relating to the MTN Undertaking shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Transferee Company.
- 2.6 Upon the coming into effect of this Scheme, the resolutions, if any, of Transferor Company 1 pertaining to the MTN Undertaking, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Transferee Company.

### 3. PAYMENT OF CONSIDERATION

Upon this Scheme becoming effective and upon vesting of the MTN Undertaking in the Transferee Company in terms of this Scheme, the equity shareholders of Transferor Company 1 (i.e., the Transferee Company and Transferor Company 2) shall not be entitled to receive equity shares of the Transferee Company as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and Transferor Company 1 is indirectly held by the Transferee Company. The Act prohibits allotment or transfer of shares of a parent company to its subsidiary company.

### 4. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY AND TRANSFEROR COMPANY(IES)

#### 4.1 In the books of Transferor Company 1

Pursuant to Part V of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, Transferor Company 1 shall account for the demerger and vesting of the MTN Undertaking with the Transferee Company in its books of accounts in accordance with Indian Accounting Standard specified under Section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules 2016, in the following manner:

- (a) The respective book values of the assets, liabilities of the MTN Undertaking transferred to the Transferee Company shall be reduced in the books of accounts of Transferor Company 1 in compliance with the applicable accounting standards.
- (b) The difference between the amounts of assets, liabilities pertaining to the MTN Undertaking transferred pursuant to Part V of the Scheme shall be adjusted in reserves of transferor Company 1.
- (c) Notwithstanding the above, the Board of Directors of Transferor Company 1 is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with accounting principle generally accepted in India, including the Indian accounting standard (Ind AS) specified under section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules 2016.

#### 4.2 In the books of Transferee Company

Pursuant to Part V of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Transferee Company shall account for the demerger and vesting of the MTN Undertaking in its books of accounts in accordance with 'The Pooling Interest Method' prescribed under Indian Accounting Standard 103 Business Combinations specified under section 133 of the Act read with Companies (Accounting Standards) Amendment Rules 2016, in the following manner:

- (a) The Transferee Company shall record the assets and liabilities (the difference between the assets and liabilities hereinafter being referred to as the "**Net Assets**") vested in it pursuant to this Scheme, whether negative or positive, at the respective book values thereof, as appearing in the books of the MTN Undertaking of Transferor Company 1, at the close of business of the day immediately preceding the Appointed Date
- (b) Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between MTN undertaking of Transferor Company 1 and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company, for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from the Appointed Date.



- (c) All inter-company transactions between MTN undertaking of Transferor Company 1 and the Transferee Company as may be outstanding on the Appointed Date shall stand cancelled.
  - (d) Transferee Company shall reduce the value of its investment in Transferor Company 1 to the extent that such investment value represent the underlying investment in the MTN. The reduced amount shall represent the residual business of Transferor Company 1 shown in the books of account of the Transferee Company.
  - (e) The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Companies in accordance with Paragraph 12 of Appendix C of Indian Accounting Standard (Ind AS) 103. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination. The excess, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the Transferor Companies will be recognised as capital reserve in the financial statements of the Transferee Company.
  - (f) The Transferee Company shall restate its financial statements of the previous financial year to show the effect of the Scheme in accordance with Indian Accounting Standard (Ind AS) 103.
  - (g) In case of any difference in the accounting policies between Transferor Company 1 and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail and the difference, if any, will be quantified and adjusted in the general reserve mentioned earlier, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Where the Transferee Company does not have sufficient capital reserve, the balance amount remaining after adjustment with the capital reserve of the Transferee Company, shall be adjusted against the general reserve, if any, of the Transferee Company.
  - (h) The Transferee Company shall record in its books of account, all transactions of Transferor Company 1 pertaining to the MTN Undertaking in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.
  - (i) Notwithstanding the above, the Board of Directors of the Transferee Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with accounting principle generally accepted in India, including the Indian accounting standard (Ind AS) specified under section 133 of the Act, read with Companies (Accounting Standards) amendment rules 2016.
- 4.3 KM & Co., the statutory auditor of Transferor Company 1 has provided a certificate dated 15 December 2017 with respect to the accounting treatment set out in the Scheme. S.R. Batliboi & Associates LLP, the statutory auditor of Transferee Company has provided a certificate dated 15 December 2017 with respect to the accounting treatment set out in the Scheme.

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## PART VI

### **RESIDUAL UNDERTAKING OF TRANSFEROR COMPANY 1**

#### **1. RESIDUAL UNDERTAKING**

- 1.1 The Residual Undertaking and all assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Transferor Company 1.
- 1.2 All legal, taxation or other proceedings by or against Transferor Company 1 under any statute, or quasi-judicial authority or tribunal) whether pending on the date of filing of this Scheme or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of Transferor Company 1 in respect of the Residual Undertaking) shall be continued and enforced by or against Transferor Company 1. The Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against Transferor Company 1 if proceedings are taken up against the Transferee Company in respect of the matters referred to in this Clause, it shall defend the same in accordance with the advice of Transferor Company 1 and at the cost of Transferor Company 1 and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.

## PART VII

### **AMALGAMATION OF TRANSFEROR COMPANY 2 INTO AND WITH THE RESULTANT COMPANY**

#### **1. TRANSFER AND VESTING OF TRANSFEROR COMPANY 2 INTO AND WITH THE RESULTANT COMPANY**

- 1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and the entire business of Transferor Company 2 shall stand transferred to and vest in the Resultant Company, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to the provisions of this Scheme, in accordance with Chapter XV of the Act and all applicable provisions of law if any, in accordance with the provisions contained herein.
- 1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:
- (a) all assets of Transferor Company 2, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature shall stand transferred and/or be deemed to be transferred to and vested in the Resultant Company and shall become the property and an integral part of the Resultant Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
  - (b) All other movable properties of Transferor Company 2, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resultant Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by Transferor Company 2 and all the rights, title and interest of Transferor Company 2 in any leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resultant Company.
  - (c) All immovable properties of Transferor Company 2, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of Transferor Company 2, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resultant Company, without any further act or deed done or being required to be done by Transferor Company 2 and/or the Resultant Company. The Resultant Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resultant Company by the appropriate authorities pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof.
  - (d) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) for the purpose of carrying on the business of Transferor Company 2, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Company 2, or to the benefit of which, Transferor Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be and remain in full force and effect on, against or in favour of the Resultant Company and may be enforced as fully and effectually as if, instead of Transferor Company 2, the Resultant Company had been a party or beneficiary or obligor thereto. If the Resultant Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, Transferor Company 2 will, if necessary, also be party to such documents in order to give formal effect to the provisions of this Scheme, if so required. In relation to the same, any procedural requirements required to be fulfilled solely by Transferor Company 2 (and not by any of its successors), shall be fulfilled by the Resultant Company as if it is the duly constituted attorney of Transferor Company 2.
  - (e) Any pending suits/appeals or other proceedings of whatsoever nature relating to Transferor Company 2, whether by or against Transferor Company 2, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of Transferor Company 2 or of anything contained in this Scheme, but the proceedings shall

continue and any prosecution shall be enforced by or against the Resultant Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against Transferor Company 2, as if this Scheme had not been implemented.

Any suit, appeal or other proceeding of whatever nature by or against Transferor Company 2 is pending, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resultant Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company 2 as if this Scheme had not been implemented.

The Resultant Company undertakes to pay all amounts including interest, penalties, damages and costs which Transferor Company 2 may be called upon to pay or secure in respect of any liability of obligation relating to Transferor Company 2 from the period starting on the Appointed Date up to the Effective Date, upon submission of necessary evidence by Transferor Company 2 to the Resultant Company for making such payments.

- (f) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Transferor Company 2 shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resultant Company, and the Resultant Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

Where any of the liabilities and obligations attributed to Transferor Company 2 on the Appointed Date have been discharged by Transferor Company 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resultant Company.

- (g) All the employees of Transferor Company 2 who are on its payrolls shall become the employees of the Resultant Company, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date. The Resultant Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with Transferor Company 2, shall also be taken into account. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of Transferor Company 2, the Resultant Company shall stand substituted Transferor Company 2 for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by Transferor Company 2, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of Transferor Company 2 for such purpose shall be treated as having been continuous.
- (h) With regard to any provident fund, gratuity fund, superannuation fund or other special fund created or existing for the benefit of such employees of Transferor Company 2, it is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Company 2 in relation to such schemes or funds shall become those of the Resultant Company. Upon the Scheme becoming effective, the Resultant Company shall stand substituted for Transferor Company 2 for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. Any existing provident fund, gratuity fund and superannuation fund trusts created by Transferor Company 2 for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Resultant Company. It is clarified that the services of all employees of Transferor Company 2 transferred to the Resultant Company will be treated as having been continuous and uninterrupted for the purpose of the aforesaid schemes or funds.
- (i) The Resultant Company undertakes to continue to abide by any agreement(s)/settlement(s) if entered into, with any labour unions/employees by Transferor Company 2. The Resultant Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees, if any, with Transferor Company 2, as the case may be, shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- (j) All registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to Transferor Company 2, if any, shall stand transferred to and vested in the Resultant Company.

- (k) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) payable by or refundable to Transferor Company 2, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resultant Company, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions etc., as would have been available to Transferor Company 2, shall pursuant to this Scheme becoming effective, be available to the Resultant Company.
  - (l) All approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to Transferor Company 2, or to the benefit of which Transferor Company 2 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect in favour of the Resultant Company and may be enforced as fully and effectually as if, instead of Transferor Company 2, the Resultant Company had been a party or beneficiary or obligor thereto. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Resultant Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resultant Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes.
  - (m) Benefits of any and all corporate approvals as may have already been taken by Transferor Company 2, whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62(1)(a), 180, 185, 186, 188 etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Resultant Company and the said corporate approvals and compliances shall be deemed to have been taken/ complied with by the Resultant Company.
  - (n) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by Transferor Company 2 shall be deemed to have been accrued to and/or acquired for and on behalf of the Resultant Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in and/or be deemed to have been transferred to or vested in the Resultant Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resultant Company.
  - (o) All bank accounts operated or entitled to be operated by Transferor Company 2 shall be deemed to have transferred and shall stand transferred to the Resultant Company and names of Transferor Company 2 shall be substituted by the name of the Resultant Company in the bank's records.
- 1.3 Transferor Company 2 and/or the Resultant Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company 2. It is hereby clarified that if the consent of any third party or authority, if any, is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resultant Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resultant Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Resultant Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company 2 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.
- 1.4 Upon approval of the Scheme by the members of the Resultant Company pursuant to Section 230 of the Act, it shall be deemed that the members have also accorded their consent under Section 13 of the Act or other provisions of the Act as may be applicable to alter the main objects of the Resultant Company to include the following additional object:
- “to develop, maintain, publish and provide services in relation to internet portals, search engines, web pages and websites on internet, web servers and websites, to supply information and services related to world wide web, internet and e-mail, multi-media and e-commerce, to carry on the business of internet service providers and other allied business, to act as a cable operator and for that purpose to enter into any arrangement and/or agreement for acquiring license or rights to distribute any channel for carrying on the business of internet services through cable operation, to provide web & internet based subscription and services for providing internet access or acquire internet rights, to carry on the business of buying, selling, licensing, carrying on research and development, rendering of consultancy services*

*in information technology, application software and any other software and programme, in India and abroad, and to deal in computer based multimedia presentation and information technology business service, publishing, distributing, marketing newspaper etc.”*

#### **CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

1.5 With effect from the Appointed Date and up to and including the Effective Date:

- (a) Transferor Company 2 undertakes to carry on and shall be deemed to have carried on the business activities of Transferor Company 2 and stand possessed of the properties and assets of Transferor Company 2, for and on account of and in trust for the Resultant Company;
- (b) Transferor Company 2 shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of Transferor Company 2 for and on account of and in trust for the Resultant Company. Transferor Company 2 hereby undertakes to hold its said assets with utmost prudence until the Effective Date;
- (c) Transferor Company 2 shall carry on its business and activities with reasonable diligence, business prudence and in the same manner as it had been doing hitherto and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:
  - (a) when it is expressly provided in this Scheme; or
  - (b) when it is in the ordinary course of business as carried on by Transferor Company 2, as on the date of filing of this Scheme in the Competent Authority; or
  - (c) when written consent of Transferee Company 2 has been obtained in this regard;
- (d) all the profits or income accruing or arising to Transferor Company 2 and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) or expenditure or losses arising or incurred or suffered by Transferor Company 2 pertaining to the business and undertaking of Transferor Company 2 shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Resultant Company;
- (e) Transferor Company 2 shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Resultant Company or pursuant to any pre-existing obligation undertaken by Transferor Company 2 as the case may be;
- (f) except by mutual consent of the Boards of Directors of Transferor Company 2 and the Resultant Company, or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by Transferor Company 2 and/or the Resultant Company as on the Appointed Date, or except as contemplated in this Scheme, pending sanction of this Scheme, Transferor Company 2 and/or the Resultant Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of such company(ies);
- (g) Transferor Company 2 shall not alter or substantially expand the business except with the written concurrence of the Resultant Company; and
- (h) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, backward area sales tax remissions, holidays, incentives, concessions and other authorisations of Transferor Company 2, shall stand transferred by the order of the Competent Authority, to the Resultant Company, Transferor Company 2 shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the Competent Authority.

1.6 With effect from the Effective Date, the Resultant Company shall carry on and shall be authorised to carry on the businesses of Transferor Company 2.

1.7 For the purpose of giving effect to the order passed under Chapter XV and other applicable provisions of the Act in respect of this Scheme by the Competent Authority, the Resultant Company shall, at any time, pursuant to the order on



this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of Transferor Company 2, in accordance with the provisions of Chapter XV of the Act. The Resultant Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.

- 1.8 Upon this Scheme becoming effective, the Resultant Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of Transferor Company 2 with effect from the Appointed Date, in order to give effect to the foregoing provisions.
- 1.9 All profits accruing to Transferor Company 2 and all taxes thereof or losses arising or incurred by it relating to Resultant Company shall, for all purposes be treated as the profits, taxes or losses as the case may be of the Resultant Company.
- 1.10 Upon the coming into effect of this Scheme, the resolutions, if any, of Transferor Company 2, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Resultant Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then such limits shall be added and shall constitute the aggregate of such limits in the Resultant Company.

## **2. DISSOLUTION OF TRANSFEROR COMPANY 2**

On the Scheme becoming effective, Transferor Company 2 shall stand dissolved without being wound-up, without any further act or deed.

## **3. PAYMENT OF CONSIDERATION AND ISSUANCE MECHANICS**

Upon this Scheme becoming effective and upon amalgamation Transferor Company 2 with the Resultant Company in terms of this Scheme, the equity shares of Rs. 10 each of Transferor Company 2 held by the Resultant Company (either held in its own name or through its nominees) shall stand cancelled in their entirety.

## **4. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTANT COMPANY**

Pursuant to Part VII of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Resultant Company shall account for amalgamation of Transferor Company 2 in its books of accounts in accordance with 'The Pooling Interest Method' prescribed under Indian Accounting Standard 103 Business Combinations specified under section 133 of the Act read with Companies (Accounting Standards) amendment rules 2016, in the following manner:

- 4.1 The Resultant Company shall record the Net Assets vested in it pursuant to this Scheme, whether negative or positive, at the respective book values thereof, as appearing in the books of the Transferor Company 2, at the close of business of the day immediately preceding the Appointed Date.
- 4.2 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between Transferor Company 2 and the Resultant Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferor Company 2, for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from the Appointed Date.
- 4.3 All inter-company transactions between Transferor Company 2 and the Resultant Company as may be outstanding on the Appointed Date shall stand cancelled.
- 4.4 The Resultant Company will reduce the carrying value of investment held by it in Transferor Company 2 against other equity or reserve.
- 4.5 The identity of the reserves of Transferor Company 2, if any and to the extent deemed appropriate by the Board of Directors of the Resultant Company, shall be preserved and they shall appear in the financial statements of the Resultant Company in the same form and manner, in which they appeared in the financial statements of Transferor Company 2, prior to this Scheme becoming effective. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of Transferor Company 2 available for distribution whether as bonus shares or dividend or otherwise, the same would also be available in the financial statements of the Resultant Company for such distribution pursuant to this Scheme becoming effective.
- 4.6 The balances of the profit and loss accounts of Transferor Company 2 (as appearing in the books of accounts of Transferor Company 2 at the close of business on the day preceding the Appointed Date) shall be aggregated and added to or set-off (as the case may be) with the corresponding balance appearing in the financial statements of the Resultant Company.

- 4.7 Upon this Scheme becoming effective and with effect from the Appointed Date, the excess, if any, of the book value of the assets over the book value of the liabilities and reserves as provided in clause 4.5 and 4.6 above of Transferor Company 2 recorded by the Resultant Company in its books of accounts shall be credited to the capital reserve account in the financial statements of the Resultant Company as drawn up in compliance with the Scheme. In case of there being a deficit, such amount shall be adjusted against capital reserve or any other reserve.
- 4.8 The Transferee Company shall restate its financial statements of the previous financial year to show the effect of the Scheme in accordance with Indian Accounting Standard (Ind AS) 103. In case of any differences in the accounting policies between Transferor Company 2 and the Resultant Company, the accounting policies followed by the Resultant Company will prevail and the differences, if any, will be quantified and adjusted in the capital reserve account mentioned earlier, to ensure that the financial statements of the Resultant Company reflect the financial position on the basis of consistent accounting policy.
- 4.9 Notwithstanding the above, the Board of Directors of the Resulting Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with accounting principle generally accepted in India ,including the Indian accounting standard (Ind AS) specified under section 133 of the Act, read with Companies (Accounting Standards) amendment rules 2016.
- 4.10 G. Anand & Associates, the statutory auditor of Transferor Company 2 has provided a certificate dated 15 December 2017 with respect to the accounting treatment set out in the Scheme.

## PART VIII

### **GENERAL TERMS AND CONDITIONS**

#### **1. PROVISIONS APPLICABLE TO PART III, PART IV, PART V, PART VI AND PART VII**

1.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (a) Reduction of equity share capital of Transferor Company 1;
- (b) Reduction of equity share capital of Transferor Company 2;
- (c) amendment of the main objects of the Transferee Company as provided in Part V and Part VII of this Scheme;
- (d) the transfer of the MTN Undertaking to the Transferee Company pursuant to Part V of the Scheme;
- (e) amalgamation of Transferor Company 2 into the Resultant Company in accordance with Part VII of the Scheme;
- (f) cancellation of the equity shares of Transferor Company 2 held by the Resultant Company (either held in its own name or through its nominees) pursuant to Part VII of this Scheme;

#### **2. COMPLIANCE WITH LAWS**

2.1 This Scheme is presented and drawn up to comply with the provisions/requirements of Chapter XV of the Act, for the purpose of the capital reduction of the Transferor Companies, demerger of the MTN Undertaking into and with the Transferee Company and the merger of Transferor Company 2 with the Resultant Company.

2.2 This Scheme has been drawn up to comply with the conditions relating to “amalgamation” and “demerger” as specified under the tax laws, including Section 2 (1B) and 2(19AA) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act, 1961 shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Restructured Companies, which power shall be exercised reasonably in the best interests of the companies concerned and their stakeholders.

2.3 Upon the Scheme becoming effective, the Resultant Company and Transferor Company 1 are expressly permitted to revise their financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act, 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme. The order of the Court sanctioning the Scheme shall be deemed to be an order of the National Company Law Tribunal permitting Transferor Company 1 and Resultant Company to revise its financial statements and books of accounts and no further act shall be required to be undertaken by the Transferor Company 1 and the Resultant Company.

#### **3. CONSEQUENTIAL MATTERS RELATING TO TAX**

3.1 Upon the Scheme coming into effect, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated tax loss, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Transferor Company 2 and Transferor Company 1 pertaining to the MTN Undertaking as on the Appointed Date shall, for all purposes, be treated as accumulated tax loss, unabsorbed tax depreciation and minimum alternate tax credit of the Resultant Company, subject to the provisions of the Income Tax Act, 1961.

3.2 Upon the Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2, including any taxes paid and taxes deducted at source and deposited by the Resultant Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Resultant Company and shall be available to the Resultant Company for set-off against its liability under the Income Tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Any TDS certificates issued by the Resultant Company to, or for the benefit of, Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2 under the Income Tax Act, 1961 with respect to the inter se transactions would be available to the Resultant Company to seek refund of from the tax authorities in compliance with law. Further, TDS deposited, TDS certificates

issued or TDS returns filed by the Restructured Companies on transactions other than inter se transactions during the period between the Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resultant Company. Any TDS deducted by, or on behalf of, the Resultant Company on inter se transactions will be treated as advance tax deposited by the Resultant Company.

- 3.3 The Resultant Company is also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit, tax deduction in respect of nullifying of any transaction between or amongst Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2 and the Resultant Company, provided that upon the Scheme becoming effective, the Resultant Company is also expressly permitted to revise its income-tax returns, withholding tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, to obtain TDS certificates, including TDS certificates relating to transactions between or amongst Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2 and the Resultant Company, and to claim refunds, advance tax, and withholding tax credits, benefit of carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- 3.4 All tax assessment proceedings/appeals of whatsoever nature by or against Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2 pending and/or arising at the Appointed Date and relating to Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2 shall be continued and/or enforced until the Effective Date by the Transferor Companies. In the event of the Transferor Companies failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Resultant Company, at the cost of the Resultant Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Resultant Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.
- 3.5 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the demerger of the MTN Undertaking of Transferor Company 1 to the Transferee Company or the amalgamation of Transferor Company 2 with the Resultant Company or anything contained in the Scheme.

In accordance with the Cenvat Credit Rules framed under Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilised credits relating to excise duties paid on inputs/capital goods/input services lying in the accounts of Transferor Company 1 and relatable to the MTN Undertaking and Transferor Company 2 shall be permitted to be transferred to the credit of the Resultant Company, as if all such unutilised credits were lying to the account of the Resultant Company. The Resultant Company shall accordingly be entitled to set off all such unutilised credits against the excise duty/service tax payable by it.

#### **4. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities and the continuance of proceedings by or against the Transferor Companies under Clause 1.2(f) of Part V and Clause 1.2(f) of Part VII of the Scheme above shall not affect any transaction or proceedings already concluded by the Transferor Companies on and after the Appointed Date till the Effective Date, to the end and intent that the Resultant Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Resultant Company.

#### **5. DIVIDENDS**

- 5.1 The Transferor Companies and the Resultant Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date.
- 5.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and the Resultant Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Resultant Company, and if applicable in accordance with the provisions of the Act, be subject to the approval of the shareholders of each of the Transferor Companies and the Resultant Company.

#### **INTERPRETATION**

- 5.3 Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date for Part III, Part IV, Part V, Part VI and Part VII of the Scheme.
- 5.4 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any provisions of applicable law at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the applicable law shall prevail. Subject to obtaining the sanction of the Competent Authority, if necessary, this Scheme shall then stand modified to the extent determined necessary to

comply with the said provisions. Such modification will, however, not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, whether before or after the Effective Date, shall, subject to obtaining the sanction of the Competent Authority, if necessary, vest with the Board of Directors of the Transferor Companies and the Transferee Company, which power shall be exercised reasonably in the best interests of the Transferor Companies and the Transferee Company and their respective shareholders.

## **6. APPLICATION TO THE COMPETENT AUTHORITY**

- 6.1 The Transferor Companies and the Transferee Company shall as may be required make necessary applications and/or petitions to the Competent Authority under Chapter XV of the Act along with the applicable provisions of the Act or rules thereunder, seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the Competent Authority and all matters ancillary or incidental thereto.
- 6.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Companies and the Transferee Company respectively (wherever required), the Transferor Companies and the Transferee Company shall, with all reasonable dispatch, file respective petitions before the Competent Authority for sanction of this Scheme under Chapter XV of the Act along with applicable provisions of the Act or rules thereunder, and for such other order or orders, as the Competent Authority may deem fit for putting this Scheme into effect.
- 6.3 Upon this Scheme becoming effective, the shareholders of the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

## **7. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 7.1 The Restructured Companies, acting through their respective by their respective Boards of Directors, may assent to/ make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Competent Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e., the Board of Directors). The Restructured Companies, acting through their respective Boards of Directors, be and are hereby authorised to take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any orders of the Competent Authority or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 7.2 The Restructured Companies, acting through their respective Boards of Directors, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Competent Authority or any other authority is not on terms acceptable to them. Each of the Transferor Companies shall be free to withdraw from the scheme if any part of this Scheme is found to be unworkable or unfeasible for any reason whatsoever, this shall not, subject to the decision of the Transferor Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme. In the event a part of this Scheme is found unworkable or unfeasible and the Transferor Companies decide to implement the remaining part of this Scheme, to the extent it is unworkable or unfeasible, shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred inter se by, the parties or their respective stakeholders or any other persons with respect to such part of the Scheme.
- 7.3 Except as otherwise expressly provided in this Scheme, the Restructured Companies shall pay their respective costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementation of this Scheme. Upon this Scheme becoming effective all costs, expenses, charges, fees, taxes, duties, levies and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementing of this Scheme (save as expressly otherwise agreed) by the Transferor Companies shall be borne solely by the Transferee Company.
- 7.4 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Companies and the Transferee Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 7.5 If any part of this Scheme is invalid, ruled illegal or rejected by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Restructured Companies, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the

benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected by any court of competent jurisdiction, or unenforceable under present or future laws.

- 7.6 The Transferor Companies and the Transferee Company shall make necessary applications before the Competent Authority for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the Competent Authority.
- 7.7 Any issue as to whether any asset, liability, employee or litigation pertains to the MTN Undertaking or not shall be decided by the Board of Directors of the Transferee Company either by itself or through a committee appointed by it in this behalf, and if considered necessary by it, after consultation with the Board of Directors of Transferor Company 1, on the basis of evidence that they may deem relevant for the purpose (including the books and records of Transferor Company 1).

## 8. CONDITIONALITY TO EFFECTIVENESS OF THE SCHEME

8.1 Subject to the provisions of this Scheme, this Scheme shall become effective on the last of the following dates (“**Effective Date**”):

- (a) the Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as may be directed by the Competent Authority;
- (b) the sanction of the Competent Authority under the applicable provisions of the Act in favour of the Transferor Companies and the Transferee Company by passing the necessary order;
- (c) approval of the Ministry of Information and Broadcasting for foreign investment in the Transferee Company in the newspaper publishing sector being obtained;
- (d) receipt of such other sanctions and approvals including sanction of any governmental authority (including Securities and Exchange Board of India) or stock exchange(s) as may be required by law in respect of the Scheme; and
- (e) certified or authenticated copy of the order of the Competent Authority sanctioning the Scheme being filed with the Registrar of Companies, by the Transferor Companies and the Transferee Company, as may be applicable.

## 9. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

## 10. RESIDUAL

- 10.1 Upon this Scheme becoming effective, the Resultant Company shall be entitled to operate all bank accounts, cash and deposits relating to the MTN Undertaking of Transferor Company 1 and in relation to Transferor Company 2, realise all monies and complete and enforce all pending contracts and transactions in respect of the MTN Undertaking of Transferor Company 1 and Transferor Company 2 in the name of the Transferor Companies to the extent necessary.
- 10.2 Upon this Scheme becoming effective, the Resultant Company shall be entitled to occupy and use all premises, whether owned, leased or licensed, relating to Transferor Company 2 and the MTN Undertaking until the transfer of the rights and obligations of Transferor Company 1 pertaining to the MTN Undertaking and Transferor Company 2 to the Transferee Company under this Scheme is formally accepted by the parties concerned.
- 10.3 Upon this Scheme becoming effective, the Resultant Company shall be entitled to rely on, use and operate on the basis of all licenses, consents and approvals, in respect of the MTN Undertaking in the name of Transferor Company 1 and Transferor Company 2 to the extent necessary.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Mail Today Newspapers Private Limited

**Report on the Extracted Standalone Ind AS Financial Statements**

We have audited the accompanying extracted standalone Ind AS financial statements of Newspaper Publishing business of Mail Today Newspapers Private Limited ("the Company"), which comprise the extracted balance sheet of Newspaper Publishing as at January 01, 2017, the extracted statement of profit and loss, including the extracted statement of other comprehensive income, the extracted statement of changes in equity for the period then ended, and a summary of significant accounting policies for the period ended on that date.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these extracted standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income) and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the extracted Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these extracted standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the extracted standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the extracted standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the extracted standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the extracted standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the extracted standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the extracted standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at January 01, 2017, its profits including other comprehensive income, and the changes in equity for the nine months period ended on that date.

**Basis of preparation**

Without modifying our opinion, we draw your attention to Note 1(a)(i) of the extracted financial statements, which describes the basis of preparation. These extracted Ind AS financial statements have been prepared to merge the Newspaper Publishing Business of Mail Today Newspapers Private Limited with T.V. Today Network Limited, pursuant to Scheme of Amalgamation and Arrangement approved by Board of Directors of the Company on December 15, 2017, to be filed with National Company Law Tribunal. As a result, these extracted financial statements may not be suitable for any other purpose. Our report is solely for the purpose mentioned above and may not be distributed or used for any other purpose. Accordingly, the cash flow statement, previous period comparatives and other disclosures mandated under preparation of financial statements under IND AS have not been prepared while drawing out these special purpose extracted interim financial statements of the Company.

### **Emphasis of Matter**

We draw attention to Note 1 (iii) of the extracted financial statements which indicates that the Company has recognised deferred tax assets aggregating to INR 1,037,366,903 on its accumulated business losses, unabsorbed depreciation and other timing differences outstanding as at January 01, 2017. The realisation of such deferred tax assets is dependent on the approval of the Scheme of Arrangement proposed between the Company and T.V. Today Network Limited (“the acquirer company”) enabling the acquirer company to realise the deferred tax assets with reasonable certainty. These facts, narrated in Note 1(iii) to establish that such deferred tax assets will be adjusted with future taxable income of the acquirer company, have been considered to recognise the deferred tax assets as at the date of these special purpose financial statements prepared for filing of scheme of arrangement split between “Newspaper Publishing Business” and “Events Business”.

Our opinion is not qualified in respect of above stated matter.

### **Report on Other Legal and Regulatory Requirements**

1. 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 extracted balance sheet, extracted statement of profit and loss including the extracted statement of other comprehensive income and extracted statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid extracted standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

For KM & CO.  
Chartered Accountants  
Firm Regn. No. 024883N

Kapil Mittal  
Partner  
Membership No. 502221  
Place : New Delhi  
Date : 15/12/2017



**Extracted Balance Sheet of Newspaper Publishing Business as at January 01, 2017***(All amounts in Indian rupee, unless otherwise stated)*

	Notes	January 01, 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3	50,91,173
Investment properties	4	6,44,43,388
Intangible assets	5	1,68,327
Financial assets		
i. Loans	6(b)	14,27,379
Non-current tax assets	7	16,28,217
Deferred tax assets	8	1,03,73,66,903
Other non-current assets	9	5,13,64,265
<b>Total non-current assets</b>		<b><u>1,16,14,89,652</u></b>
<b>Current assets</b>		
Inventories	10	1,62,09,113
Financial assets		
i. Trade receivables	6(a)	7,28,88,738
ii. Cash and cash equivalents	6(c)	90,87,742
iii. Loans	6(b)	58,350
Current tax assets	7	-
Other current assets	11	2,35,01,193
<b>Total current assets</b>		<b><u>12,17,45,136</u></b>
<b>Total assets</b>		<b><u>1,28,32,34,788</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	12	1,31,08,70,160
<b>Other equity</b>		
Reserve and surplus		<u>(51,53,41,759)</u>
<b>Total equity</b>		<b><u>79,55,28,401</u></b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
Borrowings	13(a)	6,08,09,303
Employee benefit obligations	14	71,82,452
<b>Total non-current liabilities</b>		<b><u>6,79,91,755</u></b>
<b>Current liabilities</b>		
Financial Liabilities		
i. Borrowings	13(b)	9,29,47,427
ii. Trade payables	13(c)	12,13,59,345
iii. Other financial liabilities	13(d)	18,56,18,651
Employee benefit obligations	14	1,14,734
Other current liabilities	15	1,96,74,475
<b>Total current liabilities</b>		<b><u>41,97,14,632</u></b>
<b>Total liabilities</b>		<b><u>48,77,06,387</u></b>
<b>Total equity and liabilities</b>		<b><u>1,28,32,34,788</u></b>

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

This is the balance sheet referred to in our report of even date.

**For KM & CO**  
**Firm Registration Number : 024883N**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**  
**of Mail Today Newspapers Private Limited**

per Kapil Mittal  
**Partner**  
**Membership No. 502221**

**Place: New Delhi**  
**Date : 15/12/2017**

**R.K. Mangla**  
**Director**  
**(DIN : 06699673)**

**Place : Noida**  
**Date : 15/12/2017**

## Extracted Statement of Profit and Loss of Newspaper Publishing Business for the Nine Months Period Ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

	Notes	Nine months period ended January 01, 2017
Revenue from operations	16	21,08,79,555
Other income	17(a)	1,15,32,775
Other gains/ (losses) - net	17(b)	79,085
<b>Total Income</b>		<b>22,24,91,415</b>
<b>Expenses</b>		
Cost of materials consumed	18	2,29,73,041
Employee benefits expense	19	7,84,14,929
Depreciation and amortisation expense	20	30,18,068
Other expenses	21	18,30,54,296
Finance costs	22	3,34,58,542
<b>Total expenses</b>		<b>32,09,18,876</b>
<b>(Loss) before tax</b>		<b>(9,84,27,461)</b>
Income tax expenses	22	
- Current Tax		-
- Deferred Tax	8	(1,03,75,01,406)
<b>Total tax expense / (credit)</b>		<b>(1,03,75,01,406)</b>
<b>Profit / (Loss) for the year</b>		<b>93,90,73,945</b>
<b>Other comprehensive expense</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of post-employment benefit obligations		4,35,284
Income tax relating to these items		(1,34,503)
<b>Other comprehensive income for the year</b>		<b>3,00,781</b>
<b>Total comprehensive income for the year</b>		<b>93,93,74,726</b>

The accompanying notes are an integral part of these financial statements.  
This is the statement of profit and loss referred to in our report of even date.

For KM & CO.  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors  
of Mail Today Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date : 15/12/2017

R.K. Mangla  
Director  
(DIN : 06699673)

Place :  
Date : 15/12/2017

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Background

Mail Today Newspapers Private Limited ('the Company') was incorporated on May 9, 2007 and started its operations from November 16, 2007. The Company publishes 'Mail Today', an English daily newspaper and further displays its publication on 'mailtoday.in'. The Company derives revenue from the sale of the above mentioned publications and advertisements published therein and events business. The corporate identity number of the Company is U22210DL2007PTC163174.

### Note 1: Significant accounting policies

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These special purpose extracted financial statements covering period April 1, 2016 to January 1, 2017 have been prepared for the purpose of merger of Newspaper Publishing Business of Mail Today Newspapers Private Limited with T.V. Today Network Limited, pursuant to Composite Scheme of Arrangement and Amalgamation approved by Board of Directors of the Company on December 15, 2017, to be filed with National Company Law Tribunal. Accordingly, the cash flow statement, previous period figures and other disclosures mandated for preparation of financial statements under IND AS have not been disclosed while preparing these special purpose interim extracted financial statements of the Newspaper Publishing Business of the Company.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

##### (iii) Deferred Tax Assets

Subsequent to the date of the financial statements, the Board of Directors of the Company, in their meeting held on December 15, 2017, have approved a Scheme of Arrangement to transfer/merge its Publishing Business into its holding company (on the date of approval from Board of Directors), T.V. Today Network Limited (TVTN) ("the acquirer company"). The management of the Company believes that once the scheme is approved by the National Company Law Tribunal, the accumulated losses of the Company shall be available for set off with taxable income of the acquirer company.

Accordingly, the management of the Company believes that reasonable certainty exists to recognize deferred tax assets on the accumulated business losses, unabsorbed depreciation and other timing differences outstanding as at January 01, 2017.

As a result, deferred tax assets aggregating to INR 1,037,366,903 (including INR 1,015,472,336 upto period ended March 31, 2016 not recognised in earlier periods) has been recognised in these financial statements, prepared for the special purpose as stated in clause 1(a)(i) above.

#### (b) Foreign Currency Translation

##### (i) Functional and presentation currency

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

##### (ii) Transaction and balances

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

#### (c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

specific criteria have been met for each of the activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### Rendering of services - Advertisement Income

**Timing of recognition:** Advertisement income is recognized as and when advertisement is published /displayed and is disclosed net of discount.

**Measurement of revenue:** Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

### Sale of publication and waste paper

**Timing of recognition:** Sale of publications and waste paper revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

**Measurement of revenue:** Revenue from sale of publication is based on sale price of the newspaper or contractual price. No element of financing is deemed present as the sales are made for credit period, which is consistent with market practice.

## (d) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## (e) Leases

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## (f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (g) Cash and cash equivalents

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

### (h) Trade receivables

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

### (i) Inventories- Raw Material

Raw-material are stated at lower of cost and net realisable value. Cost of raw-material comprises cost of purchases. Cost of raw-material also include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determine on weighted average basis.

### (j) Financial assets

#### (i) Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### (ii) Measurement

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

#### Debt instruments

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

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

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

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**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(A) details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

(v) *Income recognition*

**Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(k) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

*Transition to Ind As*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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### *Depreciation methods, estimated useful lives and residual value*

- (i) Depreciation on tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.
- (ii) Assets costing below ₹ 5,000 are fully depreciated in the year of acquisition.
- (iii) Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

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

Gain and loss on disposables are determined by comparing proceeds with carrying amount. These are included in the profit or loss with other gains/(losses).

### **(m) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of investment property is replaced, the carrying amount of replaced part is derecognised.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company depreciates investment property on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

#### *Transition to Ind As*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment properties.

### **(n) Intangible assets**

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### *(i) Amortisation methods and periods*

Intangible assets mainly include software licenses stated at cost, less accumulated amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and are amortized using the straight-line method over a period of three years.

#### *(ii) Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **(p) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

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probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (q) Employee benefits

#### (i) Short-term obligation

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefits obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund.

##### Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged.



## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

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### Defined contribution plans

Company's contributions to Provident Fund, Employees' State Insurance Scheme and Employee Pension Scheme, which are defined contribution plans, are expensed to the statement of profit and loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions to the respective government funds.

### (r) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### (s) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 28).

#### (ii) Diluted earnings per share

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

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

### (t) Recent accounting pronouncements

#### (i) New Standards

There were no new standards published which would be applicable on the Company.

#### (ii) New Amendments

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the recent amendment, as a result the corresponding impact on the financial statements is being evaluated.

#### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

In the opinion of the management, there is no impact of such change on the financial statements.

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

*(All amounts in Indian rupee, unless otherwise stated)*

### **Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### **Critical estimates and judgements**

The areas involving critical estimates and judgements are:

- i) Estimation of current tax expense and payable - Note 23
- ii) Estimate useful life of intangible assets - Note 5
- iii) Estimation of employee related defined benefit obligations - Note 14
- iv) Recognition of deferred tax assets for carried forward tax losses - Note 23

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances.

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Note 3: Property, plant and equipment

	Plant and machinery	Office equipment	Furniture and fixtures	Total
<b>Period ended 'January 01, 2017</b>				
<b>Gross carrying amount</b>				
As at April 1, 2016	92,00,337	1,95,221	1,29,933	95,25,491
Additions	-	-	-	-
Disposals	(4,10,738)	-	-	(4,10,738)
<b>Closing gross carrying amount</b>	<b>87,89,599</b>	<b>1,95,221</b>	<b>1,29,933</b>	<b>91,14,753</b>
<b>Accumulated depreciation</b>				
As at April 1, 2016	26,11,832	41,445	44,004	26,97,281
Depreciation charge during the year	16,72,305	3,471	43,654	17,19,430
Disposals	(3,93,131)	-	-	(3,93,131)
Closing accumulated depreciation	<b>38,91,006</b>	<b>44,916</b>	<b>87,658</b>	<b>40,23,580</b>
Net carrying amount	<b>48,98,593</b>	<b>1,50,305</b>	<b>42,275</b>	<b>50,91,173</b>

(i) *Leasehold improvements*

Leasehold improvements are amortized over the useful life or unexpired period of lease, whichever is lower on straight line basis.

### Note 4: Investment properties

#### Completed investment properties

	January 01, 2017
<b>A. Completed investment properties</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount / Deemed cost as at April 1, 2015	2,55,77,797
Additions during the year	-
<b>Closing gross carrying amount (A)</b>	<b>2,55,77,797</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	4,33,156
Depreciation charged during the year	3,24,867
<b>Closing accumulated depreciation (B)</b>	<b>7,58,023</b>
<b>Net carrying amount (C=A-B)</b>	<b>2,48,19,774</b>
<b>B. Investment properties under construction</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount / Deemed cost as at April 1, 2015	5,57,01,114
Additions during the year	3,50,000
Less: Amount transferred to completed investment properties	-
<b>Closing gross carrying amount (D)</b>	<b>5,60,51,114</b>
<b>Accumulated Impairment</b>	
Opening accumulated impairment	91,00,000
Impairment charged during the year	1,48,07,500
Impairment reversed during the year	(74,80,000)
<b>Closing accumulated impairment (E)</b>	<b>1,64,27,500</b>
<b>Net carrying amount (F=D-E)</b>	<b>3,96,23,614</b>
<b>Total (C+F)</b>	<b>6,44,43,388</b>

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

(i) Amount recognised in profit or loss for investment properties

	January 01, 2017
Rental Income	-
<b>Profit from investment properties before depreciation</b>	-
Impairment	73,27,500
Depreciation	3,24,867
<b>(Loss) from investment properties</b>	<b>(76,52,367)</b>

(ii) Fair value

	January 01, 2017
Completed Investment properties	2,76,00,000
Investment properties under construction	5,62,00,000

### Estimation of fair value

The Company obtains independent valuations for its investment properties at least once a year. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by independent valuers. As at January 01, 2017, the fair valuation has been performed by Cushman and Wakefield India. The main inputs used are application of Sales Comparable Method for valuation, information on comparable properties from various sources such as sub brokers, real estate agents etc. All resulting fair value estimates for investment properties are included in level 3.

### Note 5: Intangible assets

	Computer	Total
<b>Period ended January 01, 2017</b>		
<b>Gross carrying amount</b>		
As at April 1, 2016	14,60,610	14,60,610
Additions	-	-
<b>Closing gross carrying amount</b>	<b>14,60,610</b>	<b>14,60,610</b>
<b>Accumulated amortisation</b>		
As at April 1, 2016	3,18,512	3,18,512
Amortisation charge for the year	9,73,771	9,73,771
<b>Closing accumulated amortisation</b>	<b>12,92,283</b>	<b>12,92,283</b>
Closing net carrying amount	1,68,327	1,68,327

(i) Significant estimate: Useful life of intangible assets

The Company estimates the useful life of the software to be three (3) years.

### Note 6: Financial assets

#### 6(a) Trade Receivables

	January 01, 2017
Trade Receivables	11,09,57,326
Receivables from related parties	14,01,717
Less: Allowance for doubtful debts	(3,94,70,305)
<b>Total Receivables</b>	<b>7,28,88,738</b>
Current portion	7,28,88,738
Non-current portion	-

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Break-up of security details

	January 01, 2017
Secured, considered good	12,20,291
Unsecured, considered good	7,16,68,447
Unsecured, considered doubtful	3,94,70,305
Total	11,23,59,043
Less: Allowance for doubtful debts	(3,94,70,305)
<b>Total trade receivables</b>	<b>7,28,88,738</b>

### 6(b) Loans

	January 01, 2017	
	Current	Non-Current
<b>Unsecured, considered good</b>		
Security deposits		
- To related party	-	14,27,379
- To others	58,350	-
<b>Total Loans</b>	<b>58,350</b>	<b>14,27,379</b>

### 6(c) Cash and cash equivalents

	January 01, 2017
Balances with banks	
- in current accounts	88,18,360
Cash on hand	2,69,382
<b>Total cash and cash equivalents</b>	<b>90,87,742</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

### Note 7: Tax assets

	January 01, 2017
<b>Advance income tax</b>	
Opening balance	85,84,023
Add: Taxes paid during the year	16,28,217
Less: Tax (refunds) received / adjusted during the year	(85,84,023)
Less: Current tax payable for the year	-
<b>Closing balance of Advance Tax</b>	<b>16,28,217</b>
	<b>January 01, 2017</b>
Non-current portion	16,28,217
Current portion	-

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Note 8: Deferred tax assets

The balance comprises temporary differences attributable to:

	January 01, 2017
Defined benefit obligations	19,29,332
Provision for other employe benefits	3,11,351
	<b>22,40,683</b>
<i>Other Items</i>	
Allowance for doubtful debts and advances	2,35,08,766
Disallowances under section 40(a)	3,04,520
Difference in written down value of fixed assets	4,37,573
Provision for Impairment on investment property	50,76,098
Carried forwarded losses and unabsorbed depreciation	1,00,69,69,642
	<b>1,03,62,96,599</b>
<b>Total deferred tax assets</b>	<b>1,03,85,37,282</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions:</b>	
Fair value of derivative financial asset through profit or loss	(11,70,379)
<b>Net deferred tax assets</b>	<b>1,03,73,66,903</b>

### Movement in deferred tax assets

	As at March 31, 2016	to profit or loss	to other comprehensive income	As at January 01, 2017
<b>Newspaper Publishing Business</b>				
Defined benefit obligations	15,69,467	2,25,362	1,34,503	19,29,332
Provision for LTA	2,23,045	88,306	-	3,11,351
Allowance for doubtful debts and advances	1,83,01,090	52,07,676	-	2,35,08,766
Disallowances under section 40(a)	1,30,297	1,74,223	-	3,04,520
Provision for Impairment on investment property	28,11,900	22,64,198	-	50,76,098
Carried forwarded losses and unabsorbed depreciation	99,31,88,146	1,37,81,496	-	1,00,69,69,642
Difference in written down value of fixed assets	(53,135)	4,90,708	-	4,37,573
Fair value of derivative financial asset through profit or loss	(6,98,474)	(4,71,905)	-	(11,70,379)
<b>Total</b>	<b>1,01,54,72,336</b>	<b>2,17,60,064</b>	<b>1,34,503</b>	<b>1,03,73,66,903</b>

### Note 9: Other non-current assets

	January 01, 2017
Receivables against exchange of services from related parties	5,13,25,354
Prepaid expenses	38,911
<b>Total other non-current assets</b>	<b>5,13,64,265</b>

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Note 10: Inventories

	January 01, 2017
Raw materials	1,62,09,113
<b>Total inventories</b>	<b>1,62,09,113</b>

### Note 11: Other current assets

	January 01, 2017
	Newspaper Publishing Business
Receivables against exchange of services	
- Related parties	1,82,07,282
- Others	30,00,510
Advances	
- Considered good	21,70,826
- Considered doubtful	33,78,688
Less: Allowances for doubtful advances	(33,78,688)
Prepaid expenses	1,22,575
Service tax receivable	-
<b>Total other current assets</b>	<b>2,35,01,193</b>

### Note 12: Share capital and other equity

#### 12 Equity share capital

##### Authorised equity share capital

	Number of shares	Amount
As at April 1, 2015	13,50,00,000	1,35,00,00,000
Increase during the year	-	-
<b>As at March 31, 2016</b>	<b>13,50,00,000</b>	<b>1,35,00,00,000</b>
Increase during the year	-	-
<b>As at January 01, 2017</b>	<b>13,50,00,000</b>	<b>1,35,00,00,000</b>

#### (i) Movements in equity share capital

Notes	Number of shares	Equity share capital (par value)
As at April 1, 2015	12,58,80,181	1,25,88,01,810
Issued during the year	32,06,835	3,20,68,350
<b>As at March 31, 2016</b>	<b>12,90,87,016</b>	<b>1,29,08,70,160</b>
Issued during the year	20,00,000	2,00,00,000
<b>As at January 01, 2017</b>	<b>13,10,87,016</b>	<b>1,31,08,70,160</b>

#### Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### (ii) Equity shares of the Company held by holding company

	January 01, 2017
	Number of shares
India Today Online Private Limited (the holding company)	8,75,33,881

### (iii) Details of shareholders holding more than 5% equity shares in the Company

	January 01, 2017	
	Number of shares	holding(%)
India Today Online Private Limited (the holding company)	8,75,33,881	66.77%
AN (Mauritius) Limited	3,30,42,625	25.21%
T.V. Today Network Limited	1,05,10,510	8.02%
<b>Total</b>	<b>13,10,87,016</b>	<b>100.00%</b>

## Note 13: Financial liabilities

### 13(a) Non current borrowings

	Maturity Date	Terms of repayments	Coupon/ Interest Rate	January 01, 2017
<b>Term loans from banks (Secured)</b>				
Indian rupees loan from The Ratnakar Bank Limited (RBL) - I	4-Sep-17	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	3,19,16,877
Indian rupees loan from The Ratnakar Bank Limited (RBL) - II	4-Sep-18	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	-
Indian rupees loan from Yes Bank Limited (YBL) - III	7-Feb-19	12 equal quarterly installments after moratorium of 12 months.	YBL base rate + 1%	2,06,16,163
Indian rupees loan from The Ratnakar Bank Limited (RBL) - IV	9-Jun-18	24 equal quarterly installments after moratorium of 3 months.	MCLR rate + 1.75	82,76,263
<b>Current maturity of long term loans (from bank)</b>				
<b>Term loans</b>				
Indian rupees loan from The Ratnakar Bank Limited - I	4-Sep-17	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	4,24,42,828
Indian rupees loan from The Ratnakar Bank Limited - II	4-Sep-18	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	2,13,35,442
Indian rupees loan from Yes Bank Limited - III	7-Feb-19	12 equal quarterly installments after moratorium of 12 months.	YBL base rate + 1%	1,63,48,037



## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

	Maturity Date	Terms of repayments	Coupon/ Interest Rate	January 01, 2017
Indian rupees loan from The Ratnakar Bank Limited (RBL) - IV	9-Jun-18	24 equal quarterly installments after moratorium of 3 months.	MCLR rate + 1.75	1,55,60,923
<b>Working capital demand loans</b>				
Indian rupees loan from The Ratnakar Bank Limited - IV		Single repayment at the end of tenor of 12 months	RBL base rate+1.5%	4,45,79,816
Indian rupees loan from Yes Bank Limited - V		Single repayment at the end of tenor of 12 months	YBL base rate +1%	4,42,12,472
<b>Total borrowings</b>				<b>24,52,88,821</b>
Less: current maturities of long-term debt (included in 12(d))				(18,44,79,518)
<b>Non-current borrowings (as per balance sheet)</b>				<b>6,08,09,303</b>

### 13(b) Current borrowings

	Terms of repayments	Coupon/ Interest Rate	January 01, 2017
<b>Loan repayable on demand (Secured)</b>			
<b>From banks</b>			
Bank overdrafts from Yes Bank Limited (YBL)	Repayable on demand	YBL base rate +1%	9,29,47,427
<b>Net Current borrowing</b>			<b>9,29,47,427</b>

### Secured borrowing and asset pledged as security

- (a) Term loan - I, II and WCDL - IV from RBL are secured by first pari passu charge by way of hypothecation on all the current assets and all the moveable fixed assets of the Company, both present and future and first pari passu charge by way of equitable mortgage on all the immoveable properties of the Company, present and future. These loans are further secured by way of unconditional and irrevocable corporate guarantee of Living Media India Limited, the ultimate holding company.
- (b) Term loan- III and IV, WCDL - V and bank overdraft are secured by First Pari Passu charge by way of hypothecation on all the current assets and all the moveable fixed assets of the Company, both present and future and First Pari Passu by way of equitable mortgage on all the immoveable properties of the Company present and future. These loans are further secured by way of unconditional and irrevocable corporate guarantee of LMI.

### 13(c) Trade payables

	January 01, 2017
<b>Current</b>	
Trade payables	6,58,49,671
Branch Account	79,53,068
Trade payables to related parties	4,75,56,606
<b>Total trade payables</b>	<b>12,13,59,345</b>

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### 13(d) Other financial liabilities

	January 01, 2017
<b>Current</b>	
Current maturities of long term debt	18,44,79,518
Security deposits from agents*	11,39,133
<b>Total other financial liabilities</b>	<b>18,56,18,651</b>

\*Repayable on demand carries interest @ 7%

### Note 14: Employee benefit obligations

#### Non - current

	January 01, 2017
Leave obligations	18,93,203
Gratuity	52,89,249
<b>Total employee benefit obligations</b>	<b>71,82,452</b>

#### Current

	January 01, 2017
Leave obligations	49,881
Gratuity	64,853
<b>Total employee benefit obligations</b>	<b>1,14,734</b>

### Note 15: Other current liabilities

	January 01, 2017
Unearned revenue	79,07,839
Advances from customers	97,80,887
TDS payable	18,01,466
Service tax payable	1,84,283
<b>Total</b>	<b>1,96,74,475</b>

### Note 16: Revenue from operations

The Company derives the following types of revenue:

	January 01, 2017
Sale of publications	3,77,89,832
Advertisement and related income	14,81,30,202
Revenue from exchange of services - Advertisement income	2,44,26,080
Other operating revenue:	
Scrap sales	5,33,441
<b>Total revenue</b>	<b>21,08,79,555</b>

### Note 17: Other income and other gains/(losses)

#### (a) Other income

	January 01, 2017
Interest income from financial assets at amortised cost	57,254
Interest income on income tax	8,18,929
Unclaimed balances written back (net)	96,88,474
Miscellaneous income	9,68,118
<b>Total other income</b>	<b>1,15,32,775</b>

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### (b) Other gains/(losses)

	Notes	January 01, 2017
(Loss) / gain on disposal of property, plant and equipment	3	(6,051)
Net foreign exchange gain / (losses)		85,136
<b>Total other gains/ (losses)</b>		<b>79,085</b>

### Note 18. Cost of materials consumed

	January 01, 2017
	Newspaper Publishing Business
Inventory at the beginning of the year	1,42,60,533
Add : purchases	2,50,78,019
Less : sale of damaged newsprint	1,56,398
Less : Inventory at the end of the year	1,62,09,113
<b>Total cost of material consumed</b>	<b>2,29,73,041</b>

### Note 19: Employee benefit expenses

	Notes	January 01, 2017
Salaries, wages and bonus		7,27,71,872
Contribution to provident fund		32,06,545
Gratuity	13	11,64,612
Staff welfare expenses		12,71,900
<b>Total employee benefit expense</b>		<b>7,84,14,929</b>

### Note 20: Depreciation and amortisation expense

	Notes	January 01, 2017
Depreciation of property, plant and equipment	3	17,19,430
Depreciation on investment property	4	3,24,867
Amortisation of intangible assets	5	9,73,771
<b>Total depreciation and amortisation expense</b>		<b>30,18,068</b>

### Note 21: Other expenses

	January 01, 2017
Printing and service charges	4,98,23,567
News services and dispatches	1,52,83,007
Power and fuel	25,00,389
Freight and forwarding charges	68,72,781
Rental charges	68,69,825
Insurance	5,51,429
Repairs and maintenance:	
Plant and machinery	6,78,013
Others	8,75,309
Advertising and sales promotion	4,22,05,708
Travelling expenses	92,43,378
Communication costs	18,22,920
Car hire charges	29,17,890
Housekeeping	1,01,052
Courier expenses	1,30,221
Printing and stationery	1,33,980

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

	January 01, 2017
Legal and professional fees	77,83,738
Guard services	3,38,978
Newspapers and periodicals	1,77,945
Payment to auditors (Refer note 21(a) below)	3,92,969
Business promotion	26,05,499
Allowance for doubtful debts and advances	2,33,43,055
Impairment on investment property under construction	73,27,500
Bad debts written off	66,52,485
Less: Adjusted with provision for doubtful debts and advances	(64,89,735)
Donation expenses	6,250
Miscellaneous expenses	906,143
<b>Total other expenses</b>	<b>18,30,54,296</b>

### Note 21 (a): Details of payments to auditors

	January 01, 2017
<b>Payment to auditors</b>	
<b>As auditor:</b>	
Audit fee	1,72,500
Tax audit fee	1,15,000
<b>In other capacities:</b>	
Certification fees etc.	75,440
Reimbursement of expenses	30,029
<b>Total payments to auditors</b>	<b>3,92,969</b>

### Note 22: Finance costs

	January 01, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	3,24,31,792
Other borrowing costs	10,26,750
<b>Total finance costs</b>	<b>3,34,58,542</b>

### Note 23: Income tax expense

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

#### (a) Income tax expense

	January 01, 2017
<i>Current tax</i>	-
<b>Total current tax expense</b>	-
<i>Deferred tax</i>	
Decrease/(increase) in deferred tax assets	(1,03,73,66,903)
(Decrease)/ increase in deferred tax liabilities	-
<b>Total deferred tax expense/(benefit)</b>	<b>(1,03,73,66,903)</b>
<b>Income tax expense</b>	<b>(1,03,73,66,903)</b>

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### (b) Significant estimates

In calculating the Income tax for the year, the Company has treated leave encashment expenditure as being deductible for tax purposes. The Company has relied upon the ruling of Hon'ble Supreme Court in the case of Bharat Earthmovers Vs. CIT.

### (c) Reconciliation of tax expenses and the accounting (loss) multiplied by India's tax rates:

	January 01, 2017
(Loss) before income tax expense	(9,84,27,461)
<b>Tax at the Indian tax rate of 30.90% (2016-2017 30.90%)</b>	<b>(3,04,14,085)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
TDS written off	99,737
Interest on late payment of TDS	536
Donation debited in Profit & Loss Account	1,931
<b>Income tax expense</b>	<b>(3,03,11,881)</b>
Less: Set off of losses with income from event business	<b>1,20,61,250</b>
Add: Tax effect of tax losses and other timing difference for which no deferred income tax was recognised in earlier years, now recognised	(1,01,91,16,272)
	<b>(1,03,73,66,903)</b>

### (d) Tax losses

	January 01, 2017
Unused tax losses	3,18,62,42,496
Potential tax benefit @ 30.90 %	98,45,48,931

These unused tax losses are available for offsetting for eight years against near future of the companies in which the loss arose and the same will expire as follow:

Year of expiry	January 01, 2017
2016-17	75,06,68,448
2017-18	49,66,31,572
2018-19	69,86,44,139
2019-20	51,56,86,364
2020-21	28,07,79,627
2021-22	16,79,65,645
2022-23	20,99,03,980
2023-24	2,24,88,100
2024-25	4,34,74,621
<b>Total</b>	<b>3,18,62,42,496</b>

### (e) Unabsorbed Depreciation

	January 01, 2017
Unabsorbed Depreciation	72,558,935
Potential tax benefit @ 30.90 %	22,420,711

These unabsorbed depreciation are available for offsetting and can be carried forward indefinitely and have no expiry date.

## Notes forming part of the extracted financial statements of newspaper publishing business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### A Equity share capital

	Notes	Amount
As at April 1, 2015		1,25,88,01,810
Changes in equity share capital	12	3,20,68,350
<b>As at March 31, 2016</b>		<b>1,29,08,70,160</b>
Changes in equity share capital	12	2,00,00,000
<b>As at January 01, 2017</b>		<b>1,31,08,70,160</b>

### B Other equity

	Reserve and surplus		Total
	Securities premium reserve	Retained earnings	
<b>Balance at 1 April, 2016</b>	2,25,26,76,779	-	(3,70,73,93,264)
<b>Comprehensive income / (expenses) for the year</b>			
Profit for the year	-	-	93,90,73,945
Other comprehensive income / (expense)	-	-	3,00,781
<b>Total comprehensive income for the year</b>	-	-	93,93,74,726
<b>Balance at January 01, 2017</b>	<b>2,25,26,76,779</b>	-	<b>(2,76,80,18,538)</b>

The accompanying notes are an integral part of these financial statements.  
This is the statement of profit and loss referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors  
of Mail Today Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221  
Place: New Delhi  
Date : 15/12/2017

R.K. Mangla  
Director  
(DIN : 06699673)  
Place : Noida  
Date : 15/12/2017

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Mail Today Newspapers Private Limited

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying extracted standalone Ind AS financial statements of event business of Mail Today Newspapers Private Limited ("the Company"), which comprise the extracted balance sheet of event business as at January 01, 2017, the extracted statement of profit and loss, including the extracted statement of other comprehensive income, the extracted statement of changes in equity for the period then ended, and a summary of significant accounting policies for the period ended on that date.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these extracted standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income) and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the extracted Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these extracted standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the extracted standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the extracted standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the extracted standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the extracted standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the extracted standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the extracted standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at January 01, 2017, its profits including other comprehensive income, and the changes in equity for the nine months period ended on that date.

**Basis of preparation**

Without modifying our opinion, we draw your attention to Note 1(a)(i) of the financial statements, which describes the basis of preparation. These extracted Ind AS financial statements have been prepared to merge the Newspaper Publishing Business of Mail Today Newspapers Private Limited with T.V. Today Network Limited, pursuant to Scheme of Amalgamation and Arrangement approved by Board of Directors of the Company on December 15, 2017, to be filed with National Company Law Tribunal. As a result, these financial statements may not be suitable for any other purpose. Our report is solely for the purpose mentioned above and may not be distributed or used for any other purpose. Accordingly, the cash flow statement, previous period comparatives and another disclosures mandated under preparation of financial statements under IND AS have not been prepared while drawing out these special purpose extracted interim financial statements of the Company.

**Report on Other Legal and Regulatory Requirements**

1. 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 extracted balance sheet, extracted statement of profit and loss including the extracted statement of other comprehensive income and extracted statement of changes in equity dealt with by this Report are in agreement with the books of account; and
  - (d) In our opinion, the aforesaid extracted standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

For KM & CO.  
Chartered Accountants  
Firm Regn. No. 024883N

Kapil Mittal  
Partner  
Membership No. 502221

Place : New Delhi  
Date : 15 December, 2017



**Extracted balance sheet of events business as at January 01, 2017***(All amounts in Indian rupee, unless otherwise stated)*

	Notes	January 01, 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3	14,755
Deferred tax assets (refer note 1a)	5	36,43,936
<b>Total non-current assets</b>		<b>36,58,691</b>
<b>Current assets</b>		
Financial assets		
i. Trade receivables	4(a)	2,80,82,838
<b>Total current assets</b>		<b>2,80,82,838</b>
<b>Total assets</b>		<b>3,17,41,529</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital		-
<b>Other equity</b>		
Reserve and surplus		3,08,84,437
<b>Total equity</b>		<b>3,08,84,437</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Financial Liabilities		
i. Trade payables	6(a)	8,57,092
<b>Total current liabilities</b>		<b>8,57,092</b>
<b>Total liabilities</b>		<b>8,57,092</b>
<b>Total equity and liabilities</b>		<b>3,17,41,529</b>

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

This is the balance sheet referred to in our report of even date.

**For KM & CO.**  
**Firm Registration Number : 024883N**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**  
**of Mail Today Newspapers Private Limited**

per Kapil Mittal  
 Partner  
 Membership No. 502221

**R.K. Mangla**  
 Director  
 (DIN : 06699673)

Place : New Delhi  
 Date : 15 December, 2017

Place : Noida  
 Date : 15 December, 2017

## Extracted Statement of profit and loss of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

	Notes		Period ended January 01, 2017
Revenue from operations	7		4,35,00,000
<b>Total Income</b>			<b>4,35,00,000</b>
<b>Expenses</b>			
Employee benefits expense	8		3,67,533
Depreciation and amortisation expense	9		14,489
Other expenses	10		1,58,77,477
<b>Total expenses</b>			<b>1,62,59,499</b>
<b>Profit before tax</b>			<b>2,72,40,501</b>
Income tax expenses	11		
- Current Tax			-
- Deferred Tax			(36,43,936)
<b>Total tax expense</b>			<b>(36,43,936)</b>
<b>Profit for the year</b>			<b>3,08,84,437</b>
<b>Other comprehensive expense</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of FVOCI equity instruments			
Remeasurements of post-employment benefit obligations			-
Income tax relating to these items			-
<b>Other comprehensive income for the year</b>			<b>-</b>
<b>Total comprehensive income for the year</b>			<b>3,08,84,437</b>

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

This is the statement of profit and loss referred to in our report of even date.

**For KM & CO.**  
**Firm Registration Number : 024883N**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**  
**of Mail Today Newspapers Private Limited**

per Kapil Mittal  
 Partner  
 Membership No. 502221

R.K. Mangla  
 Director  
 (DIN : 06699673)

Place : New Delhi  
 Date : 15 December, 2017

Place : Noida  
 Date : 15 December, 2017

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Note 1: Background

Mail Today Newspapers Private Limited ('the Company') was incorporated on May 9, 2007 and started its operations from November 16, 2007. The Company publishes 'Mail Today', an English daily newspaper and further displays its publication on 'mailtoday.in'. The Company derives revenue from the sale of the above mentioned publications and advertisements published therein and events business. The corporate identity number of the Company is U22210DL2007PTC163174.

### Note 2: Significant accounting policies

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These special purpose extracted financial statements covering period April 1, 2016 to January 1, 2017 have been prepared for the purpose of merger of Newspaper Publishing Business of Mail Today Newspapers Private Limited with T.V. Today Network Limited, pursuant to Composite Scheme of Arrangement and Amalgamation approved by Board of Directors of the Company on December 15, 2017, to be filed with National Company Law Tribunal. Accordingly, the cash flow statement, previous period figures and other disclosures mandated for preparation of financial statements under IND AS have not been disclosed while preparing these special purpose interim extracted financial statements of the Events Business of the Company. The Event Business will continue in the Company once the Scheme is approved.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

##### (iii) Deferred Tax Assets

Subsequent to the date of the financial statements, the Board of Directors of the Company, in their meeting held on December 15, 2017, have approved a Composite Scheme of Arrangement to transfer/merge its Newspaper Publishing Business into its holding company (on the date of approval from Board of Directors), T.V. Today Network Limited (TVTN) ("the acquirer company"). The management of the Company believes that once the scheme is approved by the National Company Law Tribunal, the timing differences of the Company shall be available for set off with taxable income.

Accordingly, the management of the Company believes that reasonable certainty exists to recognize deferred tax assets on the timing differences outstanding as at January 01, 2017.

As a result, deferred tax assets aggregating to INR 3,643,936 has been recognised in these financial statements, prepared for the special purpose as stated in clause (i) above. The impact of taxes on profits of Events Business is nullified owing to set off of losses incurred in the Newspaper Publishing Business."

#### (b) Foreign Currency Translation

##### (i) Functional and presentation currency

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

##### (ii) Transaction and balances

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

#### (c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### **Rendering of services - Advertisement Income**

**Timing of recognition:** Advertisement income is recognized as and when advertisement is published /displayed and is disclosed net of discount.

**Measurement of revenue:** Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

### **(d) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **(e) Leases**

#### **As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **(f) Impairment of assets**

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

### **(g) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### (h) Trade receivables

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

### (i) Financial assets

#### (i) Classification

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

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

-those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### (ii) Measurement

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

#### Debt instruments

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

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

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

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(A) details how the Company determines whether there has been a significant increase in credit risk.

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

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

### (iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

### (v) *Income recognition*

#### **Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### (j) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (k) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### *Transition to Ind As*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### *Depreciation methods, estimated useful lives and residual value*

- (i) Depreciation on tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.
- (ii) Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition.
- (iii) Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

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

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

Gain and loss on disposables are determined by comparing proceeds with carrying amount. These are included in the profit or loss with other gains/(losses).

### (l) Intangible assets

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### (i) Amortisation methods and periods

Intangible assets mainly include software licenses stated at cost, less accumulated amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and are amortized using the straight-line method over a period of three years.

#### (ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (n) Employee benefits

#### (i) Short-term obligation

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefits obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund.

#### Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged.

### Defined contribution plans

Company's contributions to Provident Fund, Employees' State Insurance Scheme and Employee Pension Scheme, which are defined contribution plans, are expensed to the statement of profit and loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions to the respective government funds.

### **(o) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### **(p) Earnings per share**

#### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 28).

#### *(ii) Diluted earnings per share*

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

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

### **(q) Recent accounting pronouncements**

#### **(i) New Standards**

There were no new standards published which would be applicable on the Company.

#### **(ii) New Amendments**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the recent amendment, as a result the corresponding impact on the financial statements is being evaluated.



**Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017**

*(All amounts in Indian rupee, unless otherwise stated)*

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

In the opinion of the management, there is no impact of such change on the financial statements.

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Note 3: Property, plant and equipment

	Plant and machinery	Office equipment	Furniture and fixtures	Total
<b>Period ended 'January 01, 2017</b>				
<b>Gross carrying amount</b>				
As at April 1, 2016	61,000	-	2,127	63,127
<b>Closing gross carrying amount</b>	<b>61,000</b>	<b>-</b>	<b>2,127</b>	<b>63,127</b>
<b>Accumulated depreciation</b>				
As at April 1, 2016	31,756	-	2,127	33,883
Depreciation charge during the year	14,489	-	-	14,489
<b>Closing accumulated depreciation</b>	<b>46,245</b>	<b>-</b>	<b>2,127</b>	<b>48,372</b>
<b>Net carrying amount</b>	<b>14,755</b>	<b>-</b>	<b>-</b>	<b>14,755</b>

### Note 4: Financial assets

#### 4(a) Trade Receivables

	January 01, 2017
Trade Receivables	3,98,75,510
Receivables from related parties	-
Less: Allowance for doubtful debts	(1,17,92,672)
<b>Total Receivables</b>	<b>2,80,82,838</b>
Current portion	2,80,82,838
Non-current portion	-
<b>Break-up of security details</b>	
	January 01, 2017
Secured, considered good	-
Unsecured, considered good	2,80,82,838
Unsecured, considered doubtful	1,17,92,672
Total	3,98,75,510
Debts	(1,17,92,672)
<b>Total trade receivables</b>	<b>28,082,838</b>

### Note 5: Deferred tax assets

The balance comprises temporary differences attributable to:

	January 01, 2017
Defined benefit obligations	-
Provision for LTA	-
	-
<i>Other Items</i>	
Allowance for doubtful debts and advances	36,43,936
	<b>36,43,936</b>
<b>Total deferred tax assets</b>	<b>36,43,936</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions:</b>	
Fair value of derivative financial asset through profit or loss	-

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

<b>Net deferred tax assets</b>	<b>36,43,936</b>
--------------------------------	------------------

### Movement in deferred tax assets

	(Charged)/ credited		
	As at March 31, 2016	to profit or loss	As at January 01, 2017
Allowance for doubtful debts and advances	36,43,936	-	36,43,936
<b>Total</b>	<b>36,43,936</b>	<b>-</b>	<b>36,43,936</b>

### 6(a) Trade payables

	January 01, 2017
<b>Current</b>	
Trade payables	88,10,160
Branch Account- Newspaper publishing business	(79,53,068)
<b>Total trade payables</b>	<b>8,57,092</b>

### Note 7: Revenue from operations

The Company derives the following types of revenue:

	January 01, 2017
Advertisement and related income	4,35,00,000
<b>Total revenue</b>	<b>4,35,00,000</b>

### Note 8: Employee benefit expenses

	Notes	January 01, 2017
Salaries, wages and bonus		3,55,086
Contribution to provident fund		12,447
<b>Total employee benefit expense</b>		<b>3,67,533</b>

### Note 9: Depreciation and amortisation expense

	Notes	January 01, 2017
Depreciation of property, plant and equipment	3	14,489
<b>Total depreciation and amortisation expense</b>		<b>14,489</b>

### Note 10: Other expenses

	January 01, 2017
	Events Business
Power and fuel	12,260
Insurance	2,704
Advertising and sales promotion	1,58,53,575
Communication costs	8,938
<b>Total other expenses</b>	<b>1,58,77,477</b>

## Notes forming part of the extracted financial statements of events business for the nine months period ended January 01, 2017

(All amounts in Indian rupee, unless otherwise stated)

### Note 11: Income tax expense

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	January 01, 2017
<b>(a) Income tax expense</b>	
<i>Current tax</i>	-
<b>Total current tax expense</b>	-
<i>Deferred tax</i>	
Decrease/(increase) in deferred tax assets	(36,43,936)
(Decrease)/ increase in deferred tax liabilities	-
<b>Total deferred tax expense/(benefit)</b>	<b>(36,43,936)</b>
<b>Income tax expense</b>	<b>(36,43,936)</b>

### (b) Significant estimates

In calculating the Income tax for the year, the Company has treated leave encashment expenditure as being deductible for tax purposes. The Company has relied upon the ruling of Hon'ble Supreme Court in the case of Bharat Earthmovers Vs. CIT.

### (c) Reconciliation of tax expenses and the accounting (loss) multiplied by India's tax rates:

	January 01, 2017
(Loss) before income tax expense	<b>2,72,40,501</b>
Tax at the Indian tax rate of 30.90% (2016-2017 30.90%)	<b>84,17,315</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>	
TDS written off	-
Interest on late payment of TDS	-
Donation debited in Profit & Loss Account	-
<b>Income tax expense</b>	<b>8,417,315</b>
Less: Set off of income with losses from newspaper publishing business	<b>(1,20,61,250)</b>
<b>Total Income tax expense</b>	<b>(36,43,935)</b>

### A. Other equity

	Reserve and surplus		Total
	Securities premium reserve	Retained earnings	
<b>Balance at 1<sup>st</sup> April 2016</b>	-	-	-
<b>Comprehensive expenses for the year</b>			
(Loss) for the year	-	3,08,84,437	3,08,84,437
Other comprehensive (expense)	-	-	-
<b>Total comprehensive (expense) for the year</b>	-	3,08,84,437	3,08,84,437
<b>Balance at January 01, 2017</b>	-	<b>3,08,84,437</b>	<b>3,08,84,437</b>

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

This is the statement of changes in equity referred to in our report of even date.

**For KM & CO.**  
Firm Registration Number : 024883N  
Chartered Accountants

**For and on behalf of the Board of Directors**  
of Mail Today Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

R.K. Mangla  
Director  
(DIN : 06699673)

Place : New Delhi  
Date : 15 December, 2017

Place : Noida  
Date : 15 December, 2017



**FAIRNESS OPINION ON VALUATION IN  
COMPOSITE SCHEME OF ARRANGEMENT AND  
AMALGAMATION AMONG MAIL TODAY  
NEWSPAPERS PRIVATE LIMITED, INDIA TODAY  
ONLINE PRIVATE LIMITED AND T.V. TODAY  
NETWORK LIMITED**

14<sup>th</sup> December, 2017

Strictly Private & Confidential

Corporate Professionals Capital Private Limited

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Ref. No: CPC/MB/198/2017-18

Dated: 14<sup>th</sup> December, 2017

SEBI Reg. No: INM000011435

**The Board of Directors**

**T.V. TODAY NETWORK LIMITED (Transferee Company)**

Registered Office: F-26, Connaught Place,

New Delhi 110 001

**The Board of Directors**

**MAIL TODAY NEWSPAPERS PRIVATE LIMITED (Transferor Company 1)**

Registered Office: F-26, Connaught Place,

New Delhi 110 001

**The Board of Directors**

**INDIA TODAY ONLINE PRIVATE LIMITED (Transferor Company 2)**

Registered Office: F-26, Connaught Place,

New Delhi 110 001

**Subject: Fairness Opinion on valuation of Mail Today Newspapers Private Limited, India Today Online Private Limited and T.V. Today Network Limited under a Composite Scheme of Arrangement and Amalgamation**

Dear Sir/s,

We refer to our appointment for the purpose of arriving at an opinion on the valuation of Mail Today Newspapers Private Limited, India Today Online Private Limited and T.V. Today Network Limited under a Composite Scheme of Arrangement and Amalgamation (“**Proposed Scheme/Scheme**”).

With reference to the above, Corporate Professionals Capital Private Limited has been appointed as Merchant Bankers by the management of Mail Today Newspapers Private Limited, India Today Online Private Limited and T.V. Today Network Limited to provide a Fairness Opinion on the valuation aspects of this transaction pursuant to the Proposed Scheme.



In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, National Company Law Tribunal ("**NCLT**") and notices to be dispatched to the shareholder and creditors for convening the meeting pursuant the directions of NCLT and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

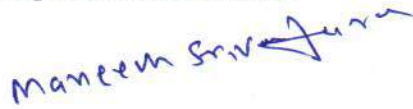
**Yours Faithfully,**

**For Corporate Professionals Capital Private Limited**



**Chander Sawhney**

**[Partner]**



**Maneesh Srivastava**

**[Associate Vice President]**



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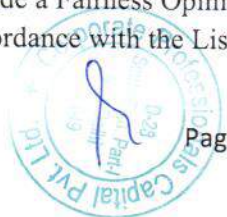




## CONTEXT AND BACKGROUND

- 1.1 We understand that this Proposed Scheme seeks to restructure, amalgamate and consolidate the business of publishing of daily English newspaper 'Mail Today', conducted through Mail Today Newspapers Private Limited ("**Transferor Company 1**"), India Today Online Private Limited ("**Transferor Company 2**") (Transferor Company 1 and Transferor Company 2 together referred to as "**Transferor Companies**") with the operation of news channels conducted by T.V. Today Network Limited ("**Transferee Company**"). Transferor Company 1, Transferor Company 2 and the Transferee Company are together referred to as the "**Restructured Companies**".
- 1.2 The board of directors of the Restructured Companies have resolved that the capital reduction of the Transferor Companies, the demerger of the MTN Undertaking of Transferor Company 1 and the amalgamation of Transferor Company 2 with the Transferee Company would be in the interests of the shareholders, creditors and employees of the Restructured Companies. The Transferee Company is engaged in the operation of news channels such as Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly the Scheme will result in consolidation of the newspaper business of the Transferee Company presently being carried out through the Transferor Companies in one entity and would strengthen the position of the resultant entity i.e., the Transferee Company, by enabling it to harness and optimise the synergies of the Transferor Companies. The Scheme will result in operational efficiencies due to optimal utilization of content of the newspaper business by the TV channels. In addition, the content created by Transferor Company 1 will be valuable for Transferee Company's news content for its television and digital platforms.
- 1.3 The Proposed Scheme presented under Chapter XV of the Companies Act, 2013 is divided into the following parts:
- Part I Deals with the overview and objects of this Scheme;
  - Part II: Deals with share capital of the Restructured Companies;
  - Part III: Deals with the reduction of share capital to be undertaken by Transferor Company 1;
  - Part IV: Deals with the reduction of share capital to be undertaken by Transferor Company 2;
  - Part V: Deals with the demerger of the MTN Undertaking into and with the Transferee Company in accordance with Chapter XV of the Companies Act 2013. (the Transferee Company shall be referred to as the "**Resultant Company**" after the demerger and vesting of the MTN Undertaking into the Transferee Company);
  - Part VI: Deals with the Residual Undertaking of Transferor Company 1;
  - Part VII: Deals with the amalgamation of Transferor Company 2 into and with the Resultant Company in accordance with Chapter XV of the Companies Act 2013;
  - Part VIII: Deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of the Proposed Scheme.

We, Corporate Professionals Capital Private Limited have been appointed as Merchant Bankers by the management of companies to provide a Fairness Opinion on the valuation aspects of the Restructured Companies under the Proposed Scheme in accordance with the Listing Regulations.



## BRIEF ABOUT COMPANIES

1. **Mail Today Newspapers Private Limited** (Transferor Company 1) is a private limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, Connaught Place, New Delhi 110 001. It was incorporated on 9 May 2007 and is engaged in the newspaper publication business of India Today group.

Transferor Company 1 is an indirectly held wholly-owned subsidiary of the Transferee Company, with the Transferee Company holding 48.99% of the share capital of Transferor Company 1 and Transferor Company 2 legally and beneficially holding the remaining 51.01% share capital of Transferor Company 1.

2. **India Today Online Private Limited** (Transferor Company 2) is a private limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, First Floor, Connaught Place, New Delhi 110 001. It was incorporated on 14 September 2000 and is formed with the object of providing web & internet based service, publishing, distributing, marketing newspaper etc. It also holds investment in Transferor Company 1 along with the Transferee Company. The Transferee Company legally and beneficially holds one hundred per cent. (100%) equity shares of Transferor Company 2.

3. **T.V. Today Network Limited** (Transferee Company) is a public limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, First Floor, Connaught Circus, New Delhi 110 001. It was incorporated on 28 December 1999 and is engaged in the media and broadcasting business across television and other digital platforms of India Today group. The equity shares of the Transferee Company are listed on National Stock Exchange of India Limited (hereinafter called 'NSE') and BSE Limited (hereinafter called 'BSE').



**PART III OF THE PROPOSED SCHEME DEALS WITH REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY TRANSFEROR COMPANY 1**

In accordance with the provisions of Section 66 of the Act, on and from the effective date, the paid up equity share capital and securities premium account of Transferor Company 1 shall stand reduced by offsetting the accumulated losses of Transferor Company 1 in the following manner: first, against the securities premium account of Transferor Company 1; and the balance, if any, of the accumulated losses after offsetting against the securities premium account, will be set off against paid up equity share capital of Transferor Company 1. The above reduction in the issued, subscribed and paid up equity share capital shall be effected by a reduction and cancellation of the equity shares held by all the shareholders pro rata to their shareholding in Transferor Company 1.

**PART IV OF THE PROPOSED SCHEME DEALS WITH REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY TRANSFEROR COMPANY 2**

In accordance with the provisions of Section 66 of the Act, on and from the effective date, the paid up equity share capital and securities premium account of Transferor Company 2 shall stand reduced by offsetting the accumulated losses of Transferor Company 2 in the following manner: first, against the securities premium account of Transferor Company 2; and the balance, if any, of the accumulated losses after offsetting against the securities premium account, will be set off against paid up equity share capital of Transferor Company 2. The above reduction in the issued, subscribed and paid up equity share capital shall be effected by a reduction and cancellation of the equity shares held by all the shareholders pro rata to their shareholding in Transferor Company 2.

**PART V OF THE PROPOSED SCHEME DEALS WITH THE DEMERGER OF THE MTN UNDERTAKING FROM TRANSFEROR COMPANY 1 TO THE TRANSFEREE COMPANY**

The payment of consideration clause in this respect states as under-

Upon the Proposed Scheme becoming effective and upon vesting of the MTN Undertaking in the Transferee Company in terms of this scheme, the equity shareholders of Transferor Company 1 (i.e., the Transferee Company and Transferor Company 2) shall not be entitled to receive equity shares of the Transferee Company as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company. Transferor Company 1 is indirectly held by the Transferee Company. The Act prohibits allotment or transfer of shares of a parent company to its subsidiary company.

**PART VII OF THE PROPOSED SCHEME DEALS WITH THE AMALGAMATION OF TRANSFEROR COMPANY 2 INTO AND WITH THE RESULTANT COMPANY**

The payment of consideration clause in this respect states as under-

Upon the Proposed Scheme becoming effective and upon amalgamation of Transferor Company 2 with the Resultant Company in terms of the Proposed Scheme, the equity shares of Transferor Company 2 held by the Resultant Company (either held in its own name or through its nominees) shall stand cancelled in their entirety as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.

1.4 We understand that the Proposed Scheme will result in consolidation of the two business carried on by the India Today Group is strategic in nature and will generate editorial and business synergies. The Proposed Scheme will result in operational efficiencies due to optimal utilization of content of the newspaper business by the TV channels. In addition, the content created by Transferor Company 1 will be valuable for Transferee Company's news content for its television and digital platforms.

Part III and Part IV of the Scheme deals with the reduction in the equity share capital of Transferor Company 1 and Transferor Company 2 in a manner that the accumulated losses of the Transferor Companies are reduced against the securities premium account followed by the equity share capital to clean up the balance sheet. The proposed capital reduction would be beneficial for all the remaining shareholders of the Restructured Companies as neither involves any financial outlay/outgo on the part of the Transferee Company nor does it directly or indirectly involves any outflow of the Transferor Companies' assets to its shareholders. Further it would give a true and fair view of the financial statement of the Transferee Company.

Part V of the proposed scheme deals with the demerger of the MTN undertaking from Transferor Company 1 to the Transferee Company. Being transfer of undertaking to its holding company holding 100% of its share capital (directly or indirectly), no consideration is to be discharged.

Part VII of the proposed scheme deals with the amalgamation of Transferor Company 2 with the resultant company. Being amalgamation of a wholly owned subsidiary with a parent company, no consideration is to be discharged.

- In Part V and VII, valuation is not undertaken as these are occurring within the holding company and its wholly owned subsidiaries (directly or indirectly) and it does not involve any movement of assets or liabilities outside the group. There is also no change in the promoter and public shareholding pattern of the public listed company i.e., the Transferee Company. It is already clarified by SEBI that in the present context valuation report from independent chartered accountant shall not be required as per SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

*"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, we have reviewed the proposed Scheme of Arrangement and Amalgamation with respect to the valuation aspects and consider it to be fair and reasonable from the point of view of equity shareholders of the Companies.*



## CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective management and other public available information. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Restructured Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured Company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.



**From:** [Nitinkumar Pujari](#)  
**To:** [Ashish Sabharwal](#)  
**Cc:** [Komal Singhal](#); [Prerna Kapoor](#); [BSE Schemes](#); [Sabah Vaze](#)  
**Subject:** RE: Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED - case no 73048  
**Date:** 21 February 2018 14:15:35

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Dear Sir,

This is with reference to the Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED with the Exchange on January 18, 2018 vide case no. 73048

This is to confirm that BSE concurs with the approach taken by NSE.

Regards,

**Nitinkumar Pujari**

Senior Manager  
Listing Operations (Further Issues)

BSE Limited, P J Towers, Dalal Street, Mumbai -400001, India  
Phone (Direct) : 22 22728398  
Mobile : 9820109736

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**From:** Nitinkumar Pujari  
**Sent:** 16 February 2018 16:30  
**To:** 'Ashish Sabharwal' <[ashish.sabharwal@intoday.com](mailto:ashish.sabharwal@intoday.com)>  
**Cc:** Komal Singhal <[Komal.Singhal@ajtak.com](mailto:Komal.Singhal@ajtak.com)>; Prerna Kapoor <[Prerna.Kapoor@ajtak.com](mailto:Prerna.Kapoor@ajtak.com)>; BSE Schemes <[bse.schemes@bseindia.com](mailto:bse.schemes@bseindia.com)>  
**Subject:** RE: Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED - case no 73048

Dear Sir,

Please wait till coming Monday, as I have reminded the Compliance Dept. for clarification.

Regards,

**Nitinkumar Pujari**

Senior Manager  
Listing Operations (Further Issues)

BSE Limited, P J Towers, Dalal Street, Mumbai -400001, India  
Phone (Direct) : 22 22728398  
Mobile : 9820109736

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**From:** Ashish Sabharwal [<mailto:ashish.sabharwal@intoday.com>]  
**Sent:** 16 February 2018 16:08  
**To:** Nitinkumar Pujari <[Nitinkumar.Pujari@bseindia.com](mailto:Nitinkumar.Pujari@bseindia.com)>; BSE Schemes <[bse.schemes@bseindia.com](mailto:bse.schemes@bseindia.com)>; Corp Relations <[corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)>  
**Cc:** Komal Singhal <[Komal.Singhal@ajtak.com](mailto:Komal.Singhal@ajtak.com)>; Prerna Kapoor <[Prerna.Kapoor@ajtak.com](mailto:Prerna.Kapoor@ajtak.com)>  
**Subject:** FW: Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED - case no 73048

Dear Nitin,

Request your response on the trail mail.

Thanks & Regards,

Ashish Sabharwal  
Group Head – Secretarial & Company Secretary

Mob No. 9810830802

Tel No. : 0120 – 4807100 – Extn 7437

---

**From:** Ashish Sabharwal  
**Sent:** Wednesday, February 14, 2018 12:06 PM  
**To:** 'nitinkumar.pujari@bseindia.com'; [bse.schemes@bseindia.com](mailto:bse.schemes@bseindia.com)  
**Cc:** Komal Singhal; Perna Kapoor  
**Subject:** FW: Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED - case no 73048

Dear Nitin,

Request your response on the trail mail.

Thanks & Regards,

Ashish Sabharwal  
Group Head – Secretarial & Company Secretary

Mob No. 9810830802

Tel No. : 0120 – 4807100 – Extn 7437

---

**From:** Ashish Sabharwal  
**Sent:** Tuesday, January 30, 2018 6:45 PM  
**To:** 'nitinkumar.pujari@bseindia.com'; 'corp.relations@bseindia.com'  
**Cc:** Komal Singhal; Perna Kapoor  
**Subject:** Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED - case no 73048

Dear Nitin,

This is with reference to the Scheme of Arrangement and Amalgamation filed by T.V. TODAY NETWORK LIMITED with the Exchange on January 18, 2018 vide case no. 73048

In this regard we wish to inform you that we have received the trail mail from National Stock Exchange suggesting the following:

***“This is with reference to your application for Scheme of Arrangement of TVTODAY, based on the informal guidance note issued by the SEBI in the matter of Renaissance Jewellery Limited the Company is not required to obtained NOC from the Exchange. However, disclosure of documents to the Exchange will be sufficient compliance.”***

We request you to kindly let us know if BSE Limited is also taking a similar approach in this regard.

Thanks & Regards,

Ashish Sabharwal  
Group Head – Secretarial & Company Secretary

Mob No. 9810830802

Tel No. : 0120 – 4807100 – Extn 7437

---

**From:** Amit Phatak (LISCO) [<mailto:aphatak@nse.co.in>]

**Sent:** Monday, January 29, 2018 4:48 PM

**To:** Ashish Sabharwal

**Cc:** Komal Singhal; Prerna Kapoor; Lokesh Bhandari (LISCO); Rajendra Bhosale (LISCO)

**Subject:** RE: Application Number 14905 for Scheme of Arrangement of TVTODAY Allocated

Dear Sir

This is with reference to your application for Scheme of Arrangement of TVTODAY, based on the informal guidance note issued by the SEBI in the matter of Renaissance Jewellery Limited the Company is not required to obtained NOC from the Exchange. However, disclosure of documents to the Exchange will be sufficient compliance.

*Warm regards*

*Amit Phatak*

*Assistant Manager – Listing Compliance*

***National Stock Exchange of India Limited (NSE)***

*Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400051*

*Contact: 022-26598100, 23399; 022- 26598233/40; email id: [aphatak@nse.co.in](mailto:aphatak@nse.co.in)*

*[www.nseindia.com](http://www.nseindia.com)*



---

**From:** Ashish Sabharwal [<mailto:ashish.sabharwal@intoday.com>]

**Sent:** 29 January 2018 15:45

**To:** NEAPS; Amit Phatak (LISCO)



**Cc:** Komal Singhal; Prerna Kapoor

**Subject:** RE: Application Number 14905 for Scheme of Arrangement of TVTODAY Allocated

Dear Amit,

Request you to please update us on our application as mentioned in trail mail. Tried calling you but could not connect.

Thanks & Regards,

Ashish Sabharwal  
Group Head – Secretarial & Company Secretary

Mob No. 9810830802

Tel No. : 0120 – 4807100 – Extn 7437

**From:** [neaps@nse.co.in](mailto:neaps@nse.co.in) [<mailto:neaps@nse.co.in>]

**Sent:** Wednesday, January 17, 2018 6:15 PM

**To:** Ashish Sabharwal

**Subject:** Application Number 14905 for Scheme of Arrangement of TVTODAY Allocated

Dear Sir/Madam,

We acknowledge the receipt of your Application Number 14905 under Regulation 37(1) of the SEBI(LODR) Regulations, 2015.

Your application is being handled by Ms/Mr. Amit Phatak ( Asst. Manager ).

You may contact her/him at 022-26598100-( Ext: 23399 ) and email id :

[aphatak@nse.co.in](mailto:aphatak@nse.co.in) for query if any.

Regards,

National Stock Exchange of India Limited.

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**REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF T.V. TODAY NETWORK LIMITED AT ITS MEETING HELD ON 22<sup>nd</sup> MAY 2018 EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION ON MEMBERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

The Board of Directors ("**Board**") of T.V Today Network Limited ("**Transferee Company**" or "**Company**") at its Board Meeting held on 15<sup>th</sup> December 2017 has approved the Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended from time to time ("**Act**") and other applicable laws among the Company, Mail Today Newspapers Private Limited ("**Transferor Company 1**") and India Today Online Private Limited ("**Transferor Company 2**") (the "**Scheme**"). The Scheme is subject to requisite approval(s) of the National Company Law Tribunal, Bench at New Delhi.

In accordance with Section 232(2)(c) of the Companies Act 2013, ("**the Act**") a report adopted by the Directors of the Transferee Company explaining effect of the Scheme on each class of members, key managerial personnel ("**KMP**"), promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the creditors or class of creditors or members or class of members, as the case may be, along with the notice convening such meeting.

While deliberating on the Scheme, the Board of the Company had considered the Draft Scheme.

Therefore, in accordance with Section 232(2)(c) of the Act, the Board of the Company in its meeting held on 22<sup>nd</sup> May 2018 took on record the following impact of the Scheme on the members and KMPs of the Company:

(a) This Scheme seeks to restructure, amalgamate and consolidate the business of publishing of daily English newspaper "Mail Today", conducted through Transferor Company 1, Transferor Company 2 (Transferor Company 1 and Transferor Company 2 together referred to as "**Transferor Companies**") and the Transferee Company. The Board of Directors of each of the Transferor Companies and the Transferee Company (together referred to as the "**Restructured Companies**") have resolved that the capital reduction of the Transferor Companies, the demerger of the MTN Undertaking (as defined in the Scheme) of Transferor Company 1 and the amalgamation of Transferor Company 2 with the Transferee Company would be in the interests of the shareholders, creditors and employees of the Restructured Companies. The Transferee Company is engaged in the operation of news channels such as

Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly, in terms of the Scheme, the consolidation of the two businesses carried on by the India Today Group is strategic in nature and will generate editorial and business synergies.

- (b) The reduction in share capital of Transferor Company 1 will reflect the true and fair view of financial position of the Transferor Company 1. Approximately ₹ 2,73,71,34,099 of accumulated losses as on 31<sup>st</sup> December, 2016 will be set off pursuant to the reduction of security premium and share capital of Transferor Company 1.
- (c) The reduction in share capital of Transferor Company 2 will reflect the true and fair view of financial position of the Transferor Company 2. Approximately ₹ 2,189,039,960 of accumulated losses as on 31<sup>st</sup> December, 2016 will be set off pursuant to the reduction of security premium and share capital of Transferor Company 2.
- (d) Upon this Scheme coming into effect and upon vesting of the MTN Undertaking (as defined in the Scheme) in the Transferee Company, in terms of Clause 3 of Part V of the Scheme, the equity shareholders of Transferor Company 1 (i.e., the Transferee Company and Transferor Company 2) shall not be entitled to receive equity shares of the Transferee Company as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and Transferor Company 1 is indirectly held by the Transferee Company. The Act prohibits allotment or transfer of shares of a parent company to its subsidiary company.
- (e) Upon this Scheme becoming effective and upon amalgamation of Transferor Company 2 with the Transferee Company in terms of Clause 3 of Part VII of the Scheme, the equity shares of ₹ 10 each of Transferor Company 2 held by the Transferee Company (as defined in the Scheme) (either held in its own name or through its nominees) shall stand cancelled in their entirety.
- (f) Since pursuant to the Scheme, there will be no issuance of shares from the Transferee Company to Transferor Company 1 and Transferor Company 2, in accordance with paragraphs (d) and (e) above, there is no valuation exercise required to be undertaken by the Restructured Companies to determine the share exchange ratio, and no valuation report was required to be prepared regarding such valuation.



(g) The shareholding pattern as on May 11, 2018 of the Transferee Company is as under:

S. No.	Name of Shareholder	Pre-Scheme		Post-Scheme	
		No. of shares	Shareholding as a %	No. of shares	Shareholding as a %
1.	Promoter and Promoter Group	3,42,51,486	57.42%	3,42,51,486	57.42%
2.	FIs/banks/Insurance Companies	18,657	0.03%	18,657	0.03%
3.	Mutual funds	71,98,191	12.07%	71,98,191	12.07%
4.	NRIs/foreign individuals	9,45,369	1.58%	9,45,369	1.58%
5.	Foreign Portfolio Investors	65,44,019	10.97%	65,44,019	10.97%
6.	Others	1,06,95,893	17.93%	1,06,95,893	17.93%

*Note: There will be no change in the shareholding pattern on the effective date as no shares are being issued by the Company. This Shareholding patterns set out above is subject to any change in the Share Capital of the Company pursuant to any allotment of shares in the interim or to the extent of exercise of ESOP options by the employees of the Company, pursuant to the existing ESOP scheme of the Company. Further, the Transferee Company is a listed entity whose shares are publicly traded on stock exchanges on regular basis. Hence, the number of Shareholders may undergo a change.*

Upon the Scheme being made effective, there shall be no change in the aforesaid pattern of the Transferee Company.

Save as otherwise disclosed below and except being member of the companies involved in the Scheme, none of the Directors or KMPs or their relatives, is concerned, or interested financially or otherwise in the Scheme.

S.No.	Name of the director	Shares held by the director
1.	Aroon Purie	2,94,172
2.	Kalli Purie Bhandal	Nil
3.	Devajyoti Nirmalkumar Bhattacharya	Nil
4.	Ashok Kapur	Nil
5.	Rajeev Gupta	Nil
6.	Anil Vig	Nil

There will be no adverse effect of the said Scheme on the members (the only class of members), KMPs, promoter and non-promoter shareholders of the Company.

#### For T.V Today Network Limited

**Aroon Purie**  
Chairman & Whole time Director  
DIN: 00002794

Place : Delhi  
Date : 22<sup>nd</sup> May, 2018

## Annexure-5

### REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF MAIL TODAY NEWSPAPERS PRIVATE LIMITED AT ITS MEETING HELD ON 22<sup>nd</sup> MAY, 2018 EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION ON MEMBERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

The Board of Directors ("**Board**") of Mail Today Newspapers Private Limited ("**Transferor Company 1**" or "**Company**") at its Board Meeting held on 15<sup>th</sup> December, 2017 has approved the Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended from time to time ("**Act**") and other applicable laws among the Company, India Today Online Private Limited ("**Transferor Company 2**") and T.V. Today Network Limited ("**Transferee Company**") (the "**Scheme**"). The Scheme is subject to requisite approval(s) of the National Company Law Tribunal, Bench at New Delhi.

In accordance with Section 232(2)(c) of the Companies Act 2013, ("**the Act**") a report adopted by the directors of the Transferor Company 1 explaining effect of the Scheme on each class of members, key managerial personnel ("**KMP**"), promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the creditors or class of creditors or members or class of members, as the case may be, along with the notice convening such meeting.

While deliberating on the Scheme, the Board of the Company had, considered the Draft Scheme.

Therefore, in accordance with Section 232(2)(c) of the Act, the Board of the Company in its meeting held on 22<sup>nd</sup> May, 2018 took on record the following impact of the Scheme on the members and KMPs of the Company:

- (a) This Scheme seeks to restructure, amalgamate and consolidate the business of publishing of daily English newspaper "Mail Today", conducted through Transferor Company 1, Transferor Company 2 (Transferor Company 1 and Transferor Company 2 together referred to as "**Transferor Companies**") and the Transferee Company. The Board of Directors of each of the Transferor Companies and the Transferee Company (together referred to as the "**Restructured Companies**") have resolved that the capital reduction of the Transferor Companies, the demerger of the MTN Undertaking (as defined in the Scheme) of Transferor Company 1 and the amalgamation of Transferor Company 2 with the Transferee Company would be in the interests of the shareholders, creditors and employees of the Restructured Companies. The Transferee Company is engaged in the operation of news channels such as Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly, in terms of the Scheme, the consolidation of the two businesses carried on by the India Today Group is strategic in nature and will generate editorial and business synergies.
- (b) Upon this Scheme coming into effect and upon vesting of the MTN Undertaking (as defined in the Scheme) in the Transferee Company, in terms of Clause 3 of Part

V of the Scheme, the equity shareholders of Transferor Company 1 (i.e., the Transferee Company and Transferor Company 2) shall not be entitled to receive equity shares of the Transferee Company as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and Transferor Company 1 is indirectly held by the Transferee Company. The Act prohibits allotment or transfer of shares of a parent company to its subsidiary company.

- (c) Upon this Scheme becoming effective and upon amalgamation of Transferor Company 2 with the Transferee Company in terms of Clause 3 of Part VII of the Scheme, the equity shares of ₹ 10 each of Transferor Company 2 held by the Transferee Company (as defined in the Scheme) (either held in its own name or through its nominees) shall stand cancelled in their entirety.
- (d) Since pursuant to the Scheme, there will be no issuance of shares from the Transferee Company to Transferor Company 1 and Transferor Company 2, in accordance with paragraphs (b) and (c) above, there is no valuation exercise required to be undertaken by the Restructured Companies to determine the share exchange ratio, and no valuation report was required to be prepared regarding such valuation.

There shall be no change in the shareholding pattern of the Transferor Company 1 post the Scheme being made effective.

Save as otherwise disclosed below and except being member of the companies involved in the Scheme, none of the directors or KMPs or their relatives, is concerned, or interested financial or otherwise in the Scheme.

S.No.	Name of the director	Shares held by the director in Transferor Company 1
1.	Aroon Purie	100*
2.	Kalli Purie Bhandal	1*
3.	Devajyoti Nirmalkumar Bhattacharya	Nil
4.	Rajender Kumar Mangla	Nil
5.	Vinay Kumar Singh	Nil

\* As Nominees of India Today Online Private Limited

There will be no adverse effect of the said Scheme on the members (the only class of members), KMPs, promoter and non-promoter shareholders of the Company.

#### For Mail Today Newspapers Private Limited

**Rajender Kumar Mangla**  
**Director**  
**DIN: 06699673**

**Place : Noida**  
**Date: 22<sup>nd</sup> May, 2018**

**REPORT UNDER SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF INDIA TODAY ONLINE PRIVATE LIMITED AT ITS MEETING HELD ON 22<sup>nd</sup> MAY, 2018 EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION ON MEMBERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

The Board of Directors ("**Board**") of India Today Online Private Limited ("**Transferor Company 2**" or "**Company**") at its Board Meeting held on 15<sup>th</sup> December 2017 has approved the Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, as amended from time to time ("**Act**") and other applicable laws among the Company, Mail Today Newspapers Private Limited ("**Transferor Company 1**") and T.V. Today Network Limited ("**Transferee Company**") (the "**Scheme**"). The Scheme is subject to requisite approval(s) of the National Company Law Tribunal, Bench at New Delhi.

In accordance with Section 232(2)(c) of the Companies Act 2013, ("**the Act**") a report adopted by the Directors of the Transferor Company 2 explaining effect of the Scheme on each class of members, key managerial personnel ("**KMP**"), promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the creditors or class of creditors or members or class of members, as the case may be, along with the notice convening such meeting.

While deliberating on the Scheme, the Board of the Company had, considered the Draft Scheme.

Therefore, in accordance with Section 232(2)(c) of the Act, the Board of the Company in its meeting held on 22<sup>nd</sup> May, 2018 took on record the following impact of the Scheme on the members and KMPs of the Company:

(a) This Scheme seeks to restructure, amalgamate and consolidate the business of publishing of daily English newspaper "Mail Today", conducted through Transferor Company 1, Transferor Company 2 (Transferor Company 1 and Transferor Company 2 together referred to as "**Transferor Companies**") and the Transferee Company. The Board of Directors of each of the Transferor Companies and the Transferee Company (together referred to as the "**Restructured Companies**") have resolved that the capital reduction of the Transferor Companies, the demerger of the MTN Undertaking (as defined in the Scheme) of Transferor Company 1 and the amalgamation of Transferor Company 2 with the Transferee Company would be in the interests of the shareholders, creditors and employees of the Restructured Companies. The Transferee Company is engaged in the operation of news channels such as Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly, in terms of the Scheme, the consolidation of the two businesses carried on by the India Today Group is strategic in nature and will generate editorial and business synergies.

- (b) Upon this Scheme coming into effect and upon vesting of the MTN Undertaking (as defined in the Scheme) in the Transferee Company, in terms of Clause 3 of Part V of the Scheme, the equity shareholders of Transferor Company 1 (i.e., the Transferee Company and Transferor Company 2) shall not be entitled to receive equity shares of the Transferee Company as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and Transferor Company 1 is indirectly held by the Transferee Company. The Act prohibits allotment or transfer of shares of a parent company to its subsidiary company.
- (c) Upon this Scheme becoming effective and upon amalgamation of Transferor Company 2 with the Transferee Company in terms of Clause 3 of Part VII of the Scheme, the equity shares of ₹ 10 each of Transferor Company 2 held by the Transferee Company (as defined in the Scheme) (either held in its own name or through its nominees) shall stand cancelled in their entirety.
- (d) There will be no change in the shareholding pattern of the Transferee Company upon effectiveness of the Scheme and upon amalgamation of Transferor Company 2 into and with the Transferee Company, Transferor Company 2 shall stand dissolved without winding up in accordance with the Scheme.
- (e) Since pursuant to the Scheme, there will be no issuance of shares from the Transferee Company to Transferor Company 1 and Transferor Company 2, in accordance with paragraphs (c) and (d) above, there is no valuation exercise required to be undertaken by the Restructured Companies to determine the share exchange ratio, and no valuation report was required to be prepared regarding such valuation.

Save as otherwise disclosed below and except being member of the companies involved in the Scheme, none of the directors or KMPs or their relatives, is concerned, or interested financial or otherwise in the Scheme.

S.No.	Name of the director	Shares held by the director in Transferor Company 2
1.	Vinay Kumar Singh	Nil
2.	Rajender Kumar Mangla	Nil
3.	Dinesh Kumar Sehgal	Nil

There will be no adverse effect of the said Scheme on the members (the only class of members), KMPs, promoter and non-promoter shareholders of the Company.

**For India Today Online Private Limited**

**Dinesh Kumar Sehgal**  
**Director**  
**DIN: 07331298**

**Place: Noida**  
**Date: 22<sup>nd</sup> May, 2018**

## INDEPENDENT AUDITORS' REPORT

### To the Members of T.V. Today Network Limited

#### Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **T.V. Today Network Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 12, 2015 and May 25, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on April 1, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 28;
  - ii. The Company does not have derivative contracts, and in respect of other long-term contracts, there were no material foreseeable losses as at March 31, 2017.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 24.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Place: Gurugram  
Date: May 26, 2017

Sougata Mukherjee  
Partner  
Membership Number 57084

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of T.V. Today Network Limited on the standalone financial statements for the year ended March 31, 2017

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### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of T.V. Today Network Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management 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 Internal Financial Controls Over Financial Reporting 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of T.V. Today Network Limited on the standalone financial statements for the year ended March 31, 2017

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being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Place: Gurugram  
Date: May 26, 2017

Sougata Mukherjee  
Partner  
Membership Number 57084

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of T.V. Today Network Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
  - (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, duty of customs, duty of excise, value added tax, which have not been deposited on account of any dispute. The particulars of dues of service tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	Rs. 106,437,463 (including interest of Rs. 47,872,112 and penalty of Rs.	F.Y. 2006-07 to F.Y. 2011-12	Customs, Excise and Service Tax Appellate Tribunal

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of T.V. Today Network Limited on the standalone financial statements for the year ended March 31, 2017

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- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants

Place: Gurugram  
Date: May 26, 2017

Sougata Mukherjee  
Partner  
Membership Number 57084

**T.V. Today Network Limited**  
**Balance sheet as at March 31, 2017**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	16,895.07	18,058.43	19,757.21
Capital work-in-progress	3	311.13	183.35	79.25
Intangible assets	4	2,932.59	3,293.77	3,765.25
Intangible assets under development	4	6.56	287.49	228.82
Financial assets				
i. Investments	5(a)	3,418.41	340.83	1,172.13
ii. Loans	5(e)	10.29	10.95	10.36
iii. Other financial assets	5(f)	2,959.58	1,942.12	3,425.05
Deferred tax assets (net)	6	1,449.05	1,478.50	1,548.53
Other non-current assets	7	77.95	275.93	200.85
<b>Total non-current assets</b>		<b>28,060.63</b>	<b>25,871.37</b>	<b>30,187.45</b>
<b>Current assets</b>				
Financial assets				
i. Trade receivables	5(b)	15,571.72	14,116.43	11,579.00
ii. Cash and cash equivalents	5(c)	2,005.71	2,002.03	6,588.22
iii. Bank balances other than (ii) above	5(d)	24,240.79	14,992.83	2,952.19
iv. Loans	5(e)	13.20	17.55	12.67
v. Other financial assets	5(f)	192.16	193.76	91.73
Current tax assets (net)	8	3,668.79	3,124.31	2,609.55
Other current assets	9	1,813.66	1,949.02	1,883.27
<b>Total current assets</b>		<b>47,506.03</b>	<b>36,395.93</b>	<b>25,716.63</b>
<b>Total assets</b>		<b>75,566.66</b>	<b>62,267.30</b>	<b>55,904.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	10(a)	2,982.68	2,982.68	2,982.43
<b>Other equity</b>				
Reserves and surplus	10(b)	59,584.11	47,778.99	42,774.35
<b>Total equity</b>		<b>62,566.79</b>	<b>50,761.67</b>	<b>45,756.78</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Other financial liabilities	11(b)	58.63	97.22	46.19
Provisions	12	674.92	648.88	622.84
Employee benefit obligations	13	207.62	118.89	57.64
Other non-current liabilities	14	0.55	2.04	64.14
<b>Total non-current liabilities</b>		<b>941.72</b>	<b>867.03</b>	<b>790.81</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings	11(a)	-	-	672.58
ii. Trade payables	11(c)	7,587.21	6,098.35	4,821.71
iii. Other financial liabilities	11(b)	2,334.64	2,881.31	1,890.71
Provisions	12	-	-	3.53
Employee benefit obligations	13	606.76	554.12	476.40
Other current liabilities	14	1,529.54	1,104.82	1,491.56
<b>Total current liabilities</b>		<b>12,058.15</b>	<b>10,638.60</b>	<b>9,356.49</b>
<b>Total liabilities</b>		<b>12,999.87</b>	<b>11,505.63</b>	<b>10,147.30</b>
<b>Total equity and liabilities</b>		<b>75,566.66</b>	<b>62,267.30</b>	<b>55,904.08</b>

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

Sougata Mukherjee  
Partner  
Membership No. 57084

Ashish Sabharwal  
Company Secretary  
Membership No. F4991

Sudhir Mehra  
Director  
DIN - 07424678

Aroon Purie  
Chairman and  
Managing Director  
DIN - 00002794

Dinesh Bhatia  
Chief Financial Officer  
DIN - 01604681

Place : Gurugram  
Date : May 26, 2017

Place : Noida  
Date : May 26, 2017

**T.V. Today Network Limited**  
**Statement of profit and loss for the year ended March 31, 2017**

	Notes	Year ended March 31, 2017 (Rs. in lacs)	Year ended March 31, 2016 (Rs. in lacs)
Revenue from operations	15	57,277.42	54,201.67
Other income	16(a)	2,209.71	1,826.82
Other gains / (losses) - net	16(b)	(74.27)	276.74
<b>Total income</b>		<b>59,412.86</b>	<b>56,305.23</b>
<b>Expenses</b>			
Production cost	17	6,300.29	6,083.22
Employee benefits expense	18	14,636.94	14,166.12
Depreciation and amortisation expense	19	2,860.39	3,057.09
Other expenses	20	20,065.86	17,705.42
Finance costs	21	203.56	56.01
<b>Total expenses</b>		<b>44,067.04</b>	<b>41,067.86</b>
<b>Profit before exceptional items and tax</b>		<b>15,345.82</b>	<b>15,237.37</b>
Exceptional items	22	855.80	(3,862.30)
<b>Profit before tax</b>		<b>16,201.62</b>	<b>11,375.07</b>
Income tax expense	23		
- Current tax		5,383.13	5,216.09
- Deferred tax		30.43	75.01
<b>Total tax expense</b>		<b>5,413.56</b>	<b>5,291.10</b>
<b>Profit for the year</b>		<b>10,788.06</b>	<b>6,083.97</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Remeasurements of post-employment benefit obligations	13	(2.85)	(14.33)
Income tax relating to this item	13	0.99	4.96
<b>Other comprehensive (expense) for the year, net of tax</b>		<b>(1.86)</b>	<b>(9.37)</b>
<b>Total comprehensive income for the year</b>		<b>10,786.20</b>	<b>6,074.60</b>
<b>Earnings per equity share</b>			
	31		
Basic earnings per share		18.08	10.20
Diluted earnings per share		18.08	10.20

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

Sougata Mukherjee  
Partner  
Membership No. 57084

Ashish Sabharwal  
Company Secretary  
Membership No. F4991

Sudhir Mehra  
Director  
DIN - 07424678

Aroon Purie  
Chairman and  
Managing Director  
DIN - 00002794

Dinesh Bhatia  
Chief Financial Officer  
DIN - 01604681

Place : Gurugram  
Date : May 26, 2017

Place : Noida  
Date : May 26, 2017

T.V. Today Network Limited  
Statement of changes in equity for the year ended March 31, 2017

**A Equity share capital**

	Notes	(Rs. in lacs)
As at April 1, 2015		2,982.43
Changes in equity share capital	10(a)	0.25
<b>As at March 31, 2016</b>		<b>2,982.68</b>
Changes in equity share capital	10(a)	-
<b>As at March 31, 2017</b>		<b>2,982.68</b>

**B Other equity**

	Notes	Reserves and surplus					Total
		Capital contribution	Securities premium reserve	Retained earnings	General reserve	Share options outstanding account	
<b>Balance as at April 1, 2015</b>		-	5,384.87	29,954.69	7,430.29	4.50	42,774.35
Profit for the year	10(b)	-	-	6,083.97	-	-	6,083.97
Other comprehensive (expense)	10(b)	-	-	(9.37)	-	-	(9.37)
<b>Total comprehensive income for the year</b>		-	-	6,074.60	-	-	6,074.60
Transfer from retained earnings to general reserve	10(b)	-	-	(500.00)	500.00	-	-
<b>Transactions with owners in their capacity as owners:</b>		-	-	-	-	-	-
Issue of equity shares as per employee stock option plan	10(a)	-	4.41	-	-	(0.50)	3.91
Dividend paid	26	-	-	(894.73)	-	-	(894.73)
Dividend distribution tax on dividend on equity shares	23	-	-	(178.89)	-	-	(178.89)
Options adjusted	30	-	-	-	-	(0.25)	(0.25)
<b>Balance at March 31, 2016</b>		-	5,389.28	34,455.67	7,930.29	3.75	47,778.99
<b>Balance at April 1, 2016</b>		-	5,389.28	34,455.67	7,930.29	3.75	47,778.99
Profit for the year		-	-	10,788.06	-	-	10,788.06
Other comprehensive income / (expense)		-	-	(1.86)	-	-	(1.86)
<b>Total comprehensive income for the year</b>		-	-	10,786.20	-	-	10,786.20
<b>Transactions with owners in their capacity as owners:</b>							
Capital contribution in the form of gifting of shares	10(b)	2,275.38	-	-	-	-	2,275.38
Dividend paid	26	-	-	(1,043.94)	-	-	(1,043.94)
Dividend distribution tax on dividend on equity shares	23	-	-	(212.52)	-	-	(212.52)
Option forfeited	30	-	-	-	1.50	(1.50)	-
<b>Balance at March 31, 2017</b>		2,275.38	5,389.28	43,985.41	7,931.79	2.25	59,584.11

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

Sougata Mukherjee  
Partner  
Membership No. 57084

Ashish Sabharwal  
Company Secretary  
Membership No. F4991

Sudhir Mehra  
Director  
DIN - 07424678

Aroon Purie  
Chairman and  
Managing Director  
DIN - 00002794

Dinesh Bhatia  
Chief Financial Officer  
DIN - 01604681

Place : Gurugram  
Date : May 26, 2017

Place : Noida  
Date : May 26, 2017



**T.V. Today Network Limited**  
**Statement of cash flows for the year ended March 31, 2017**

	Notes	Year ended March 31, 2017 (Rs. in lacs)	Year ended March 31, 2016 (Rs. in lacs)
<b>Cash flow from operating activities</b>			
Profit before income tax		16,201.62	11,375.07
Adjustments for			
Depreciation and amortisation expenses	19	2,860.39	3,057.09
Fixed assets written off	20	-	0.67
Employee share-based payment (income)	18	-	(0.25)
Allowance for doubtful debts - trade receivables	20	389.40	43.46
Allowance for doubtful advances	20	66.51	-
Bad debts net of adjustment with provision for doubtful debts and advances	20	-	41.37
Liabilities written back to the extent no longer required	16(a)	-	(256.80)
Net loss / (gain) on disposal of property, plant and equipment	16(b)	0.85	(272.80)
Fair value of investments acquired by way of gift	16(b)	(855.80)	-
Fair value loss on investment at fair value through profit and loss	22	53.60	831.30
Unwinding of discount on security deposits	16(a)	(20.58)	(19.27)
Interest income classified as investing cash flows	16(a)	(1,807.13)	(1,189.49)
Finance costs	21	203.56	56.01
Net exchange differences	16(b)	27.97	24.51
Fair value (loss) on guarantee received in relation to investment	22	-	3,031.00
<b>Changes in operating assets and liabilities</b>			
(Increase) in trade receivables		(1,676.26)	(2,419.77)
Increase in trade payables		1,489.98	1,255.82
(Increase) in other financial assets		(10,225.73)	(13,359.64)
(Increase) / decrease in other non - current assets		118.45	(31.26)
(Increase) / decrease in other current assets		109.85	(264.60)
Increase / (decrease) in other financial liabilities		(99.31)	693.94
Increase in employee benefit obligations		138.52	124.64
Increase / (decrease) in other current liabilities		424.72	(129.93)
Increase / (decrease) in other non - current liabilities		(1.49)	(62.10)
<b>Cash generated from operations</b>			
		<b>7,399.12</b>	<b>2,528.97</b>
Income tax paid	8	(5,927.61)	(5,734.38)
<b>Net cash inflow / (outflow) from operating activities</b>			
		<b>1,471.51</b>	<b>(3,205.41)</b>
<b>Cash flows from investing activities</b>			
Payment for acquisition of property, plant and equipment	3	(1,463.27)	(1,096.77)
Payment for acquisition of intangible assets	4	(73.24)	(223.08)
Proceeds from sale of property, plant and equipment	3	78.07	98.22
Sale of radio stations	35	-	400.00
Dividend received		-	-
Loans to / (repayment of loans by) employees	5(e)	5.01	(5.47)
Interest received	16(a)	1,751.40	879.20
<b>Net cash inflow from investing activities</b>			
		<b>297.97</b>	<b>52.10</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	10(a) and (b)	-	4.16
Interest and other borrowing costs paid	21	(170.39)	(19.46)
Dividends paid to company's shareholders	26	(1,041.60)	(894.73)
Dividend distribution tax paid	23	(212.52)	(178.89)
<b>Net cash (outflow) from financing activities</b>			
		<b>(1,424.51)</b>	<b>(1,088.92)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year	5(c)	1,673.41	5,915.64
Effect of exchange rate changes on cash and cash equivalents		(12.67)	-
<b>Cash and cash equivalents at the end of the year</b>			
		<b>2,005.71</b>	<b>1,673.41</b>
Non-cash investing activity			
- Acquisition of equity shares in Mail Today by way of a gift at fair values	10(b)	3,131.18	-

<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following		
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Cash and cash equivalents (note 5c)	2,005.71	2,002.03
Book overdraft (note 11b)	-	(328.62)
Cash credit facility from bank (note 11a)	-	-
<b>Balance as per statement of cash flows</b>	<b>2,005.71</b>	<b>1,673.41</b>

The above statement of cash flows should be read in conjunction with the accompanying notes  
This is the cash flow statement referred to in our report of even date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

Sougata Mukherjee  
Partner  
Membership No. 57084

Ashish Sabharwal  
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Chief Financial Officer  
DIN - 01604681

Place : Gurugram  
Date : May 26, 2017

Place : Noida  
Date : May 26, 2017

**T.V. Today Network Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

**Background**

T.V. Today Network Limited (hereinafter referred to as the 'Company') is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India. The registered office of the Company is situated at F-26, First Floor, Connaught Circus, New Delhi - 110001, India. The principal place of the business of the Company is situated at FC-8, Sector 16A, Film City, Noida 201301, Uttar Pradesh.

The Company is primarily engaged in broadcasting television news channels and radio stations in India.

**Note 1: Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements of the Company. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

*(i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 38 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

These financial statements have been issued in addition to the consolidated financial statements of the Company and its subsidiaries.

List of subsidiaries:

Name	Place of incorporation	Ownership interest			Method
		March 31, 2017	March 31, 2016	April 1, 2015	
India Today Online Private Limited	India	100.00%	0.00%	0.00%	At fair values
Mail Today Newspapers Private Limited*	India	100.00%	8.14%	8.35%	At fair values
T.V. Today Network (Business) Limited	India	100.00%	100.00%	100.00%	At fair values

\* As at March 31, 2017, 66.78% ownership interest is held through India Today Online Private Limited.

*(ii) Historical cost convention*

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments

**(b) Segment reporting**

Since, the Annual financial statements of the Company contains both the consolidated and separate financial statements of the Company in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act, hence as per Ind AS 108 - Operating segments, segment reporting is only included in the consolidated financial statements of the Company. Refer note 31 of the consolidated financial statements of the Company for segment reporting.

**(c) Foreign currency translation**

*(i) Functional and presentation currency*

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

*(ii) Transaction and balances*

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

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

**(d) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Revenue from services**

Advertisement income is recognized in the accounting period in which the services are rendered, i.e., when the advertisements are displayed / aired.

The Company enters into arrangements for free / bonus spots, bundled with normal paid spots. The total consideration for advertising services is allocated to the paid and bonus spots based on their relative fair values. Revenues allocated to bonus spots is deferred (refer note 14) and recognised as revenue when such spots are utilised by customers.

Income from digital business is recognized in the period in which the services are rendered.

Subscription income from direct-to-home satellite operators and other distributors for the right to distribute the channels is recognised when the service has been provided as per the terms of the contract.

Fee from training is recognized over the duration of the course offered by the media institute of the Company.

**(e) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Leases**

As a lessee :

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor :

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

**(g) Impairment of assets**

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

**(h) Cash and cash equivalents**

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

**(i) Trade receivables**

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

(j) **Investments and other financial assets**

(i) *Classification*

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

- those to be measured subsequently at fair value (through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investment in debt instrument, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) *Measurement*

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

*Debt instruments*

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

*Equity instruments*

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

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

(iii) *Impairment of financial assets*

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the group determines whether there has been a significant increase in credit risk.

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

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

(v) *Income recognition*

*Interest Income*

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(k) Derivatives that are not designated as hedges**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

**(l) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(m) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

*Transition to Ind As*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

*Depreciation methods, estimated useful lives and residual value those stated above*

- (i) Leasehold land is depreciated over the period of the lease, on a straight line basis.
- (ii) Leasehold improvements are depreciated over the lease term or their useful life (based on technical evaluation), whichever is shorter, on a straight line basis.
- (iii) Continuous process plant and machinery are depreciated over the useful life of 9.67 years, based on technical evaluation, on a straight line basis.
- (iv) Vehicles are depreciated over the useful life of 5 years, based on technical evaluation, on a straight line basis.
- (v) Assets costing less than Rs. 5,000 are depreciated over a period of 12 months, on a straight line basis.
- (vi) Depreciation on property, plant and equipment (other than leasehold land, leasehold improvements, continuous process plant and machinery and vehicles) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed under Schedule II to the Companies Act, 2013, which approximate the useful lives of the assets estimated by the management.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**(n) Intangible assets**

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

*(i) Amortisation methods and periods*

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software: 3 years  
Production software: 3 years  
CTI sites BECIL: 10 years (license period)  
Digital rights of news channels: 10 years

*(ii) Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(p) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

**(q) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during 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.

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.

Other borrowing costs are expensed in the period in which they are incurred.

**(r) Provisions**

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**(s) Employee benefits**

*(i) Short-term obligation*

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*(ii) Other long-term employee benefits obligations*

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

*(iii) Post employment obligations*

The Company operates the following post-employment schemes:

- (a) defined benefit plan, i.e., gratuity
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund and employee state insurance contributions to government administered Employee Provident Fund Organisation and Employee State Insurance Corporation respectively. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) *Share based payments*

Share-based compensation benefits are provided to employees via TV Today Network Limited Employee Stock Option Plan.

Employee options

The fair value of options granted under the TV Today Network Limited Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period) and
- including the impact of any non vesting conditions (e.g., the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment in equity.

(v) *Bonus plans*

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged or where there is a past practice that has created a constructive obligation.

(t) **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) **Earnings per share**

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year. (note 31).

(ii) *Diluted earnings per share*

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

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

(w) **Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.



**(x) Recent accounting pronouncements**

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect thereof on its financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

In the opinion of the management, the impact on the financial statements of the amendment is not expected to be material.

**(y) Rounding of amounts**

All amounts in Indian Rupees disclosed in the financial statements and notes thereof have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

**Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates**

The areas involving critical estimates are:

- i) Estimated fair value of unlisted securities - Note 5(a)
- ii) Estimation of defined benefit obligations - Note 13
- iii) Impairment of trade receivables - Note 24

**Critical judgements**

The areas involving critical judgements are:

- i) Estimate useful life of property, plant and equipment and intangible assets - Notes 1(m), 1(n), 3 and 4
- ii) Estimation of provision for legal claim and contingent liabilities - Notes 12 and 28

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**T.V. Today Network Limited**

Notes forming part of the financial statements for the year ended March 31, 2017

**Note 3: Property, plant and equipment**

	(Rs. in lacs)									
	Leasehold land	Building	Leasehold improvements	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress (CWIP)
<b>Year ended March 31, 2016</b>										
<b>Gross carrying amount</b>										
Gross carrying amount as at April 1, 2015	1,203.59	9,003.87	989.40	21,536.49	1,927.70	1,298.98	1,376.21	655.20	37,991.44	79.25
Closing accumulated depreciation as at April 1, 2015	164.88	483.90	937.88	14,081.92	1,193.29	660.24	334.25	377.87	18,234.23	-
<b>Deemed cost as at April 1, 2015</b>	<b>1,038.71</b>	<b>8,519.97</b>	<b>51.52</b>	<b>7,454.57</b>	<b>734.41</b>	<b>638.74</b>	<b>1,041.96</b>	<b>277.33</b>	<b>19,757.21</b>	<b>79.25</b>
Additions (including transfers from CWIP)	-	3.30	-	319.81	270.66	108.31	36.22	217.57	955.87	612.59
Disposals	-	-	(29.83)	(134.98)	(0.85)	(3.46)	(4.53)	(42.14)	(215.79)	-
Transfers	-	-	-	-	-	-	-	-	-	(508.49)
<b>Closing gross carrying amount</b>	<b>1,038.71</b>	<b>8,523.27</b>	<b>21.69</b>	<b>7,639.40</b>	<b>1,004.22</b>	<b>743.59</b>	<b>1,073.65</b>	<b>452.76</b>	<b>20,497.29</b>	<b>183.35</b>
<b>Accumulated depreciation</b>										
Depreciation charge during the year	16.52	244.48	23.75	1,452.62	265.83	273.42	143.12	75.52	2,495.26	-
Disposals	-	-	(16.78)	(22.44)	(0.46)	(1.25)	(0.54)	(14.93)	(56.40)	-
<b>Closing accumulated depreciation</b>	<b>16.52</b>	<b>244.48</b>	<b>6.97</b>	<b>1,430.18</b>	<b>265.37</b>	<b>272.17</b>	<b>142.58</b>	<b>60.59</b>	<b>2,438.86</b>	<b>-</b>
Net carrying amount	1,022.19	8,278.79	14.72	6,209.22	738.85	471.42	931.07	392.17	18,058.43	183.35
<b>Year ended March 31, 2017</b>										
<b>Gross carrying amount</b>										
Opening gross carrying amount	1,038.71	8,523.27	21.69	7,639.40	1,004.22	743.59	1,073.65	452.76	20,497.29	183.35
Additions (including transfers from CWIP)	-	105.83	12.71	594.57	251.25	27.51	23.49	236.11	1,251.47	788.94
Disposals	-	-	-	(41.64)	(0.58)	-	-	(71.05)	(113.27)	-
Transfers	-	-	-	-	-	-	-	-	-	(661.16)
<b>Closing gross carrying amount</b>	<b>1,038.71</b>	<b>8,629.10</b>	<b>34.40</b>	<b>8,192.33</b>	<b>1,254.89</b>	<b>771.10</b>	<b>1,097.14</b>	<b>617.82</b>	<b>21,635.49</b>	<b>311.13</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	16.52	244.48	6.97	1,430.18	265.37	272.17	142.58	60.59	2,438.86	-
Depreciation charge during the year	16.52	251.22	7.04	1,266.69	287.07	281.53	145.69	80.15	2,335.91	-
Disposals	-	-	-	(8.28)	(0.58)	-	-	(25.49)	(34.35)	-
<b>Closing accumulated depreciation and impairment</b>	<b>33.04</b>	<b>495.70</b>	<b>14.01</b>	<b>2,688.59</b>	<b>551.86</b>	<b>553.70</b>	<b>288.27</b>	<b>115.25</b>	<b>4,740.42</b>	<b>-</b>
<b>Net carrying amount</b>	<b>1,005.67</b>	<b>8,133.40</b>	<b>20.39</b>	<b>5,503.74</b>	<b>703.03</b>	<b>217.40</b>	<b>808.87</b>	<b>502.57</b>	<b>16,895.07</b>	<b>311.13</b>

*(i) Leased assets*

The Company has acquired a leasehold land from New Okhla Industrial Development Authority under finance lease. The lease term in respect of land acquired under finance lease is 73 years.

*(ii) Contractual obligations*

Refer to note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

*(iii) Capital work in progress*

Capital work in progress mainly comprises of broadcast equipment not yet ready to use.

Note 4: Intangible assets

	(Rs. in lacs)					
	Production software	Computer software	CTI site BECIL	Digital rights *	Total	Intangible assets under development
<b>Year ended March 31, 2016</b>						
<b>Gross carrying amount</b>						
Gross carrying amount as at April 1, 2015	1,267.33	168.91	470.18	3,875.00	5,781.42	228.82
Closing accumulated depreciation as at April 1, 2015	1,187.51	103.40	337.76	387.50	2,016.17	-
<b>Deemed cost as at April 1, 2015</b>	<b>79.82</b>	<b>65.51</b>	<b>132.42</b>	<b>3,487.50</b>	<b>3,765.25</b>	<b>228.82</b>
Additions (including transfers from intangible assets under development)	-	157.05	-	-	157.05	172.68
Disposals	-	(1.21)	(77.71)	-	(78.92)	-
Transfers	-	-	-	-	-	(114.01)
<b>Closing gross carrying amount</b>	<b>79.82</b>	<b>221.35</b>	<b>54.71</b>	<b>3,487.50</b>	<b>3,843.38</b>	<b>287.49</b>
<b>Accumulated amortisation</b>						
Amortisation charge for the year	3.04	119.13	51.10	388.56	561.83	-
Disposals	-	-	(12.22)	-	(12.22)	-
<b>Closing accumulated amortisation</b>	<b>3.04</b>	<b>119.13</b>	<b>38.88</b>	<b>388.56</b>	<b>549.61</b>	<b>-</b>
Closing net carrying amount	76.78	102.22	15.83	3,098.94	3,293.77	287.49
<b>Year ended March 31, 2017</b>						
<b>Gross carrying amount</b>						
Opening gross carrying amount	79.82	221.35	54.71	3,487.50	3,843.38	287.49
Additions (including transfer from intangible assets under development)	7.19	156.11	-	-	163.30	38.90
Disposals	-	-	-	-	-	(188.16)
Transfers	-	-	-	-	-	(131.67)
<b>Closing gross carrying amount</b>	<b>87.01</b>	<b>377.46</b>	<b>54.71</b>	<b>3,487.50</b>	<b>4,006.68</b>	<b>6.56</b>
<b>Accumulated amortisation</b>						
Opening accumulated amortisation	3.04	119.13	38.88	388.56	549.61	-
Amortisation charge for the year	10.93	112.54	13.64	387.37	524.48	-
<b>Closing accumulated amortisation</b>	<b>13.97</b>	<b>231.67</b>	<b>52.52</b>	<b>775.93</b>	<b>1,074.09</b>	<b>-</b>
<b>Closing net carrying amount</b>	<b>73.04</b>	<b>145.79</b>	<b>2.19</b>	<b>2,711.57</b>	<b>2,932.59</b>	<b>6.56</b>

\* Digital rights of the Company's news channels acquired from the holding company, Living Media India Limited.

**Note 5: Financial assets**

**5(a) Non-current investments**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Investment in equity instrument (fully paid up)</b>			
<b>Equity investments at FVTPL</b>			
<b>Subsidiary Companies</b>			
<b>Unquoted</b>			
150,000 (March 31, 2016: 150,000, April 1, 2015: 150,000) equity shares of T.V. Today Network (Business) Limited	15.00	15.00	15.00
94,807,389 (March 31, 2016: Nil, April 1, 2015: Nil) equity shares of India Today Online Private Limited	2,275.38	-	-
43,553,135 (March 31, 2016: Nil, April 1, 2015: Nil) equity shares of Mail Today Newspapers Private Limited	1,128.03	-	-
<b>Other than subsidiaries</b>			
<b>Unquoted</b>			
Nil (March 31, 2016: 10,510,510, April 1, 2015: 10,510,510) equity shares of Mail Today Newspapers Private Limited	-	325.83	1,157.13
1,100,000 (March 31, 2016: 1,100,000, April 1, 2015: 1,100,000) equity shares of Radio Today Broadcasting Limited	-	-	-
<b>Total non - current investments</b>	<b>3,418.41</b>	<b>340.83</b>	<b>1,172.13</b>

**5(b) Trade receivables**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Trade receivables	16,825.41	14,575.25	12,553.36
Receivables from related parties (refer note 27)	735.74	1,135.18	1,396.52
Less: Allowance for doubtful debts	(1,989.43)	(1,594.00)	(2,370.88)
<b>Total receivables</b>	<b>15,571.72</b>	<b>14,116.43</b>	<b>11,579.00</b>
Current portion	15,571.72	14,116.43	11,579.00
Non-current portion	-	-	-

**Break-up of security details**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Secured, considered good			
Unsecured, considered good	15,571.72	14,116.43	11,579.00
Doubtful	1,989.43	1,594.00	2,370.88
<b>Total</b>	<b>17,561.15</b>	<b>15,710.43</b>	<b>13,949.88</b>
Allowance for doubtful debts	(1,989.43)	(1,594.00)	(2,370.88)
<b>Total trade receivables</b>	<b>15,571.72</b>	<b>14,116.43</b>	<b>11,579.00</b>

**5(c) Cash and cash equivalents**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Balances with banks			
- in current accounts	1,922.51	1,044.28	1,398.58
- in EEFC accounts	72.53	446.65	140.19
Deposits with maturity of less than three months	-	503.74	5,038.14
Cash on hand	10.67	7.36	11.31
<b>Total cash and cash equivalents</b>	<b>2,005.71</b>	<b>2,002.03</b>	<b>6,588.22</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**5(d) Bank balances - others**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Other bank balances</b>			
Long-term deposits with maturity more than 3 months but less than 12 months *	24,228.75	14,977.54	2,938.44
Unpaid dividend accounts	12.04	15.29	13.75
<b>Total bank balances - others</b>	<b>24,240.79</b>	<b>14,992.83</b>	<b>2,952.19</b>

\* Rs. 198.00 lacs (March 31, 2016: Rs 198.00 lacs, April 1, 2015: Rs 198.00 lacs) held as lien by bank against bank guarantees

5(e) Loans

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)
<b>Unsecured, considered good</b>						
Loan to employees	13.20	10.29	17.55	10.95	12.67	10.36
<b>Total loans</b>	<b>13.20</b>	<b>10.29</b>	<b>17.55</b>	<b>10.95</b>	<b>12.67</b>	<b>10.36</b>

5(f) Other financial assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)
<b>Unsecured, considered good, unless otherwise stated:</b>						
<b>(i) Derivative</b>						
Guarantee from holding company in relation to investment (refer note 27)	-	-	-	-	-	3,031.00
<b>(ii) Others</b>						
Long-term deposits with banks with remaining maturity period more than 12 months	-	2,623.68	-	1,582.95	-	-
Claims recoverable						
- Considered good	40.06	-	45.18	-	57.47	-
- Considered doubtful	-	-	-	-	29.50	-
Less: Allowance for doubtful claims recoverable	-	-	-	-	(29.50)	-
Advance recoverable						
- Considered good	7.54	-	74.61	-	-	-
- Considered doubtful	34.97	-	-	-	-	-
Less: Allowance for doubtful advance recoverable	(34.97)	-	-	-	-	-
Security deposits						
- Considered good	144.56	335.90	73.97	359.17	34.26	394.05
- Considered doubtful	-	4.35	-	4.35	-	4.35
Less: Allowance for doubtful security deposits	-	(4.35)	-	(4.35)	-	(4.35)
<b>Total other financial assets</b>	<b>192.16</b>	<b>2,959.58</b>	<b>193.76</b>	<b>1,942.12</b>	<b>91.73</b>	<b>3,425.05</b>

**Note 6: Deferred tax assets (net)**

The balance comprises temporary differences attributable to:

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Defined benefit obligations	235.37	186.45	138.36
Provision for bonus	66.71	69.04	5.48
	<b>302.08</b>	<b>255.49</b>	<b>143.84</b>
<i>Other Items</i>			
Allowance for doubtful debts and advances	863.29	705.55	886.54
Disallowances under section 40(a) of the Income Tax Act, 1961	1,088.56	1,223.53	1,068.45
Others	12.05	13.86	2.73
	<b>1,963.90</b>	<b>1,942.94</b>	<b>1,957.72</b>
<b>Total deferred tax assets</b>	<b>2,265.98</b>	<b>2,198.43</b>	<b>2,101.56</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions:</b>			
Property, plant and equipment	(478.53)	(435.12)	(384.26)
Intangible assets	(338.40)	(284.81)	(151.63)
Others	-	-	(17.14)
<b>Net deferred tax assets</b>	<b>1,449.05</b>	<b>1,478.50</b>	<b>1,548.53</b>

**Movement in deferred tax assets**

	Defined benefit obligations	Provision for bonus	Allowance for doubtful debts and advances	Disallowances under section 40(a)	Deferred tax assets - others	Deferred tax liabilities - others	Property, plant and equipment	Intangible assets	Total
<b>As at April 1, 2015</b>	138.36	5.48	886.54	1,068.45	2.73	(17.14)	(384.26)	(151.63)	1,548.53
(Charged)/credited:									
- to profit or loss	43.13	63.56	(180.99)	155.08	11.13	17.14	(50.86)	(133.18)	(74.99)
- to other comprehensive income	4.96	-	-	-	-	-	-	-	4.96
<b>As at March 31, 2016</b>	<b>186.45</b>	<b>69.04</b>	<b>705.55</b>	<b>1,223.53</b>	<b>13.86</b>	<b>-</b>	<b>(435.12)</b>	<b>(284.81)</b>	<b>1,478.50</b>
(Charged)/credited:									
- to profit or loss	47.93	(2.33)	157.74	(134.97)	(1.81)	-	(43.41)	(53.59)	(30.44)
- to other comprehensive income	0.99	-	-	-	-	-	-	-	0.99
<b>As at March 31, 2017</b>	<b>235.37</b>	<b>66.71</b>	<b>863.29</b>	<b>1,088.56</b>	<b>12.05</b>	<b>-</b>	<b>(478.53)</b>	<b>(338.40)</b>	<b>1,449.05</b>

**Note 7: Other non-current assets**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Unsecured, considered good, unless otherwise stated:</b>			
Capital advances			
- Considered good	25.58	105.11	61.29
- Considered doubtful	10.46	10.46	10.46
Less: Allowance for doubtful capital advances	(10.46)	(10.46)	(10.46)
Advance to vendors	14.50	14.50	14.50
Prepaid expenses	37.87	156.32	125.06
<b>Total other non-current assets</b>	<b>77.95</b>	<b>275.93</b>	<b>200.85</b>

**Note 8: Current tax assets (net)**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
<b>Advance income tax</b>		
Opening balance	3,113.51	2,598.75
Add: Taxes paid	5,927.61	5,730.85
Less: Current tax payable for the year	5,383.13	5,216.09
<b>Closing balance</b>	<b>3,657.99</b>	<b>3,113.51</b>
<b>Advance fringe benefits tax</b>		
Opening balance	10.80	10.80
Add: Taxes paid	-	-
Less: Tax payable	-	-
<b>Closing balance</b>	<b>10.80</b>	<b>10.80</b>
<b>Total closing balance</b>	<b>3,668.79</b>	<b>3,124.31</b>

**Note 9: Other current assets**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Unsecured, considered good, unless otherwise stated:</b>			
Receivables - barter transactions			
- Related parties (note 27)	86.38	122.16	231.62
- Others			
- Considered good	97.99	266.58	457.93
- Considered doubtful	215.83	221.86	23.01
Less: Allowance for doubtful receivables - barter transactions	(215.83)	(221.86)	(23.01)
Prepaid expenses	871.76	542.75	314.70
Balances with government authorities	339.91	369.62	126.65
Advances			
- Considered good	417.62	647.91	752.37
- Considered doubtful	154.85	123.31	123.31
Less: Allowance for doubtful advances	(154.85)	(123.31)	(123.31)
<b>Total other current assets</b>	<b>1,813.66</b>	<b>1,949.02</b>	<b>1,883.27</b>



**Note 10: Equity share capital and other equity**

**10(a) Share capital**

**Authorised share capital**

	Equity shares		Preference shares	
	Number of shares	(Rs. in lacs)	Number of shares	(Rs. in lacs)
As at April 1, 2015	680,00,000	3,400.00	3,00,000	300.00
Increase during the year	-	-	-	-
<b>As at March 31, 2016</b>	<b>680,00,000</b>	<b>3,400.00</b>	<b>3,00,000</b>	<b>300.00</b>
Increase during the year	-	-	-	-
<b>As at March 31, 2017</b>	<b>680,00,000</b>	<b>3,400.00</b>	<b>3,00,000</b>	<b>300.00</b>

**(i) Movements in equity share capital**

	Notes	Number of shares	Equity share capital (par value) (Rs. In lacs)
As at April 1, 2015		596,48,615	2,982.43
Exercise of options - proceeds received	30	5,000	0.25
<b>As at March 31, 2016</b>		<b>596,53,615</b>	<b>2,982.68</b>
Exercise of options - proceeds received	30	-	-
<b>As at March 31, 2017</b>		<b>596,53,615</b>	<b>2,982.68</b>

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**Shares reserved for issue under options**

Information relating to T.V. Today Network Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 30.

**(ii) Shares of the Company held by holding/ultimate holding company**

	March 31, 2017 (Nos. in lacs)	March 31, 2016 (Nos. in lacs)	April 1, 2015 (Nos. in lacs)
Living Media India Limited (holding company)	339.54	339.54	339.54
World Media Private Limited (ultimate holding company upto December 18, 2015)	-	-	0.02

**(iii) Details of shareholders holding more than 5% shares in the Company**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Living Media India Limited, the holding company	339,54,000	56.92%	339,54,000	56.92%	339,54,000	56.92%

**(iv) Aggregate number of shares issued for consideration other than cash (during 5 years immediately preceding March 31, 2017)**

	March 31, 2017 Number of shares	March 31, 2016 Number of shares	March 31, 2015 Number of shares	March 31, 2014 Number of shares	March 31, 2013 Number of shares
Equity shares issued under the Employee Stock Option Plan as consideration for services rendered by employees (refer note 30)	-	5,000	160,500	31,500	-

Note : No shares were issued for consideration other than cash during the year ended March 31, 2012

**10(b) Reserves and surplus**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Securities premium reserve	5,389.28	5,389.28	5,384.87
Capital contribution in the form of gifting of shares	2,275.38	-	-
General reserve	7,931.79	7,930.29	7,430.29
Share options outstanding account	2.25	3.75	4.50
Retained earnings	43,985.41	34,455.67	29,954.69
<b>Total reserves and surplus</b>	<b>59,584.11</b>	<b>47,778.99</b>	<b>42,774.35</b>

**(i) Securities premium reserve**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	5,389.28	5,384.87
Add: Transferred from stock options outstanding	-	0.50
Add: Received on issue of equity shares	-	3.91
<b>Closing balance</b>	<b>5,389.28</b>	<b>5,389.28</b>

**(ii) Capital contribution in the form of gifting of shares**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	-	-
Add: Share of gift received from holding company	2,275.38	-
<b>Closing balance</b>	<b>2,275.38</b>	<b>-</b>

**(iii) General reserve**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	7,930.29	7,430.29
Add: Options expired during the year	1.50	-
Add: Appropriations during the year	-	500.00
<b>Closing balance</b>	<b>7,931.79</b>	<b>7,930.29</b>

**(iv) Share options outstanding account**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	3.75	4.50
Less: Options expired/adjusted during the year	(1.50)	(0.25)
Less: Transfer to securities premium on exercise of stock options during the year	-	(0.50)
<b>Closing balance</b>	<b>2.25</b>	<b>3.75</b>

**(v) Retained earnings**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	34,455.67	29,954.69
Net profit for the year	10,788.06	6,083.97
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(1.86)	(9.37)
Transfer to general reserve	-	(500.00)
Dividend on equity shares for previous year	(1,043.94)	(894.73)
Dividend distribution tax on dividend for previous year	(212.52)	(178.89)
<b>Closing balance</b>	<b>43,985.41</b>	<b>34,455.67</b>

**Nature and purpose of other reserves**

**Securities premium reserve**

Securities Premium reserve represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital contribution**

During the year, the Company received 100% equity shares of India Today Online Private Limited ("ITOPL"), which holds 66.78% of ownership interest in Mail Today Newspaper Private Limited (MTNPL), by way of a gift (involving no monetary consideration) from Living Media India Limited, the holding company. The gift received by the Company has been recognised at fair value with corresponding credit to capital contribution considering the parent-subsidiary relationship and the economic substance of the transaction. Refer additionally relevant accounting policy. (refer note 10b).

**General reserve**

General reserve represents the statutory reserve created in accordance with Indian Corporate law, wherein a portion of profit is required to be apportioned to such reserve. Under the Companies Act, 1956, it was mandatory to transfer a required amount to general reserve before a company could declare dividend, however, under the Companies Act, 2013, the transfer of any amount to general reserve is at the discretion of the Company.

**Share options outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under TV Today Network Limited stock employee option plan.

**Retained earnings**

Retained earnings represent the undistributed profits of the Company.

**Note 11: Financial liabilities**

**11(a) Current borrowings**

	<b>Maturity</b>	<b>Terms of repayment</b>	<b>Coupon/ Interest rate</b>	<b>March 31, 2017 (Rs. in lacs)</b>	<b>March 31, 2016 (Rs. in lacs)</b>	<b>April 1, 2015 (Rs. in lacs)</b>
<b>Loans repayable on demand (secured):</b>						
Cash credit facility from bank	Annual renewable	Repayable on demand	SBI Base rate + 3%	-	-	672.58
<b>Total current borrowings</b>				<b>-</b>	<b>-</b>	<b>672.58</b>

Secured borrowings and assets pledged as security

(a) Cash credit facility has been secured by way of first charge against the whole of book debts of the Company.

The carrying amounts of financial and non financial assets pledged as security for current borrowings are disclosed in note 33.

**11(b) Other financial liabilities**

	<b>March 31, 2017 (Rs. in lacs)</b>	<b>March 31, 2016 (Rs. in lacs)</b>	<b>April 1, 2015 (Rs. in lacs)</b>
<b>Non-current</b>			
Security deposits	58.63	97.22	46.19
<b>Total other non-current financial liabilities</b>	<b>58.63</b>	<b>97.22</b>	<b>46.19</b>
<b>Current</b>			
Book overdraft with a bank	-	328.62	-
Unpaid dividends	14.38	15.29	13.75
Employee benefits payable	2,145.54	2,192.63	1,588.32
Capital creditors	136.90	314.78	226.68
Security deposits	37.82	23.49	55.03
Others	-	6.50	6.93
<b>Total other current financial liabilities</b>	<b>2,334.64</b>	<b>2,881.31</b>	<b>1,890.71</b>

**11(c) Trade payables**

	<b>March 31, 2017 (Rs. in lacs)</b>	<b>March 31, 2016 (Rs. in lacs)</b>	<b>April 1, 2015 (Rs. in lacs)</b>
<b>Current</b>			
<b>Trade payables</b>			
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 37) and	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,579.67	6,097.41	4,599.77
(c) Trade payables to related parties (note 27)	7.54	0.94	221.94
<b>Total trade payables</b>	<b>7,587.21</b>	<b>6,098.35</b>	<b>4,821.71</b>

**Note 12: Provisions**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current (Rs. in lacs)	Non-current (Rs. in lacs)	Current (Rs. in lacs)	Non-current (Rs. in lacs)	Current (Rs. in lacs)	Non-current (Rs. in lacs)
Legal claim (i)	-	674.92	-	648.88	-	622.84
Wealth tax (i)	-	-	-	-	3.53	-
<b>Total</b>	<b>-</b>	<b>674.92</b>	<b>-</b>	<b>648.88</b>	<b>3.53</b>	<b>622.84</b>

**(i) Information about individual provisions and significant estimates**

## Legal claim

Claim from Prasar Bharti towards uplinking charges: A provision has been recognised on an estimated basis amounting to Rs. 674.92 lacs (March 31, 2016: 648.88 lacs, April 1, 2015: Rs. 622.84 lacs). In the opinion of the management, based on its understanding of the case and consideration of the opinion received from its counsel, the provision made in the books is considered to be adequate

## Wealth tax

Represents provision for wealth tax payable under the Wealth Tax Act, 1957.

**(ii) Movements in provisions**

Movements in each class of provision during the financial year, are set out below:

	Legal claims	Wealth Tax	Total
<b>As at April 1, 2015</b>	622.84	3.53	626.37
Charged to profit or loss			
-unwinding of discount	26.04	-	26.04
Amount paid during the year	-	(3.53)	(3.53)
<b>As at March 31, 2016</b>	<b>648.88</b>	<b>-</b>	<b>648.88</b>
Charged to profit or loss			
-unwinding of discount	26.04	-	26.04
Amount paid during the year	-	-	-
<b>As at March 31, 2017</b>	<b>674.92</b>	<b>-</b>	<b>674.92</b>

**Note 13: Employee benefit obligations**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Non-current</b>			
Gratuity (ii)	207.62	118.89	57.64
<b>Total non-current employee benefit obligations</b>	<b>207.62</b>	<b>118.89</b>	<b>57.64</b>
<b>Current</b>			
Leave obligations (i)	606.76	554.12	476.40
<b>Total current employee benefit obligations</b>	<b>606.76</b>	<b>554.12</b>	<b>476.40</b>

**(i) Leave obligations**

The leave obligations cover the Company's liability of earned leave.

The amount of the provision of Rs. 606.76 lacs (March 31, 2016 : Rs. 554.12 lacs, April 1, 2015 : Rs. 476.40 lacs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Current leave obligations not expected to be settled within the next 12 months	528.98	484.10	411.32

**(ii) Post-employment obligations**

a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied with the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**(iii) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund, employee pension scheme and employee's state insurance scheme for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 551.23 lacs (March 31, 2016 Rs. 498.14 lacs).

**Balance sheet amounts - Gratuity**

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

	Present value of obligation (Rs. in lacs)	Fair value of plan assets (Rs. in lacs)	Net amount (Rs. in lacs)
<b>April 1, 2015</b>	<b>788.05</b>	<b>(730.41)</b>	<b>57.64</b>
Current service cost	129.71	-	129.71
Interest expense/(income)	61.47	(57.05)	4.42
<b>Total amount recognised in profit or loss</b>	<b>191.18</b>	<b>(57.05)</b>	<b>134.13</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(7.26)	(7.26)
(Gain)/loss from change in financial assumptions	17.80	-	17.80
Experience (gains)/losses	3.79	-	3.79
<b>Total amount recognised in other comprehensive income</b>	<b>21.59</b>	<b>(7.26)</b>	<b>14.33</b>
Employer contributions	-	(87.21)	(87.21)
Benefit payments	(74.15)	74.15	-
<b>March 31, 2016</b>	<b>926.67</b>	<b>(807.78)</b>	<b>118.89</b>
<b>April 1, 2016</b>	<b>926.67</b>	<b>(807.78)</b>	<b>118.89</b>
Current service cost	145.80	-	145.80
Interest expense/(income)	69.90	(60.58)	9.32
<b>Total amount recognised in profit or loss</b>	<b>215.70</b>	<b>(60.58)</b>	<b>155.12</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(8.44)	(8.44)
(Gain)/loss from change in financial assumptions	21.07	-	21.07
Experience (gains)/losses	(9.78)	-	(9.78)
<b>Total amount recognised in other comprehensive income</b>	<b>11.29</b>	<b>(8.44)</b>	<b>2.85</b>
Employer contributions	-	(69.24)	(69.24)
Benefit payments	(77.92)	77.92	-
<b>March 31, 2017</b>	<b>1,075.74</b>	<b>(868.12)</b>	<b>207.62</b>

The net liability disclosed above relates to funded plan as follows:

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Present value of funded obligation	1,075.74	926.67	788.05
Fair value of plan assets	(868.12)	(807.78)	(730.41)
<b>Deficit of gratuity plan</b>	<b>207.62</b>	<b>118.89</b>	<b>57.64</b>

**(iv) Post employment benefits (gratuity)**

The significant actuarial assumptions were as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	7.20%	7.50%	7.80%
Salary growth rate	6.50%	6.50%	6.50%
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-08) ultimate table		

**(v) Sensitivity analysis**

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

**(i) Changes in defined benefit obligation due to 1% increase/decrease in discount rate**

Particulars	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
a) Defined benefit obligation	1,075.74	931.69
b) Defined benefit obligation at 1% increase in discount rate	1,008.78	874.01
c) Defined benefit obligation at 1% decrease in discount rate	1,150.95	996.50
d) Decrease in defined benefit obligation due to 1% increase in discount rate (a-b)	66.96	57.68
e) Increase in defined benefit obligation due to 1% decrease in discount rate (c-a)	75.21	64.81

**(ii) Changes in defined benefit obligation due to 1% increase/decrease in salary growth rate**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
a) Defined benefit obligation	1,075.74	931.69
b) Defined benefit obligation at 1% increase in salary growth rate	1,141.08	988.66
c) Defined benefit obligation at 1% decrease in salary growth rate	1,015.03	878.85
d) Increase in defined benefit obligation due to 1% increase in salary growth rate (b-a)	65.34	56.97
e) Decrease in defined benefit obligation due to 1% decrease in salary growth rate (a-c)	60.71	52.84

**(iii) Changes in defined benefit obligation due to 1% increase/decrease in mortality rate, is negligible.**

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

**(vi) The major categories of plan assets are as follows:**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Unquoted	in %	Unquoted	in %	Unquoted	in %
<b>Investment funds</b>						
Plan assets with recognised gratuity trust which has taken a gratuity policy with the Life Insurance Corporation of India (LIC)	868.12	100%	807.78	100%	730.41	100%
<b>Total</b>	<b>868.12</b>	<b>100%</b>	<b>807.78</b>	<b>100%</b>	<b>730.41</b>	<b>100%</b>

**(vii) Risk exposure**

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

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to yield on government bonds. If plan liability is funded and return on plan assets is lower than yield on the government bonds, it will create a plan deficit.

**Interest risk (discount rate risk)**

A decrease in the bond interest rate (discount rate) will increase the plan 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. The mortality table used for the purpose is Indian Assured Lives Mortality (2006-08) ultimate table published by the Institute of Actuaries of India. A change in mortality rate will have a bearing on the plan's liability.

**Salary 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.

The Company ensures that investment positions are managed within an asset/liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the Gratuity obligations by investing in Plan assets with recognised gratuity trust which has taken a gratuity policy with the Life Insurance Corporation of India (LIC) with maturities that match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes to manage its risk from previous periods.

The Company believes the LIC policy offers reasonable returns over the long-term with an acceptable level of risk.

The plan asset mix is in compliance with the requirements of the local regulations.

**(viii) Defined benefit liability and employer contributions**

The Company has agreed that it will aim to eliminate the deficit in defined benefit gratuity plan over the coming years. Funding levels are monitored on an annual basis and the current agreed contribution rate as advised by the LIC. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the coming years and that regular contributions, which are based on service costs, will not increase significantly.

Expected contribution to post-employment benefit plan for the year ending March 31, 2018 is Rs.144.96 lacs.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 10.03 years (March 31, 2016 10.04 years, April 1, 2015- 10.09 years). The expected maturity analysis of gratuity is as follows:

	(Rs. in lacs)				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2017</b>					
Defined benefit obligation	115.05	99.42	272.58	588.69	1,075.74
<b>Total</b>	<b>115.05</b>	<b>99.42</b>	<b>272.58</b>	<b>588.69</b>	<b>1,075.74</b>
<b>March 31, 2016</b>					
Defined benefit obligation	93.56	92.23	230.23	510.65	926.67
<b>Total</b>	<b>93.56</b>	<b>92.23</b>	<b>230.23</b>	<b>510.65</b>	<b>926.67</b>
<b>April 1, 2015</b>					
Defined benefit obligation	82.67	77.92	197.90	429.56	788.05
<b>Total</b>	<b>82.67</b>	<b>77.92</b>	<b>197.90</b>	<b>429.56</b>	<b>788.05</b>

**T.V. Today Network Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

**Note 14: Other liabilities**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)
Payables - barter transactions	16.24	-	-	-	-	-
Deferred revenue	85.69	0.55	53.05	0.16	72.50	4.20
Statutory dues payables (including provident fund and tax deducted at source)	409.00	-	528.12	-	256.72	-
Advances from customers	998.76	-	497.25	-	1,116.33	-
Others	19.85	-	26.40	1.88	46.01	59.94
<b>Total other liabilities</b>	<b>1,529.54</b>	<b>0.55</b>	<b>1,104.82</b>	<b>2.04</b>	<b>1,491.56</b>	<b>64.14</b>



**Note 15: Revenue from operations**

The Company derives the following types of revenue:

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Sale of services :		
- Advertisement income	54,691.72	49,694.80
- Subscription income	2,068.89	3,473.10
- Income from digital business	67.00	388.30
Revenue from exchange of services - Advertisement income	232.81	258.52
Other operating revenue :		
- Fees from training	195.87	163.24
- SMS income	-	2.33
- Income from sale of animations	21.13	116.21
- Income from programme support service	-	105.17
<b>Total revenue from operations</b>	<b>57,277.42</b>	<b>54,201.67</b>

**Note 16: Other income and other gains/(losses)**

**(a) Other income**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Rental income		305.27	310.20
Interest income from financial assets at amortised cost		1,807.13	1,189.49
Unwinding of discount on security deposits		20.58	19.27
Provisions/ liabilities written back to the extent no longer required		-	256.80
Miscellaneous income		76.73	51.06
<b>Total other income</b>		<b>2,209.71</b>	<b>1,826.82</b>

**(b) Other gains/(losses)**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Net (loss)/gain on disposal of property, plant and equipment	3	(0.85)	272.80
Fair value loss on investment in subsidiaries at fair value through profit and loss		(53.60)	-
Net foreign exchange gains/(losses)		(19.82)	3.94
<b>Total other gains/(losses)</b>		<b>(74.27)</b>	<b>276.74</b>

**Note 17: Production costs**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Reporting expenses	1,020.76	1,050.96
Up-linking charges	254.01	227.29
Assignment charges	157.18	73.25
Subscription charges	367.59	150.33
Transponder lease rentals	1,063.10	1,108.51
Programme procurement expenses	25.40	5.00
Royalty fee	523.13	477.36
Equipment hire charges	208.94	166.17
Freelancer fee	556.82	428.24
Outdoor broadcasting van operational expenses	295.28	247.95
Licence fee	842.06	1,004.67
Content fee	79.49	59.83
Others	906.53	1,083.66
<b>Total production costs</b>	<b>6,300.29</b>	<b>6,083.22</b>

**Note 18: Employee benefits expense**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Salaries, wages and bonus		13,527.43	13,069.30
Contribution to provident and other funds		551.23	498.14
Employee share-based payment expense / (income)	30	-	(0.25)
Gratuity	13	155.12	134.13
Leave compensation	13	118.11	146.30
Staff welfare expenses		285.05	318.50
<b>Total employee benefits expense</b>		<b>14,636.94</b>	<b>14,166.12</b>

**Note 19: Depreciation and amortisation expense**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Depreciation of property, plant and equipment	3	2,335.91	2,495.26
Amortisation of intangible assets	4	524.48	561.83
<b>Total depreciation and amortisation expense</b>		<b>2,860.39</b>	<b>3,057.09</b>

**Note 20: Other expenses**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Advertising, distribution and sales promotion	11,238.86	10,642.71
Water and electricity charges	794.55	797.08
Rental charges	740.49	491.85
Repairs and maintenance :		
Building	30.89	12.43
Plant and machinery	627.56	646.07
Others	313.58	260.11
Insurance	172.57	167.39
Rates and taxes	193.10	113.99
Travelling and conveyance	1,843.13	1,341.96
Payments to auditors [refer note 20(a)]	96.24	81.62
Corporate social responsibility expenditure [refer note 20(b)]	246.45	165.43
Legal and professional fees	568.55	408.45
Printing and stationery	42.69	44.88
Telephone and communication charges	406.56	372.71
Car hire charges	734.08	681.02
Housekeeping expenses	622.33	547.83
Vehicle running and maintenance	51.39	58.35
Commission	26.10	42.13
Freight and courier	22.59	29.29
Guard services expenses	253.67	218.85
Newspapers and periodicals	11.11	106.31
Business promotion	435.58	260.52
Software expenses	38.19	33.70
Fixed assets written off	-	0.67
Allowances for doubtful debts - trade receivables	389.40	43.46
Allowance for doubtful advances	66.51	-
Bad debts net of adjustment with provision for doubtful debts and advances of Rs. Nil (previous year Rs. 533.81 lacs)	-	41.37
Miscellaneous expenses	99.69	95.24
<b>Total other expenses</b>	<b>20,065.86</b>	<b>17,705.42</b>

**Note 20(a): Details of payments to auditors**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
<b>Payments to auditors</b>		
<b>As auditor:</b>		
Statutory audit fee	60.00	50.00
Tax audit fee	5.65	4.00
Limited reviews fee	21.00	18.00
<b>In other capacities:</b>		
Certification fee	2.31	4.25
Re-imbusement of expenses	7.28	5.37
<b>Total payments to auditors</b>	<b>96.24</b>	<b>81.62</b>

**Note 20(b): Corporate social responsibility expenditure**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Contribution to Care Today Fund	-	165.43
Contribution to Education Today	246.45	
<b>Total</b>	<b>246.45</b>	<b>165.43</b>
Amount required to be spent as per Section 135 of the Act	246.45	165.43
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	246.45	165.43

**Note 21: Finance costs**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Interest and finance charges on financial liabilities not at fair value through profit or loss		7.13	10.91
Unwinding of discount on provisions	12	26.04	26.04
Other borrowing costs		168.13	19.06
Interest on shortfall of advance tax		2.26	-
<b>Total finance costs</b>		<b>203.56</b>	<b>56.01</b>

**Note 22: Exceptional items**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Gain on investment received by way of gift measured at fair value through profit or loss	27(f)	855.80	-
Fair value (loss) on guarantee received in relation to investment	27(f)	-	(3,031.00)
Fair value (loss) on investment in Mail Today		-	(831.30)
<b>Total exceptional items</b>		<b>855.80</b>	<b>(3,862.30)</b>

**Note 23: Income tax expense**

This note provides an analysis of the Company's income tax expense and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	5,383.13	5,216.09
<b>Total current tax expense</b>	<b>5,383.13</b>	<b>5,216.09</b>
<i>Deferred tax</i>		
Increase in deferred tax liabilities	98.13	156.97
(Increase) in deferred tax assets	(67.70)	(81.96)
<b>Total deferred tax expense</b>	<b>30.43</b>	<b>75.01</b>
<b>Income tax expense</b>	<b>5,413.56</b>	<b>5,291.10</b>

**(c) Reconciliation of tax expenses and the accounting profit multiplied by stipulated tax rates:**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Profit before income tax expense	16,201.62	11,375.07
<b>Tax at the rate of 34.61% (2015-16: 34.61%)</b>	<b>5,607.06</b>	<b>3,936.68</b>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	42.92	57.25
Interest on delayed deposit of tax deducted at source	0.78	0.14
Fair value gain on acquisition of interest in subsidiary by way of gifting of shares	(277.63)	-
Amortisation expense pertaining to leasehold land	5.72	5.72
Others	34.71	0.72
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(46.07)
Tax effect of fair value loss on guarantee received and mail today investment [refer Note 27 (f)] for which no deferred income tax was recognised	-	1,336.66
<b>Income tax expense</b>	<b>5,413.56</b>	<b>5,291.10</b>

**(d) Unrecognised temporary differences**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Unrecognised deductible temporary difference pertaining to fair valuation of investment in MTNPL for which no deferred tax asset has been recognised*	37,208.35	4,226.30
Unrecognised deferred tax asset relating to the above temporary differences @ 23.072%	8,584.71	975.09

**(e) Tax losses**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Unused capital losses in the Company for which no deferred tax asset has been recognised**	50.93	50.93
Potential tax benefit @ 23.072%	11.75	11.75

\*Represents fair value loss on investment in Mail Today Newspapers Private Limited and amortisation expense pertaining to leasehold land, but no deferred tax asset has been recognised on such temporary differences as the Company does not expect the same to be deductible in determining taxable profit of future periods.

\*\*The unused tax losses represents long term capital losses for which no deferred tax asset has been recognised as it is not probable that future taxable income (capital gains) will be available against which such tax losses can be utilised. These losses can be carried forward for eight assessment years subsequent to the year in which such losses are incurred by the Company, i.e., FY - 2019-2020.

As at March 31, 2017, the dividend distribution tax on dividends recommended by Directors amounting to Rs. 242.88 lacs (March 31, 2016 : Rs. 212.52 lacs, April 1, 2015 : Rs. 178.89 lacs) has not been recognised as liability, pending approval of shareholders in the ensuing annual general meeting.

Note 24: Fair value measurements

Financial instruments by category

(Rs. in lacs)

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial assets</b>						
Investments - equity instruments	3,418.41	-	340.83	-	1,172.13	-
Trade receivables	-	15,571.72	-	14,116.43	-	11,579.00
Loans to employees	-	23.49	-	28.50	-	23.03
Security deposits	-	480.46	-	433.14	-	428.31
Cash and cash equivalents	-	2,005.71	-	2,002.03	-	6,588.22
Other bank balances	-	24,240.79	-	14,992.83	-	2,952.19
Derivative financial asset- guarantee	-	-	-	-	3,031.00	-
Long-term deposits with banks with remaining maturity period more than 12 months	-	2,623.68	-	1,582.95	-	-
Advance recoverable	-	7.54	-	74.61	-	-
Claims recoverable	-	40.06	-	45.18	-	57.47
<b>Total financial assets</b>	<b>3,418.41</b>	<b>44,993.45</b>	<b>340.83</b>	<b>33,275.67</b>	<b>4,203.13</b>	<b>21,628.22</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	672.58
Trade payables	-	7,587.21	-	6,098.35	-	4,821.71
Security deposits	-	96.45	-	120.71	-	101.22
Book overdraft	-	-	-	328.62	-	-
Unpaid dividends	-	14.38	-	15.29	-	13.75
Employee benefits payable	-	2,145.54	-	2,192.63	-	1,588.32
Capital creditors	-	136.90	-	314.78	-	226.68
Others	-	-	-	6.50	-	6.93
<b>Total financial liabilities</b>	<b>-</b>	<b>9,980.48</b>	<b>-</b>	<b>9,076.88</b>	<b>-</b>	<b>7,431.19</b>

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. in lacs)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2017</b>					
<b>Financial assets</b>					
<i>Financial Investments at FVPL</i>					
Unquoted equity investments	5(a)	-	-	3,418.41	3,418.41
<b>Total financial assets</b>		-	-	<b>3,418.41</b>	<b>3,418.41</b>

(Rs. in lacs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2017</b>					
<b>Financial assets</b>					
Loans to employees	5(e)	-	-	23.49	23.49
Security deposits	5(f)	-	-	480.96	480.96
Long-term deposits with banks with remaining maturity period more than 12 months	5(f)	-	-	2,652.95	2,652.95
<b>Total financial assets</b>		-	-	<b>3,157.40</b>	<b>3,157.40</b>
<b>Financial Liabilities</b>					
Security deposits	11(b)	-	-	96.46	96.46
<b>Total financial liabilities</b>		-	-	<b>96.46</b>	<b>96.46</b>

(Rs. in lacs)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2016</b>					
<b>Financial assets</b>					
<i>Financial Investments at FVPL</i>					
Unquoted equity investments	5(a)	-	-	340.83	340.83
<b>Total financial assets</b>		-	-	<b>340.83</b>	<b>340.83</b>

(Rs. in lacs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2016</b>					
<b>Financial assets</b>					
Loans to employees	5(e)	-	-	28.66	28.66
Security deposits	5(f)	-	-	434.23	434.23
Long-term deposits with banks with remaining maturity period more than 12 months	5(f)	-	-	1,620.83	1,620.83
<b>Total financial assets</b>		-	-	<b>2,083.72</b>	<b>2,083.72</b>
<b>Financial liabilities</b>					
Security deposits	11(b)	-	-	121.05	121.05
<b>Total financial liabilities</b>		-	-	<b>121.05</b>	<b>121.05</b>

(Rs. in lacs)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At April 1, 2015</b>					
<b>Financial assets</b>					
<i>Financial Investments at FVPL</i>					
Unquoted equity investments	5(a)	-	-	1,172.13	1,172.13
Derivative financial asset - guarantee	5(f)	-	-	3,031.00	3,031.00
<b>Total financial assets</b>		-	-	<b>4,203.13</b>	<b>4,203.13</b>

(Rs. in lacs)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At April 1, 2015</b>					
<b>Financial assets</b>					
<b>Loans</b>					
Loans to employees	5(e)	-	-	23.03	23.03
Security deposits	5(f)	-	-	428.31	428.31
Long-term deposits with banks with remaining maturity period more than 12 months	5(f)	-	-	-	-
<b>Total financial assets</b>		-	-	<b>451.34</b>	<b>451.34</b>
<b>Financial liabilities</b>					
Security deposits	11(b)	-	-	101.22	101.22
<b>Total financial liabilities</b>		-	-	<b>101.22</b>	<b>101.22</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (for example listed equity instruments, traded bonds and mutual funds that have quoted price).

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities and derivative financial asset - guarantee are included in level 3.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the derivative financial assets is determined using Binomial Lattice Model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the years ended March 31, 2017 and March 31, 2016:

	Unquoted equity shares (Rs. in lacs)	Derivative financial asset (Rs. in lacs)	Total (Rs. in lacs)
<b>As at April 1, 2015</b>	1,172.13	3,031.00	4,203.13
(Losses) recognised in profit or loss	(831.30)	(3,031.00)	(3,862.30)
<b>As at March 31, 2016</b>	<b>340.83</b>	-	<b>340.83</b>
Acquisitions at fair values by way of gifts, credited to profit or loss	855.80	-	855.80
Acquisitions at fair values by way of gifts from the parent company, credited to capital contributions	2,275.38	-	2,275.38
Losses recognised in profit or loss	(53.60)	-	(53.60)
<b>As at March 31, 2017</b>	<b>3,418.41</b>	-	<b>3,418.41</b>
<b>Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period</b>			
March 31, 2017	(53.60)	-	(53.60)
March 31, 2016	(831.30)	-	(831.30)

**(iv) Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

**As at March 31, 2017**

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	3,418.41	Earnings growth rate	Growth rate - 5% Range 4.5% ~ 5.5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 1,000 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 570 lacs.
		Risk adjusted discount rate	Rate used - 15% Range 14%~16%	

**As at March 31, 2016**

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	340.83	Earnings growth rate	Growth rate - 5% Range 4.5% ~ 5.5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 1105 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 860 lacs.
		Risk adjusted discount rate	Rate used - 16.6% Range 15.6%~17.6%	
Derivative financial asset	-	Volatility	Not Applicable	Given the unlikely scenario of the guarantee being exercised by the Company due to, inter-alia, its imminent expiry on June 9, 2016 with no expectation of its renewal and the Company being in the process of acquiring remaining equity shares from the other shareholders of Mail Today Newspapers Private Limited, the value of guarantee is nil.
		Risk free rate	Not Applicable	

As at April 1, 2015

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	1,172.13	Earnings growth rate	Growth rate - 3% Range 2.5% ~ 3.5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 189.18 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 147.15 lacs.
		Risk adjusted discount rate	Rate used - 17% Range 16%~18%	
Derivative financial asset	3,031.00	Volatility	Volatility rate -35.6% Range 34.6%~36.6%	Decrease in volatility rate by 100 basis points would not result in any change in the fair value and increase in volatility by 100 basis points would not result in any change in the fair value.
		Risk free rate	Risk free rate - 7.8% Range 6.8%~8.8%	Decrease in risk free rate by 100 basis points would increase the fair value by Rs. 44.00 lacs and increase in risk free rate by 100 basis points would decrease the fair value by Rs. 43.00 lacs.

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

**(v) Valuation processes**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values, except the valuations of derivative financial asset and unquoted equity shares which are performed by an external valuation expert. This team and the valuation expert report directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs for the unquoted equity shares and derivative financial asset used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk free rate is computed based on the 10 year Indian Government Bond yield.
- Earnings growth factor for unquoted equity shares are estimated based on market information for similar types of companies.
- Volatility rate is computed based on monthly stock prices sourced from Capital IQ Database.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion, the team presents a report that explains the reason for the fair value movements.

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Loans to employees	23.49	23.49	28.50	28.66	23.03	23.03
Security deposits	480.46	480.96	433.14	434.23	428.31	428.31
Long-term deposits with banks with remaining maturity period more than 12 months	2,623.68	2,652.95	1,582.95	1,620.83	-	-
<b>Total financial assets</b>	<b>3,127.63</b>	<b>3,157.40</b>	<b>2,044.59</b>	<b>2,083.72</b>	<b>451.34</b>	<b>451.34</b>
<b>Financial liabilities</b>						
Security deposits	96.45	96.46	120.71	121.05	101.22	101.22
<b>Total financial liabilities</b>	<b>96.45</b>	<b>96.46</b>	<b>120.71</b>	<b>121.05</b>	<b>101.22</b>	<b>101.22</b>

**T.V. Today Network Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, advance recoverable, claims recoverable, current borrowings, trade payables, employee benefits payables, interest accrued, book overdraft, unpaid dividends, capital creditors and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans to employees, security deposits and long - term deposits with banks with remaining maturity period more than 12 months were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

The fair values of security deposits received were calculated based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see (ii) and (iv) above.



**Note 25: Financial risk management**

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages such risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis Credit ratios	Diversification of bank deposits and credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Cash flow forecasting
Market risk - interest rate	Short-term borrowings at variable rates	Sensitivity analysis	Periodic monitoring of interest rates
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The senior management of the Company oversees the management of these risks. The Company's senior management is supported by a financial risk team that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**(A) Credit risk**

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

**(i) Credit risk management**

For banks and financial institutions, only high rated banks/institutions are accepted.

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

- VL 1 : High-quality assets, negligible credit risk
- VL 2 : Quality assets, low credit risk
- VL 3 : Standard assets, moderate credit risk
- VL 4 : Substandard assets, relatively high credit risk
- VL 5 : Low quality assets, very high credit risk
- VL 6 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due for non-government customers and 365 days for government customers.

A default on a financial asset is when the counterparty fails to make contractual payments within 1 year of when they fall due for non-government customers and 2 years for government customers. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors.

**T.V. Today Network Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

(ii) Provision for expected credit losses

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

Internal Rating	Category	Description of category	Basis for recognition of expected credit loss provision	
			Loans, deposits and advances	Trade receivables
VL 1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12-month expected credit losses □	Life-time expected credit losses (Simplified approach)
VL 2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.		
VL 3	Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, counter-party's capacity to meet the obligations is not strong.		
VL 4	Substandard assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due.	Life-time expected credit losses	Asset is written off
VL 5	Low quality assets, very high credit risk	Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due for non-government customers and 365 days for government customers are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180/365 days past due.		
VL 6	Doubtful assets, credit-impaired □	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 1 year when they fall due for non-government customers and 2 years for government customers past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.		

**Year ended March 31, 2017:**

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

Particulars	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans to employees	VL 1	23.49	0.00%	-	23.49
		Security deposits	VL 2	484.81	0.90%	(4.35)	480.46
		Claims recoverable	VL 1	40.06	0.00%	-	40.06
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Advance recoverable	VL5	42.51	82.26%	(34.97)	7.54

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	10,766.80	2,874.75	1,164.76	940.56	380.98	208.03	1,225.27	17,561.15
Expected loss rate	0.90%	2.18%	6.89%	13.64%	60.99%	83.32%	99.23%	11.33%
Expected credit losses (Loss allowance provision)	96.61	62.73	80.22	128.32	232.36	173.33	1,215.86	1,989.43
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>10,670.19</b>	<b>2,812.02</b>	<b>1,084.54</b>	<b>812.24</b>	<b>148.62</b>	<b>34.70</b>	<b>9.41</b>	<b>15,571.72</b>

Year ended March 31, 2016:

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

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected losses	credit	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Loans to employees	VL 1	28.50	0.00%	-	-	28.50
		Security deposits	VL 2	437.49	0.99%	(4.35)	-	433.14
		Claims recoverable	VL 1	45.18	0.00%	-	-	45.18
		Advance recoverable	VL 1	74.61	0.00%	-	-	74.61

Year ended March 31, 2016:

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

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	9,839.85	2,727.99	1,351.32	277.29	299.50	399.17	815.31	15,710.43
Expected loss rate	0.75%	1.80%	3.76%	15.62%	63.67%	95.25%	98.85%	10.15%
Expected credit losses (Loss allowance provision)	73.83	49.22	50.82	43.33	190.71	380.19	805.90	1,594.00
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>9,766.02</b>	<b>2,678.77</b>	<b>1,300.50</b>	<b>233.96</b>	<b>108.79</b>	<b>18.98</b>	<b>9.41</b>	<b>14,116.43</b>

As at April 1, 2015:

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

Particulars		Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected losses	credit	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Loans to employees	VL 1	23.03	0.00%	-	-	23.03
		Security deposits	VL 2	432.66	1.00%	(4.35)	-	428.31
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Claims recoverable	VL 4	86.97	33.92%	(29.50)	-	57.47

As at April 1, 2015:

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

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	8,372.85	2,354.63	629.15	568.38	737.11	403.45	884.31	13,949.88
Expected loss rate	1.81%	4.24%	17.16%	35.17%	75.33%	94.60%	98.94%	17.00%
Expected credit losses (Loss allowance provision)	151.37	99.80	107.93	199.91	555.29	381.68	874.90	2,370.88
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>8,221.48</b>	<b>2,254.83</b>	<b>521.22</b>	<b>368.47</b>	<b>181.82</b>	<b>21.77</b>	<b>9.41</b>	<b>11,579.00</b>

The gross carrying amount of trade receivables is Rs. 17,561.15 lacs (March 31, 2016 : 15,710.43 lacs, April 1, 2015 : Rs. 13,949.88 lacs)

During the year, the Company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection cash flows previously written off.

(iv) Reconciliation of loss allowance provision - Loans, deposits and advances.

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses
		Financial assets for which credit risk has increased significantly and not credit-impaired
<b>Loss allowance on April 1, 2015</b>	<b>4.35</b>	<b>29.50</b>
Add (Less): Changes in loss allowances due to Write-offs	-	(29.50)
<b>Loss allowance on March 31, 2016</b>	<b>4.35</b>	<b>-</b>
Add (Less): Changes in loss allowances due to Changes in risk parameters #	-	34.97
<b>Loss allowance on March 31, 2017</b>	<b>4.35</b>	<b>34.97</b>

# The change in the loss allowance is due to changes in the probability of default used to calculate 12-month expected credit loss.

(iii) Reconciliation of loss allowance provision - Trade receivables

Reconciliation of loss allowance	Life-time expected credit losses
<b>Loss allowance on April 1, 2015</b>	<b>2,370.88</b>
Changes in loss allowance	(776.88)
<b>Loss allowance on March 31, 2016</b>	<b>1,594.00</b>
Changes in loss allowance	395.43
<b>Loss allowance on March 31, 2017</b>	<b>1,989.43</b>

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**T.V. Today Network Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet cash requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(Rs. in lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Floating rate			
-Expiring within one year (cash credit facility and non-fund based facilities)	5,077.54	4,803.17	3,577.31
	<b>5,077.54</b>	<b>4,803.17</b>	<b>3,577.31</b>

The cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facility may be drawn at any time in INR and have an average maturity of 1 year (March 31, 2016: 1 year, April 1, 2015: 1 year).

(ii) Maturities of financial liabilities

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

	(Rs. in lacs)						
Contractual maturities of financial liabilities - March 31, 2017	Repayable on demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 year	Total
Borrowings	-	-	-	-	-	-	-
Trade payables	-	7,587.21	-	-	-	-	7,587.21
Other financial liabilities	24.66	2,305.83	-	4.15	58.63	-	2,393.27
<b>Total financial liabilities</b>	<b>24.66</b>	<b>9,893.04</b>	<b>-</b>	<b>4.15</b>	<b>58.63</b>	<b>-</b>	<b>9,980.48</b>

	(Rs. in lacs)						
Contractual maturities of financial liabilities - March 31, 2016	Repayable on demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 year	Total
Borrowings	-	-	-	-	-	-	-
Trade payables	-	6,098.35	-	-	-	-	6,098.35
Other financial liabilities	364.10	2,393.55	13.60	110.06	97.22	-	2,978.53
<b>Total financial liabilities</b>	<b>364.10</b>	<b>8,491.90</b>	<b>13.60</b>	<b>110.06</b>	<b>97.22</b>	<b>-</b>	<b>9,076.88</b>

	(Rs. in lacs)						
Contractual maturities of financial liabilities - April 1, 2015	Repayable on demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 year	Total
Borrowings	672.58	-	-	-	-	-	672.58
Trade payables	-	4,821.71	-	-	-	-	4,821.71
Other financial liabilities	75.44	1,712.00	42.56	60.71	10.27	35.92	1,936.90
<b>Total financial liabilities</b>	<b>748.02</b>	<b>6,533.71</b>	<b>42.56</b>	<b>60.71</b>	<b>10.27</b>	<b>35.92</b>	<b>7,431.19</b>

(C) Market risk

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the GBP and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(a) Foreign currency risk exposure:

The Company exposure to foreign currency risk at the end of the reporting period, is as follows

(Rs. In lacs)

	March 31, 2017					
	GBP	EURO	AED	AUD	CAD	USD
<b>Financial assets</b>						
Trade receivables	147.10	-	-	5.21	65.84	266.26
Bank balance in EEFC accounts						72.53
<b>Net exposure to foreign currency risk (assets)</b>	147.10	-	-	5.21	65.84	338.79
<b>Financial liabilities</b>						
Trade payables	20.75	-	-	-	-	104.91
<b>Net exposure to foreign currency risk (liabilities)</b>	20.75	-	-	-	-	104.91

(FC in lacs)

	March 31, 2017					
	GBP	EURO	AED	AUD	CAD	USD
<b>Financial assets</b>						
Trade receivables	1.82	-	-	0.11	1.36	4.11
Bank balance in EEFC accounts	-	-	-	-	-	1.11
<b>Net exposure to foreign currency risk (assets)</b>	1.82	-	-	0.11	1.36	5.22
<b>Financial liabilities</b>						
Trade payables	0.26	-	-	-	-	1.62
<b>Net exposure to foreign currency risk (liabilities)</b>	0.26	-	-	-	-	1.62

(Rs. In lacs)

	March 31, 2016					
	GBP	EURO	AED	AUD	CAD	USD
<b>Financial assets</b>						
Trade receivables	167.62	0.33	0.57	5.34	54.81	248.25
Bank balance in EEFC accounts	-	-	-	-	-	446.65
<b>Net exposure to foreign currency risk (assets)</b>	167.62	0.33	0.57	5.34	54.81	694.90
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	-	937.14
Other current financial liabilities	12.50	-	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	12.50	-	-	-	-	937.14

(FC in lacs)

	March 31, 2016					
	GBP	EURO	AED	AUD	CAD	USD
<b>Financial assets</b>						
Trade receivables	1.76	0.00	0.03	0.11	1.08	3.74
Bank balance in EEFC accounts	-	-	-	-	-	6.73
<b>Net exposure to foreign currency risk (assets)</b>	1.76	0.00	0.03	0.11	1.08	10.47
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	-	14.13
Other current financial liabilities	0.13	-	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	0.13	-	-	-	-	14.13

(Rs. In lacs)

	April 1, 2015					
	GBP	EURO	AED	AUD	CAD	USD
<b>Financial assets</b>						
Trade receivables	181.03	0.29	1.09	8.41	10.36	218.45
Bank balance in EEFC accounts	-	-	-	-	-	140.19
<b>Net exposure to foreign currency risk (assets)</b>	181.03	0.29	1.09	8.41	10.36	358.64
<b>Financial liabilities</b>						
Other current financial liabilities	-	-	-	-	-	265.68
<b>Net exposure to foreign currency risk (liabilities)</b>	-	-	-	-	-	265.68

(FC in lacs)

	April 1, 2015					
	GBP	EURO	AED	AUD	CAD	USD
<b>Financial assets</b>						
Trade receivables	1.96	0.00	0.06	0.17	0.21	3.49
Bank balance in EEFC accounts	-	-	-	-	-	2.24
<b>Net exposure to foreign currency risk (assets)</b>	1.96	0.00	0.06	0.17	0.21	5.73
<b>Financial liabilities</b>						
Other current financial liabilities	-	-	-	-	-	4.24
<b>Net exposure to foreign currency risk (liabilities)</b>	-	-	-	-	-	4.24

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**Notes forming part of the financial statements for the year ended March 31, 2017**

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Impact on profit after tax	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
GBP sensitivity		
INR/GBP - Increase by 5%*	6.32	7.76
INR/GBP - Decrease by 5%*	(6.32)	(7.76)
EURO sensitivity		
INR/EURO - Increase by 5%*	-	0.02
INR/EURO - Decrease by 5%*	-	(0.02)
AED sensitivity		
INR/AED - Increase by 5%*	-	0.03
INR/AED - Decrease by 5%*	-	(0.03)
AUD sensitivity		
INR/AUD - Increase by 5%*	0.26	0.27
INR/AUD - Decrease by 5%*	(0.26)	(0.27)
CAD sensitivity		
INR/CAD - Increase by 5%*	3.29	2.74
INR/CAD - Decrease by 5%*	(3.29)	(2.74)
USD sensitivity		
INR/USD - Increase by 5%*	8.07	(34.44)
INR/USD - Decrease by 5%*	(8.07)	34.44

\* Holding all other variables constant.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period is as follows:

	(Rs. in lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	-	-	672.58
<b>Total borrowings</b>	-	-	<b>672.58</b>

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rate:

	Impact on profit after tax	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Interest rate - increase by 50 basis points*	-	(0.02)
Interest rate - decrease by 50 basis points*	-	0.02

\* Holding all other variables constant

(iii) Price risk

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit or loss.

The Company's unquoted equity shares are susceptible to market price risk arising from uncertainties about future value of the investment securities. The Company's investment in unquoted equity shares are of strategic importance to the Company (for details refer note 24).

(b) Sensitivity

Sensitivity analyses of these investments have been provided in Note 24(iv).

**Note 26: Capital management**

**(a) Risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**(b) Dividends**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
(i) Equity shares		
Final dividend for the year ended March 31, 2016 of INR 1.75 (March 31, 2015: Rs. 1.50) per fully paid share	1,043.94	894.73
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividend, since year end, the directors have recommended the payment of a final dividend of INR 2 per fully paid equity share (March 31, 2016: Rs. 1.75 per equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,193.07	1,043.94



**Note 27: Related party transactions**

**(a) Parent entities**

The Company is controlled by following entities:

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2017	March 31, 2016	April 1, 2015
Living Media India Limited	Parent entity	India	56.92%	56.92%	56.92%
World Media Private Limited	Ultimate parent entity (till December 18, 2015)	India	0.003%	0.003%	0.003%

**(b) Subsidiaries**

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2017	March 31, 2016	April 1, 2015
India Today Online Private Limited (From March 15, 2017)	Subsidiary	India	100.00%	0.00%	0.00%
Mail Today Newspapers Private Limited (From March 15, 2017)	Subsidiary	India	100.00%	8.14%	8.35%
T.V. Today Network (Business) Limited	Subsidiary	India	100.00%	100.00%	100.00%

**(c) Other related parties**

Type	Name	Place of incorporation
Fellow subsidiaries	Mail Today Newspapers Private Limited (upto March 14, 2017)	India
	Today Merchandise Private Limited (upto February 28, 2017)	India
	ITAS Media Private Limited	India
	Radio Today Broadcasting Limited (upto December 18, 2015)	India
	Universal Learn Today Private Limited	India
	Thomson Press (India) Limited (upto December 18, 2015)	India
	Integrated Databases India Limited (upto August 6, 2015)	India
	Today Retail Network Private Limited (upto February 28, 2017)	India
Members of investor group	India Today Online Private Limited (upto March 14, 2017)	India
	World Media Private Limited (from December 19, 2015)	India
	Thomson Press (India) Limited (from December 19, 2015)	India
Associates of parent entity	Radio Today Broadcasting Limited (from December 19, 2015)	India
	Integrated Databases India Limited (from August 7, 2015)	India
	Today Merchandise Private Limited (from March 01, 2017)	India
Entities over which Key Management Personnel exercise significant influence	Today Retail Network Private Limited (from March 01, 2017)	India
	Care Today Fund	India
	Vasant Valley School	India
	Education Today	India
Key Management Personnel	TV Today Gratuity Trust	India
	Mr. Aron Purie (Managing Director)	
	Ms. Koel Purie Rinchet (Whole-time director till June 26, 2015, Director thereafter)	
	Ms. Kalli Purie Bhandal (Whole-time director w.e.f. February 8, 2016)	
	Mr. Anil Vig (Director of Company)	
	Mr. Ashok Kapur (Director of Company)	
	Mr. Devajyoti Bhattacharya (Director of Company)	
	Mr. Sudhir Mehra (Director of Company)	
	Mr. Rajeev Gupta (Director of Company)	
	Mr. Ashish Kumar Bagga (CEO of Company)	
	Mr. Dinesh Bhatia (CFO of Company)	
	Dr. Puneet Jain (Company Secretary of Company till February 28, 2017, Group Chief Corporate Affairs Officer and Group Chief Law & Compliance Officer thereafter)	
	Mr. Ashish Sabharwal (Company Secretary of Company) (from March 1, 2017)	

**(c) Key Management Personnel (KMP) compensation**

	(Rs. in lacs)	
	March 31, 2017	March 31, 2016
Short-term employee benefits*	1,230.58	1,018.20
Post-employment benefits	9.62	19.79
Long-term employee benefits	28.26	32.82
Sitting fees	5.80	4.70
<b>Total compensation</b>	<b>1,274.26</b>	<b>1,075.51</b>

In addition to the above, the Company received key management personnel services from the parent entity, for which a management fee of Rs. 741.74 lacs (March 31, 2016: Rs. 644.47 lacs) was charged and paid, being an appropriate allocation of costs incurred by the parent entity.

\* Short-term employee benefits for Mr Aron Purie is remuneration by way of commission paid @ 5% of net profits of the Company.

The remuneration of Key Management Personnel is determined by the Board / Nomination and Remuneration Committee having regard to the performance of individual and market trends.

**(d) Transactions with related parties**

The following transaction occurred with related parties

(Rs. in lacs)

	March 31, 2017	March 31, 2016
<b>Sales and purchases of goods and services</b>		
Purchase of advertisement space / material:		
- parent entity	190.50	575.60
- subsidiaries	3.93	-
- fellow subsidiaries	25.78	35.04
Advertisement income		
- parent entity (refer note i)	148.11	295.39
- subsidiaries	1.44	-
- fellow subsidiaries	46.00	25.09
Agency commission paid to parent entity	-	51.45
Income from digital business received from parent entity	77.05	444.61
SMS income from parent entity	-	2.67
Management fee paid to parent entity (other than key management personnel services)	748.56	651.30
Management fee received from parent entity	105.77	80.61
Purchase of diaries from parent entity	-	2.85
Income from sale of online T.V. Today Media Institute prospectus to parent entity	4.54	4.51
Rent charged by related parties for use of common facilities / utilities:		
- parent entity (refer note i)	296.91	209.54
- fellow subsidiaries	-	2.84
- members of investor group	5.02	0.95
Rent charged to related parties for use of common facilities / utilities		
- parent entity	546.17	534.54
- subsidiaries	7.35	-
- fellow subsidiaries	58.12	79.79
Miscellaneous inter-company services received from related parties and other charges paid to:		
- parent entity	8.70	14.04
- fellow subsidiaries	-	14.48
- members of investor group	23.61	5.47
- associates of parent entity	0.50	0.13
- entity over which the KMP exercise significant influence	-	0.35
Miscellaneous inter-company services rendered to related parties and other charges received		
- parent entity	97.88	27.97
- fellow subsidiaries	1.43	1.09
- members of investor group	0.04	0.08
- associates of parent entity	0.01	0.14
- entities over which KMP exercise significant influence	0.01	-
Other transactions		
Gift of shares of India Today Online Private Limited by parent entity	2,275.38	-
Contribution to post-employment benefit plan (gratuity trust)	74.25	81.13
Purchase of fixed assets from fellow subsidiary	-	0.11
Expenditure towards Corporate Social Responsibility activities and other donations to entities over which KMP exercise significant influence	247.03	165.99
Royalty fee charged by parent entity	457.09	342.53
Content fee charged by parent entity	79.49	59.83
Reimbursement of expenses by parent entity	190.87	7.36
Expenses paid on behalf of subsidiary	0.83	0.90
Dividend paid		
- ultimate parent entity	-	0.02
- parent entity	594.20	509.32
- members of investor group	0.03	-
- KMP	5.15	4.41

Notes:

- Advertisement income from and rent paid to parent entity include Rs. Nil (previous year Rs. 171.49 lacs) and Rs. Nil (previous year Rs. 26.48 lacs) respectively, arising out of a transaction with a third party pursuant to the contract entered into by the parent entity with the said third party.
- The figures include sales tax / service tax, as applicable.

**(e) Outstanding balances arising from sales/purchases of goods and services and other transactions**

(Rs. in lacs)

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

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Trade payables (purchases of goods and services)</b> (note 11(c))			
- parent entity	-	-	87.54
- fellow subsidiary	-	-	134.40
- member of investor group	7.50	0.91	-
- associate of parent entity	0.04	0.03	-
<b>Total payables to related parties</b>	<b>7.54</b>	<b>0.94</b>	<b>221.94</b>
<b>Trade receivables (sale of goods and services)</b> (note 5(b))			
- parent entity	621.06	1,101.67	1,303.55
- subsidiary	104.42	0.90	0.57
- fellow subsidiary	-	26.60	92.40
- associate of parent entity	4.24	-	-
- member of investor group	6.01	6.01	-
- entity over which the KMP exercise significant influence	0.01	-	-
<b>Total receivables from related parties</b>	<b>735.74</b>	<b>1,135.18</b>	<b>1,396.52</b>
<b>Receivables against exchange of services</b> (note 9)			
- parent entity	86.38	122.16	231.62
<b>Security deposit</b> (note 5(f))			
- parent entity	30.00	24.61	21.77
<b>Derivative financial asset</b> (note 5(f))			
- parent entity	-	-	3,031.00
<b>Employee benefits payables</b> (note 11(b))			
- key management personnel	846.76	782.17	673.39

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

**(f) Terms and conditions**

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Goods and services were sold to the related parties during the year based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties. Management services were bought from the immediate parent entity on cost basis.

Contribution to gratuity trust and expenditure towards Corporate Social Responsibility activities were in accordance with the applicable laws and regulations.

The guarantee was received from the parent entity for indemnifying any loss to the Company arising from the sale of investment in equity shares of Mail Today Newspapers Private Limited ("Mail Today"). Also refer note 5(f).

The Company acquired 8% stake in Mail Today Newspapers Private Limited (Mail Today) at a cost of Rs. 4,552.12 lacs in earlier years. Also, a guarantee was obtained from the holding company, Living Media India Limited (LMIL), according to which any loss to the Company arising from the sale of the said investment would be indemnified by LMIL. As at March 31, 2015, the Company did a fair valuation of Mail Today investment and LMIL guarantee, and the fair value loss and gain in respect of investment and guarantee amounting to Rs. 3,395.00 lacs and Rs. 3,031.00 lacs respectively was adjusted against Retained Earnings.

During the year ended March 31, 2016, the Company contemplated to acquire the balance 92% stake in Mail Today to consolidate its business and achieve business, content and editorial synergies. For this purpose, the Company entered into an arrangement with AN (Mauritius) Limited and LMIL for transferring their stake in Mail Today free of cost in the form of gifts. Consequent to this arrangement, the guarantee from LMIL was no longer required and necessary adjustment was made in the financial statements for the year ended March 31, 2016 in respect of the guarantee. A further fair value loss of Rs. 831.30 lacs was also recorded in relation to the investment in the said year.

The shares in Mail Today have been acquired in the current year as per the above arrangement and recognized at fair value. The fair value of shares acquired from LMIL (through acquisition of shares of India Today Online Private Limited, holding company of Mail Today), free of cost, amounting to Rs 2,275.38 lacs has been treated as a capital contribution and credited to equity while the fair value of shares received from AN (Mauritius) Limited, free of cost, amounting to Rs 855.80 lacs has been credited to the statement of profit and loss in the current year.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and settled in cash, except barter transactions, as mentioned above, which are settled on receipt or provision of service by the parties.

**T.V. Today Network Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

**Note 28: Contingent liabilities**

The Company had contingent liabilities as at March 31, 2017 in respect of:

	(Rs. in lacs)		
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
(i) Claims against the Company not acknowledged as debts:			
Income tax matters: The Company has received demand notices from the Income Tax Department, which the Company has contested / disputed. In the opinion of the management, no liability is likely to arise on account of such demand notices.	116.94	77.36	70.72
Service tax matters: The Company has received demand notice from the Service Tax Department, which the Company has contested / disputed. In the opinion of the management, based on its understanding of the case and as advised by the counsel, no liability is likely to arise on account of such demand notice.	1,064.37	1,001.30	938.04
Other matters:			
(1) Claim from Prasar Bharti towards uplinking charges: Provision amounts to Rs. 674.92 lacs (March 31, 2016: Rs. 648.88 lacs April 1, 2015: Rs 622.84 lacs) (refer note 12). In the opinion of the management, based on its understanding of the case and consideration of the opinion received from the counsel, the provision made is considered adequate.	228.95	215.93	202.91
(2) Claim from Phonographic Performance Limited (PPL) towards royalty for use of PPL's sound recordings over Company's radio stations: Liability recorded amounts to Rs. 42.75 lacs (March 31, 2016: Rs. 35.42 lacs, April 1, 2015: Rs. 25.31 lacs). In the opinion of the management, based on its understanding of the case and as advised by the counsel, the liability recorded in the books is considered to be adequate.	320.56	269.37	215.87
(3) The Company made an application to the Ministry of Information and Broadcasting ('MIB') to grant approval for sale of its three FM radio stations at New Delhi, Mumbai and Kolkata, which was declined by the Ministry. Subsequently, the Company filed a writ petition before the Honourable High Court of Delhi against such decline. The Ministry also demanded a payment of Rs. 7,136.00 lacs towards additional migration fee for migration of its FM radio stations from Phase II to Phase III policy regime, against which the Company obtained an interim relief till the disposal of the aforesaid case. The Company was pursuing the case legally and expected a favourable outcome. During the year ended March 31, 2017 the Committee of Senior Officials of the Company in its meeting held on December 19, 2016 approved the initiation of necessary procedural formalities for migration of its FM radio stations from Phase II to Phase III Policy Regime. Accordingly, the Company filed an application with the MIB on January 30, 2017 seeking approval for the migration of its FM radio stations to Phase III Policy Regime. Refer note 35(a) for details.	-	7,136.00	-
(4) The Company has received legal notices of claims / lawsuits filed against it in respect of programme aired on its television channels. In the opinion of the management, no liability is likely to arise on account of such claims / lawsuits.	-	-	-
Guarantees:			
Bank guarantees	299.93	258.40	228.40
Corporate guarantee	300.00	300.00	-

**T.V. Today Network Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

**Note 29: Commitments**

**(a) Capital commitments**

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

	(Rs. in lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Property, plant and equipment	81.05	157.99	-
Intangible assets	2.03	24.24	174.59

**(b) Operating leases**

**As a lessee:**

The Company has cancellable and non-cancellable operating leases mainly for office premises and company leased accommodation for employees. The leases range for a period between 11 months and 10 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	(Rs. in lacs)		
	March 31, 2017	March 31, 2016	April 1, 2015
Within one year	1.76	195.67	223.24
Later than one year but not later than five years	-	272.58	458.01
Later than five years	-	-	-
	<b>1.76</b>	<b>468.25</b>	<b>681.25</b>

**Rental expense relating to operating leases**

	(Rs. in lacs)	
	March 31, 2017	March 31, 2016
Minimum lease payments	740.49	491.85
<b>Total rental expense relating to operating leases</b>	<b>740.49</b>	<b>491.85</b>

**As a lessor:**

The Company has given a part of Noida office building on cancellable operating lease to two parties. These lease arrangements have been entered for a period of ten years from March 1, 2014. The lease arrangements are renewable for further period on mutually agreeable terms and also include escalation clauses.

**Note 30: Share-based payments**

**(a) Employee stock option plan**

The Company instituted the Employee Stock Option Plan (TVTN ESOP 2006) to grant equity - based incentives to its eligible employees. The TVTN ESOP 2006 was approved by the board of directors in their meeting held on August 21, 2006 and by shareholders in their meeting held on September 28, 2006, for grant of 2,900,000 options, representing one share for each option upon exercise by the employees of the Company, at an exercise price determined by the Board / Remuneration Committee. The equity shares covered under the scheme shall vest over a period of four years; vesting shall vary based on the meeting of the performance criteria. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The Optionees may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of ten years from the grant date. Options are granted under the plan for no consideration and carry no dividend or voting rights. The exercise price is based on the market value of the underlying equity shares on the date of grant.

Set out below is a summary of options granted under the plan:

	March 31, 2017		March 31, 2016	
	Average exercise price per share option (Rs.)	Number of options	Average exercise price per share option (Rs.)	Number of options
Opening balance	97.74	25,000	94.48	30,000
Granted during the year	-	-	-	-
Exercised during the year *	-	-	83.15	5,000
Expired during the year	119.85	10,000	-	-
<b>Closing balance</b>		<b>15,000</b>		<b>25,000</b>
Vested and exercisable		15,000		25,000

\*No options were exercised during the year ended March 31, 2017. The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2016: Rs. 83.15 (April 1, 2015: Rs 71.44).

No options were forfeited during the periods covered in the above table.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry date	Exercise price (Rs.)	Share options March 31, 2017	Share options March 31, 2016	Share options April 1, 2015
March 1, 2007	February 28, 2017	134.85	-	5,000	5,000
March 1, 2007	February 28, 2017	104.85	-	5,000	5,000
June 24, 2008	June 23, 2018	93.15	3,750	3,750	6,250
June 24, 2008	June 23, 2018	63.15	3,750	3,750	6,250
May 20, 2010	May 19, 2020	102.85	3,750	3,750	3,750
May 20, 2010	May 19, 2020	72.85	3,750	3,750	3,750
<b>Total</b>			<b>15,000</b>	<b>25,000</b>	<b>30,000</b>
Weighted average remaining contractual life of options outstanding at the end of the period			2.18 years	2.28 years	3.27 years

Fair value of options granted

No option was granted during the year ended March 31, 2017 and March 31, 2016.

**(b) Expense arising from share-based payment transactions**

Total expense / (income) arising from share-based payment transactions recognised in profit or loss as part of employee benefits expense was as follows:

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Employee stock option plan (note 18)	-	(0.25)

**Note 31: Earnings per share**

Particulars	Year ended	
	March 31, 2017 Amount (Rs)	March 31, 2016 Amount (Rs)
(a) Basic earnings per share	18.08	10.20
(b) Diluted earnings per share	18.08	10.20

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

Particulars	Year ended	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Basic / Diluted earnings per share		
Profit attributable to the equity holders of the Company used in calculating basic / diluted earnings per share:	10,788.06	6,083.97
	<b>10,788.06</b>	<b>6,083.97</b>

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

	March 31, 2017	March 31, 2016
	Number of shares	Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	596,53,615	596,50,528
Adjustments for calculation of diluted earnings per share:		
Options	2,302	3,414
<b>Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share</b>	<b>596,55,917</b>	<b>596,53,941</b>

**(e) Information concerning the classification of securities**

Options

Options granted to employees under the Employee Stock Option Plan are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 30.

**Note 32: Offsetting financial assets and financial liabilities**

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2017, March 31, 2016 and April 1, 2015. The column 'net amount' shows the impact on the Company's balance sheet of all set-off rights were exercised.

	Effects of offsetting on the balance sheet			Related amounts not offset	
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements {Refer note (i)}	Net amount
<b>(Rs. In lacs)</b>					
<b>March 31, 2017</b>					
<b>Financial assets</b>					
Investments (i)	3,418.41	-	3,418.41	-	3,418.41
Trade receivables (ii)	18,701.64	(3,129.92)	15,571.72	-	15,571.72
<b>Total</b>	<b>22,120.05</b>	<b>(3,129.92)</b>	<b>18,990.13</b>	<b>-</b>	<b>18,990.13</b>
<b>Financial liabilities</b>					
Trade payables (ii)	10,717.13	(3,129.92)	7,587.21	-	7,587.21
<b>Total</b>	<b>10,717.13</b>	<b>(3,129.92)</b>	<b>7,587.21</b>	<b>-</b>	<b>7,587.21</b>
<b>March 31, 2016</b>					
<b>Financial assets</b>					
Investments (i)	340.83	-	340.83	-	340.83
Trade receivables (ii)	15,438.43	(1,322.00)	14,116.43	-	14,116.43
<b>Total</b>	<b>15,779.26</b>	<b>(1,322.00)</b>	<b>14,457.26</b>	<b>-</b>	<b>14,457.26</b>
<b>Financial liabilities</b>					
Trade payables (ii)	7,420.35	(1,322.00)	6,098.35	-	6,098.35
<b>Total</b>	<b>7,420.35</b>	<b>(1,322.00)</b>	<b>6,098.35</b>	<b>-</b>	<b>6,098.35</b>
<b>April 1, 2015</b>					
<b>Financial assets</b>					
Investments (i)	1,157.13	-	1,157.13	3,031.00	4,188.13
Trade receivables (ii)	12,980.06	(1,401.06)	11,579.00	-	11,579.00
Derivative financial instruments (i)	3,031.00	-	3,031.00	(3,031.00)	-
<b>Total</b>	<b>17,168.19</b>	<b>(1,401.06)</b>	<b>15,767.13</b>	<b>-</b>	<b>15,767.13</b>
<b>Financial liabilities</b>					
Trade payables (ii)	6,222.77	(1,401.06)	4,821.71	-	4,821.71
<b>Total</b>	<b>6,222.77</b>	<b>(1,401.06)</b>	<b>4,821.71</b>	<b>-</b>	<b>4,821.71</b>

**(i) Master netting arrangement - not currently enforceable**

A guarantee was provided by the parent entity to the Company for indemnifying any loss to the Company arising from the sale of investment in equity shares of Mail Today Newspapers Private Limited ('Mail Today'). Accordingly, the guarantee can be invoked (to claim loss) only in the event of sale of investment by the Company. Hence, the fair value loss recorded by the Company in respect of the said investment has not been offset against the fair value of the guarantee in the balance sheet (as the Company currently does not have a legally enforceable right to set off the recognised amounts) and these amounts have been presented separately in the table above.

**(ii) Offsetting arrangements**

Trade receivables and trade payables

(a) The Company gives volume based incentives to advertisement agencies. Under the terms of the agreements, the amounts payable by the Company are offset against receivables from the agencies and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

(b) The Company enter into various transactions for purchase and sale of goods and services with the related parties which are settled in net. The relevant amounts have therefore been presented net in the balance sheet.



**T.V. Today Network Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

**Note 33: Assets pledged as security**

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

		March 31, 2017	March 31, 2016	April 1, 2015
	Notes	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
<b>Current</b>				
<b>Financial assets</b>				
<i>First charge</i>				
Trade receivables *	5(b)	15,571.72	14,116.43	11,579.00
Long-term Deposits with maturity more than 3 months but less than 12 months *	5(e)	198.80	198.80	198.80
<b>Total assets pledged as security</b>		<b>15,770.52</b>	<b>14,315.23</b>	<b>11,777.80</b>

\* Pledged against cash credit facility and guarantees issued by bank (refer note 11(a) and 28)

**Note 34: Disclosure relating to Specified Bank Notes \* (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:**

Particulars	Specified Bank Notes *	Other denomination notes	Total
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Closing cash in hand as on November 08, 2016	14.07	0.05	14.12
Add: Permitted receipts	2.77	24.21	26.98
Less: Permitted payments	-	(16.71)	(16.71)
Less: Amount deposited in banks	(16.84)	-	(16.84)
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>7.55</b>	<b>7.55</b>

\*Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

**Note 35: Event occurring after the reporting period**

**(a) Migration of radio business to Phase III Policy Regime**

The Company sold four of its FM radio stations at Amritsar, Patiala, Jodhpur and Shimla on September 18, 2015 to Entertainment Network (India) Limited, as a going concern, on a slump sale basis, after obtaining approval from Ministry of Information and Broadcasting ("MIB") on July 20, 2015, for a lump sum consideration of Rs. 400.00 lacs adjusted for net working capital as per the business transfer agreement. The Company's application to the MIB to grant approval for sale of its three FM radio stations at New Delhi, Mumbai and Kolkata was declined by the Ministry. The Company filed a writ petition before the Honourable High Court of Delhi against such decline. The MIB also demanded a payment of Rs. 7,136.80 lacs towards additional migration fee for migration of its FM radio stations from Phase II to Phase III Policy Regime, against which the Company obtained an interim relief till the disposal of the aforesaid case.

Meanwhile, the Committee of Senior Officials of the Company in its meeting held on December 19, 2016 approved the initiation of necessary procedural formalities for migration of its FM radio stations from Phase II to Phase III Policy Regime. Accordingly, the Company filed an application with the MIB on January 30, 2017 seeking approval for the migration of its FM radio stations to Phase III Policy Regime.

The Company received an offer letter dated April 20, 2017 from MIB for migration of its three FM radio stations from Phase II to Phase III, subject to, inter-alia, the execution of Grant of Permission Agreement (GOPA) for the said migration and payment of migration fee and other charges and interest. The Company paid the migration fee and other charges and interest totalling Rs. 8,515.28 lacs in two instalments, i.e., Rs. 2,124.42 lacs on April 25, 2017 and balance Rs. 6,390.86 lacs on May 4, 2017 and executed the GOPA on May 23, 2017. Consequently, the three FM radio stations of the Company now stand migrated to Phase III w.e.f. April 1, 2015 (GOPA commencement date) for a period of 15 years.

**(b) Other event**

Refer to note 26 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 36: Disclosure required under Section 186(4) of the Companies Act, 2013**

**(a) Particulars of Loan given:**

No loan given in the current and previous financial year.

**(b) Particulars of guarantee given:**

Name of the recipient	Guarantee given during the year ended		Closing balance	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Yes Bank Limited	-	300.00	300.00	300.00

Corporate guarantee has been given in connection with the loan to BARC (Broadcast Audience Research Council of India) by Yes Bank Limited.

**(c) Particulars of investments made:**

Name of the investee	Investment made during the year ended		Closing balance	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
India Today Online Media Private Limited	2,275.38	-	2,275.38	-
Mail Today Newspapers Private Limited	855.80	-	1,128.03	325.83
TV. Today Network (Business) Limited	-	-	15.00	15.00
Radio Today Broadcasting Limited	-	-	-	-
	<b>3,131.18</b>	<b>-</b>	<b>3,418.41</b>	<b>340.83</b>

**Note 37: Dues to Micro and Small Enterprises**

Based on information available with the Company, there are no outstanding dues to micro and small enterprises as at March 31, 2017. No interest has been paid / is payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 38: First-time adoption of Ind AS**

**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet as at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions**

**A.1.1 Business combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

**A.1.2 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**A.1.3 Share - based payments**

Ind AS 101 permits a first-time adopter to not apply Ind AS 102, Share - based payments for the equity instruments that vested before the date of transition to Ind AS and liabilities arising from share - based payment transactions that were settled before the date of transition to Ind AS.

Accordingly, the Company has not applied Ind AS 102, to the equity instruments that vested before the transition date and liabilities arising from share - based payment transactions that were settled before the date of transition to Ind AS. Further, no options have vested after the transition date.

**A.1.4 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has not elected to apply this exemption for its investment in equity investments.

**A.1.5 Leases**

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

The Company has elected to apply this exemption for such contracts/arrangements.

**A.2 Ind AS mandatory exceptions**

**A.2.1 Estimates**

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

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL;
- Impairment of financial assets based on expected credit loss model.

**A.2.2 De-recognition of financial assets and liabilities**

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

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

**A.2.3 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has applied the above requirement on transition date.

**T.V. Today Network Limited**

Notes forming part of the financial statements for the year ended March 31, 2017

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as at date of transition (April 1, 2015)**

(Rs. in lacs)				
	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		19,757.21	-	19,757.21
Capital work-in-progress		79.25	-	79.25
Intangible assets		3,765.25	-	3,765.25
Intangible assets under development		228.82	-	228.82
Financial assets		-	-	-
i. Investments	1	4,567.13	(3,395.00)	1,172.13
ii. Loans	9	11.69	(1.33)	10.36
iii. Other financial assets	2 and 7	435.31	2,989.74	3,425.05
Deferred tax assets (net)	3	1,573.14	(24.61)	1,548.53
Other non-current assets	7 and 9	181.80	19.05	200.85
<b>Total non-current assets</b>		<b>30,599.60</b>	<b>(412.15)</b>	<b>30,187.45</b>
<b>Current assets</b>				
Financial assets				
i. Trade receivables		11,579.00	-	11,579.00
ii. Cash and cash equivalents		6,588.22	-	6,588.22
iii. Bank balances other than (ii) above		2,952.19	-	2,952.19
iv. Loans		12.67	-	12.67
v. Other financial assets		91.73	-	91.73
Current tax assets (net)		2,609.55	-	2,609.55
Other current assets	7 and 9	1,867.09	16.18	1,883.27
<b>Total current assets</b>		<b>25,700.45</b>	<b>16.18</b>	<b>25,716.63</b>
<b>Total assets</b>		<b>56,300.05</b>	<b>(395.97)</b>	<b>55,904.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		2,982.43	-	2,982.43
<b>Other equity</b>				
Reserves and surplus	1,2,5,7,8,9,11,12	42,013.89	760.46	42,774.35
<b>Total equity</b>		<b>44,996.32</b>	<b>760.46</b>	<b>45,756.78</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Other financial liabilities	8	56.34	(10.15)	46.19
Provisions		622.84	-	622.84
Employee benefit obligations		57.64	-	57.64
Other non-current liabilities	8 and 11	122.15	(58.01)	64.14
<b>Total non-current liabilities</b>		<b>858.97</b>	<b>(68.16)</b>	<b>790.81</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings		672.58	-	672.58
ii. Trade payables		4,821.71	-	4,821.71
iii. Other financial liabilities		1,890.71	-	1,890.71
Provisions	5	1,077.15	(1,073.62)	3.53
Employee benefit obligations		476.40	-	476.40
Other current liabilities	8 and 11	1,506.21	(14.65)	1,491.56
<b>Total current liabilities</b>		<b>10,444.76</b>	<b>(1,088.27)</b>	<b>9,356.49</b>
<b>Total liabilities</b>		<b>11,303.73</b>	<b>(1,156.43)</b>	<b>10,147.30</b>
<b>Total equity and liabilities</b>		<b>56,300.05</b>	<b>(395.97)</b>	<b>55,904.08</b>

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

Reconciliation of equity as at March 31, 2016

(Rs. in lacs)

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		18,058.43	-	18,058.43
Capital work-in-progress		183.35	-	183.35
Intangible assets		3,293.77	-	3,293.77
Intangible assets under development		287.49	-	287.49
Financial assets				
i. Investments	1	4,029.13	(3,688.30)	340.83
ii. Loans	9	12.81	(1.86)	10.95
iii. Other financial assets	2 and 7	1,970.38	(28.26)	1,942.12
Deferred tax assets (net)	3	1,487.46	(8.96)	1,478.50
Other non-current assets	7 and 9	265.18	10.75	275.93
<b>Total non-current assets</b>		<b>29,588.00</b>	<b>(3,716.63)</b>	<b>25,871.37</b>
<b>Current assets</b>				
Financial assets				
i. Trade receivables	10	14,177.05	(60.62)	14,116.43
ii. Cash and cash equivalents		2,002.03	-	2,002.03
iii. Bank balances other than (ii) above		14,992.83	-	14,992.83
iv. Loans		17.55	-	17.55
v. Other financial assets		193.76	-	193.76
Current tax assets (net)		3,124.31	-	3,124.31
Other current assets	7 and 9	1,934.96	14.06	1,949.02
<b>Total current assets</b>		<b>36,442.49</b>	<b>(46.56)</b>	<b>36,395.93</b>
<b>Total assets</b>		<b>66,030.49</b>	<b>(3,763.19)</b>	<b>62,267.30</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		2,982.68	-	2,982.68
<b>Other equity</b>				
Reserves and surplus	1,2,5,7,8,9,11,12	50,191.45	(2,412.46)	47,778.99
Other reserves				
<b>Total equity</b>		<b>53,174.13</b>	<b>(2,412.46)</b>	<b>50,761.67</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Other financial liabilities	8	104.29	(7.07)	97.22
Provisions		648.88	-	648.88
Employee benefit obligations		118.89	-	118.89
Other non-current liabilities	8 and 11	62.15	(60.11)	2.04
<b>Total non-current liabilities</b>		<b>934.21</b>	<b>(67.18)</b>	<b>867.03</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings		-	-	-
ii. Trade payables	10	6,122.57	(24.22)	6,098.35
ii. Other financial liabilities		2,881.31	-	2,881.31
Provisions	5	1,256.46	(1,256.46)	-
Employee benefit obligations		554.12	-	554.12
Other current liabilities	8 and 11	1,107.69	(2.87)	1,104.82
<b>Total current liabilities</b>		<b>11,922.15</b>	<b>(1,283.55)</b>	<b>10,638.60</b>
<b>Total liabilities</b>		<b>12,856.36</b>	<b>(1,350.73)</b>	<b>11,505.63</b>
<b>Total equity and liabilities</b>		<b>66,030.49</b>	<b>(3,763.19)</b>	<b>62,267.30</b>

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

## Reconciliation of total comprehensive income for the year ended March 31, 2016

(Rs. in lacs)

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
Revenue from operations	8, 10, 13 and 14	54,601.17	(399.50)	54,201.67
Other income	7, 9 and 14	2,898.16	(1,071.34)	1,826.82
Other gains / (losses) - net	1 and 2	(261.26)	538.00	276.74
<b>Total Income</b>		<b>57,238.07</b>	<b>(932.84)</b>	<b>56,305.23</b>
<b>Expenses</b>				
Production cost	14	6,172.49	(89.27)	6,083.22
Employee benefits expense	6, 9 and 14	14,194.05	(27.93)	14,166.12
Depreciation and amortisation expense		3,057.10	(0.01)	3,057.09
Other expenses	7, 10, 11, 13 and 14	19,062.77	(1,357.35)	17,705.42
Finance costs	8 and 14	19.46	36.55	56.01
<b>Total expenses</b>		<b>42,505.87</b>	<b>(1,438.01)</b>	<b>41,067.86</b>
<b>Profit before exceptional items and tax</b>		<b>14,732.20</b>	<b>505.17</b>	<b>15,237.37</b>
Exceptional items		-	(3,862.30)	(3,862.30)
<b>Profit before tax</b>		<b>14,732.20</b>	<b>(3,357.13)</b>	<b>11,375.07</b>
<b>Profit from continuing operation after tax</b>		<b>15,874.33</b>	<b>(4,499.26)</b>	<b>11,375.07</b>
Income tax expense				
- Current tax		5,216.09	-	5,216.09
- Deferred tax	3	85.74	(10.73)	75.01
<b>Total tax expense</b>		<b>5,301.83</b>	<b>(10.73)</b>	<b>5,291.10</b>
Profit from continuing operations after tax		10,572.50	(4,488.53)	6,083.97
(Loss) from discontinuing operations after tax	12	(1,142.13)	1,142.13	-
<b>Profit for the year</b>		<b>9,430.37</b>	<b>(3,346.40)</b>	<b>6,083.97</b>
<b>Other comprehensive income / (expense)</b>		<b>-</b>	<b>(9.37)</b>	<b>(9.37)</b>
<b>Total comprehensive income for the year</b>		<b>9,430.37</b>	<b>(3,355.77)</b>	<b>6,074.60</b>

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

**Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

(Rs. in lacs)

	Notes to first-time adoption	March 31, 2016	April 1, 2015
Total equity (shareholders funds) as per previous GAAP		53,174.13	
<b>Adjustments:</b>			
Fair valuation of investment	1	(3,688.30)	(3,395.00)
Fair valuation of derivative (guarantee received from the parent company in relation to an investment)	11	-	3,031.00
Fair valuation of security deposits given	7	(6.07)	(7.90)
Fair valuation of security deposits received	8	1.71	1.92
Fair valuation of employee loans	9	0.77	0.53
Proposed dividend	5	1,043.94	894.73
Dividend distribution tax	5	212.52	178.89
Derecognition of revenue from exchange of similar services	10	(60.62)	-
Derecognition of expense from exchange of similar services	10	24.22	-
Reversal of lease rent equalization reserve	12	68.33	80.90
Tax effects of adjustments	2	(8.96)	(24.61)
<b>Total adjustments</b>		<b>(2,412.46)</b>	<b>760.46</b>
<b>Total equity as per Ind AS</b>		<b>50,761.67</b>	<b>760.46</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

(Rs. in lacs)

	Notes to first time adoption	March 31, 2016
Profit after tax as per previous GAAP		9,430.37
<b>Adjustments:</b>		
Fair value loss on investment in subsidiaries at fair value through profit and loss	1	(293.30)
Fair value loss on guarantee received from holding company	11	(3,031.00)
Interest income measurement using effective interest rate method on certain interest free security deposits and loan given to employees	7	16.77
Amortisation of prepaid rent in relation to certain interest free deposits given which have been measured at amortised cost using effective interest rate method	7	(15.00)
Amortisation of deferred employee benefits expenses in relation to certain interest free loan given to employees which have been measured at amortised cost using effective interest rate method	9	0.24
Interest expense measurement using effective interest rate method on certain interest free security deposits received	8	(10.50)
Recognition of advertisement income in relation to certain interest free deposits received which have been measured at amortised cost using effective interest rate method	8	10.30
Revenue in relation to barter transactions reversed in accordance with Ind AS 18	10	(60.62)
Expenses in relation to barter transactions reversed in accordance with Ind AS 18	10	24.22
Lease equalization provision reversal in accordance with Ind AS 17	12	(12.57)
Actuarial losses / (gains) on employee benefits recognised in "Other comprehensive income"	6	14.33
Tax impact of above adjustments	2	10.73
<b>Total adjustments</b>		<b>(3,346.40)</b>
<b>Net profit as per Ind AS</b>		<b>6,083.97</b>
<b>Other comprehensive income / (expense)</b>		<b>(9.37)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>6,074.60</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016**

(Rs. in lacs)

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
Net cash flow from operating activities	4	3,912.87	(7,118.28)	(3,205.41)
Net cash flow from investing activities	9	64.92	(12.82)	52.10
Net cash flow from financing activities	4	(1,759.97)	671.05	(1,088.92)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,217.82</b>	<b>(6,460.05)</b>	<b>(4,242.23)</b>
Cash and cash equivalents as at April 1, 2015	4	6,559.89	(644.25)	5,915.64
Effects of exchange rate changes on cash and cash equivalents		-	-	-
<b>Cash and cash equivalents as at March 31, 2016</b>		<b>8,777.71</b>	<b>(7,104.30)</b>	<b>1,673.41</b>

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

**Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS:**

(Rs. in lacs)

	Notes to first time adoption	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP		8,777.71	6,559.89
Cash credit	4	-	(672.58)
Book overdraft	4	(328.62)	-
Reclassification to other bank balances		(6,775.68)	28.33
<b>Cash and cash equivalents for the purpose of statement of cash flows</b>		<b>1,673.41</b>	<b>5,915.64</b>

**C: Notes to first-time adoption**

**Note 1: Fair valuation of investments**

Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for diminution, other than temporary decline, in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.

Reduction in fair value of the investment in Mail Today Newspapers Private Limited has been recognised in retained earnings as at the date of transition and subsequently in the Statement of profit or loss for the year ended March 31, 2016. This decreased the retained earnings by Rs. 3,688.30 lacs as at March 31, 2016 (April 1, 2015 - Rs. 3,395.00 lacs).

**Note 2: Fair value of guarantee (derivative financial asset)**

Under the previous GAAP, the guarantee received from the holding company, Living Media India Limited, for indemnifying any loss to the Company arising from the sale of investment in equity shares of Mail Today Newspapers Private Limited, was considered for the purpose of determining other than temporary decline in the value of such investment. Under Ind AS, the said guarantee is a separate transaction, and hence, is accounted for separately from the investment in equity shares. The guarantee meets the definition of derivative financial instrument given in Ind AS 109. All derivatives in scope of Ind AS 109, including those linked to unquoted equity investments, are measured at fair value and changes in fair value are recognised in profit or loss. Consequent to this change, the Company has recognised the guarantee at its fair value of Rs. Nil as at March 31, 2016 (April 1, 2015 - Rs. 3,031.00 lacs). Total equity increased by Rs. 3,031.00 lacs as at April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 3,031.00 lacs due to recognition of fair value loss in respect of the guarantee.

**Note 3: Deferred tax**

Under Ind AS, deferred tax has been recognised on the adjustments made on transition to Ind AS.

**Note 4: Cash credit / book overdraft**

Under Ind AS, cash credit repayable on demand and book overdraft, which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, cash credit of Rs. 672.58 lacs as at April 1, 2015 was considered as part of borrowings and movement in cash credit was shown as part of financing activities. While, book overdraft of Rs. 328.62 lacs as at March 31, 2016 was shown as a part of operating activities. Consequently, cash and cash equivalents have reduced by Rs. 328.62 lacs as at March 31, 2016 (April 1, 2015: Rs. 672.58 lacs) with corresponding increase / decrease in cash flows from financing / operating activities respectively for the year ended March 31, 2016 to the effect of the movements in cash credit and book overdraft.

**Note 5: Proposed dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 1,043.94 lacs as at March 31, 2016 (April 1, 2015: Rs. 894.73 lacs) and dividend distribution tax thereon of Rs. 212.52 lacs as at March 31, 2016 (April 1, 2015: Rs. 178.89 lacs) included under provisions have been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount. [Refer Note 26 (b)]

**Note 6: Remeasurements of post-employment benefit obligation**

Under Ind AS, remeasurements, i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by Rs. 9.37 lacs. There is no impact on total equity as at March 31, 2016.

**Note 7: Security deposits - assets**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs. 28.26 lacs as at March 31, 2016 (April 1, 2015: Rs. 41.26 lacs). The prepaid rent increased by Rs. 22.19 lacs as at March 31, 2016 (April 1, 2015: Rs. 33.36 lacs). Total equity decreased by Rs. 7.90 lacs as at April 1, 2015. The profit for the year and total equity as at March 31, 2016 increased by Rs. 1.77 lacs due to notional interest income of Rs. 16.77 lacs recognised on security deposits which is partially off-set by the amortisation of the prepaid rent by Rs. 15.00 lacs.

**Note 8: Security deposits - liabilities**

Under the previous GAAP, interest free security deposits received (that are payable in cash on termination of the contract) are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits received under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as unearned income. Consequent to this change, the amount of security deposits decreased by Rs. 7.07 lacs as at March 31, 2016 (April 1, 2015: Rs. 10.15 lacs). The unearned income increased by Rs. 5.36 lacs as at March 31, 2016 (April 1, 2015: Rs. 8.23 lacs). Total equity increased by Rs. 1.92 lacs as on April 1, 2015. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 0.20 lacs due to notional interest expense of Rs. 10.50 lacs recognised on security deposits which is partially off-set by recognition of the unearned income of Rs. 10.30 lacs as revenue from operations.



**Note 9: Loan to employees - assets**

Under the previous GAAP, interest free loan to employees (that are repayable in cash on completion of the agreed term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these loans under Ind AS. Difference between the fair value and transaction value of the loan has been recognised as deferred employee expense. Consequent to this change, the amount of loan decreased by Rs. 1.86 lacs as at March 31, 2016 (April 1, 2015: Rs. 1.33 lacs). The deferred employee expense increased by Rs. 2.63 lacs as at March 31, 2016 (April 1, 2015: Rs. 1.86 lacs). Total equity increased by Rs. 0.53 lacs as on April 1, 2015. The profit for the year and total equity as at March 31, 2016 increased by Rs. 0.24 lacs due to notional interest income of Rs. 2.50 lacs recognised on loan which is partially off-set by the amortisation of the deferred employee expense by Rs. 2.26 lacs.

**Note 10: Revenue - barter transactions involving advertising services**

Under the previous GAAP, the Company regarded the barter transactions entered into to provide advertising services in exchange for receiving advertising services from its customers, amounting to exchange of services of a similar nature, as a transaction which generates revenue.

Under Ind AS, exchange of services of a similar nature is not regarded as a transaction which generates revenue. Consequent to this change, the amount of trade receivables and trade payables decreased by Rs. 60.62 lacs and Rs. 24.22 lacs respectively as on March 31, 2016 (April 1, 2015: Nil and Nil respectively). The profit for the year and total equity as at March 31, 2016 decreased by Rs. 36.40 lacs due to derecognition of advertisement revenue of Rs 60.62 lacs from such transactions which is partially off-set by derecognition of advertisement expense of Rs 24.22 lacs from such transactions.

**Note 11: Lease rent equalisation reserve**

Under the previous GAAP, the lease payments under an operating lease were recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

Under Ind AS, the lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met. Since the lease payments under all the operating leases entered into by the Group as a lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, the lease rent equalisation reserve created in respect of such leases amounting to Rs 80.90 lacs under the previous GAAP, has been reversed with corresponding adjustment to retained earnings as at April 1, 2015. Consequently, the total equity increased by an equivalent amount. The profit for the year and total equity as at March 31, 2016 decreased by Rs. 12.57 lacs and Rs. 68.33 lacs respectively, due to reversal of utilization of lease rent equalization reserve created in respect of the aforesaid leases under the previous GAAP.

**Note 12: Discontinued operations**

The application for approval of sale of three radio stations of the Company was declined by the Ministry of Information and Broadcasting ("MIB") in the previous year. The Company filed a writ petition before the Honourable High Court of Delhi against such decline. The Company was pursuing the case legally and expected a favourable outcome.

Accordingly, under the previous GAAP, the radio business was classified as a discontinuing operation as the Company's board of directors had both (i) approved a detailed, formal plan for the discontinuance and (ii) made an announcement of the plan.

Under Ind AS, a discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale. An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. Considering the above decline of approval by the MIB, the disposal group (radio business) is not considered to be available for immediate sale in its present condition. Hence, the radio business has not been considered as a discontinued operation under Ind AS.

Consequently, the loss from discontinuing operations before tax (Rs. 1,349.14 lacs), profit from disposal of assets and liabilities of discontinuing operations (Rs. 207.01 lacs) and income tax expense thereon (nil) for the year ended March 31, 2016 under the previous GAAP has been adjusted / included against / in the profit from continuing operations for the year ended March 31, 2016. As a result of this change, the profit from continuing operations for the year ended March 31, 2016 has decreased by Rs. 1,142.13 lacs and the loss from discontinued operations for the year ended March 31, 2016 is nil. There is no impact on the total equity and profit.

**Note 13: Agency incentive**

Under previous GAAP, the incentive paid to the advertisement agencies was recognised as an expense in the statement of profit and loss.

Under Ind AS, if the agencies are acting as a principal, the incentive payable should be adjusted against the advertisement income. Accordingly the advertisement income and agency incentive expenses have decreased by Rs. 764.62 lacs for the year ended March 31, 2016. There is no impact on the total equity and profit.

**Note 14: Provisions / liabilities written back to the extent no longer required**

Under the previous GAAP, the provisions / liabilities written back to the extent no longer required were credited to Other income. Under Ind AS, where the original provision was charged as an expense, any subsequent reversal should be credited to the same line in the statement of profit and loss in accordance with the principle of consistency. Accordingly, the aforesaid provisions / liabilities written back to the extent no longer required have been credited to the respective expense line in the statement of profit and loss. This change has resulted in a decrease in other income, increase in revenue from operations and decrease in other expenses for the year ended March 31, 2016 by Rs. 1,334.83 lacs, Rs. 415.43 lacs and Rs. 919.40 lacs respectively. There is no impact on the total equity and profit.

**Note 15: Retained earnings**

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

**T.V. Today Network Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

**Note 16: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income / expense that is not recognised in profit or loss but is shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plan. The concept of other comprehensive income did not exist under the previous GAAP.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

Sougata Mukherjee  
Partner  
Membership No. 57084

Ashish Sabharwal  
Company Secretary  
Membership No. F4991

Sudhir Mehra  
Director  
DIN - 07424678

Aroon Purie  
Chairman and  
Managing Director  
DIN - 00002794

Place : Gurugram  
Date : May 26, 2017

Place : Noida  
Date : May 26, 2017

Dinesh Bhatia  
Chief Financial Officer  
DIN - 01604681

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Mail Today Newspapers Private Limited

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Mail Today Newspapers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of profit and loss, including the Statement of other comprehensive income, the Cash flow statement and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of these Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind As financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of profit and loss including the Statement of other comprehensive income, the Cash flow statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position significantly;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 31 to these Ind AS financial statements as to the holding of Specified Bank Notes as at November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For KM & CO  
Chartered Accountants  
ICAI Firm Registration Number: 024883N

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date: 26/05/2017

**Annexure 1 referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re: Mail Today Newspapers Private Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.  
  
(c) According to the information and explanations given by the management, the title deed of immovable properties, included in investment properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are not applicable and hence not commented upon.
- (v) The Company has not accepted any deposit from public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues

to any bank. The Company has no outstanding dues in respect of a financial institution or dues to debenture holders.

- (ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer / further public offer / debt instruments. Further, term loans were utilized for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of The Reserve Bank of India Act, 1934 are not applicable to the Company, hence not commented upon.

For KM & CO  
Chartered Accountants  
ICAI Firm Registration Number: 024883N

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date: 25/06/2017

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAIL TODAY NEWSPAPERS PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**To the Members of Mail Today Newspapers Private Limited**

We have audited the internal financial controls over financial reporting of Mail Today Newspapers Private Limited (“the Company”) as of March 31, 2017 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 Management 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 Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 KM & CO  
Chartered Accountants  
ICAI Firm Registration Number: 024883N

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date:25/06/2017

**Mail Today Newspapers Private Limited**
**Balance sheet as at March 31, 2017**
*(All amounts are Indian rupees in lacs, unless otherwise stated)*

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	45.73	68.57	93.45
Investment properties	4	643.35	717.46	752.01
Intangible assets	5	1.68	11.42	14.61
Financial assets				
i. Loans	6(b)	9.87	9.30	8.25
Non-current tax assets	7	24.86	43.89	95.57
Other non-current assets	8	519.16	388.00	54.11
<b>Total non-current assets</b>		<b>1,244.65</b>	<b>1,238.64</b>	<b>1,018.00</b>
<b>Current assets</b>				
Inventories	9	157.99	142.61	221.29
Financial assets				
i. Trade receivables	6(a)	837.64	983.01	928.95
ii. Cash and cash equivalents	6(c)	41.31	3.11	449.95
iii. Loans	6(b)	0.58	0.58	3.44
Current tax assets	7	-	41.95	-
Other current assets	10	565.77	571.03	375.95
<b>Total current assets</b>		<b>1,603.29</b>	<b>1,742.29</b>	<b>1,979.58</b>
<b>Total assets</b>		<b>2,847.94</b>	<b>2,980.93</b>	<b>2,997.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11(a)	13,108.70	12,908.70	12,588.02
<b>Other equity</b>				
Reserve and surplus	11(b)	(15,268.04)	(14,547.16)	(14,332.41)
<b>Total equity</b>		<b>(2,159.34)</b>	<b>(1,638.46)</b>	<b>(1,744.39)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	12(a)	520.80	1,109.45	1,484.35
Employee benefit obligations	13	71.94	78.95	85.80
<b>Total non-current liabilities</b>		<b>592.74</b>	<b>1,188.40</b>	<b>1,570.15</b>
<b>Current liabilities</b>				
Financial Liabilities				
i. Borrowings	12(b)	782.08	472.97	392.92
ii. Trade payables	12(c)	1,229.39	961.49	753.45
iii. Other financial liabilities	12(d)	2,191.03	1,695.73	1,709.38
Employee benefit obligations	13	1.53	2.11	3.67
Other current liabilities	14	210.51	298.69	312.40
<b>Total current liabilities</b>		<b>4,414.54</b>	<b>3,430.99</b>	<b>3,171.82</b>
<b>Total liabilities</b>		<b>5,007.28</b>	<b>4,619.39</b>	<b>4,741.97</b>
<b>Total equity and liabilities</b>		<b>2,847.94</b>	<b>2,980.93</b>	<b>2,997.58</b>

The accompanying notes are an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
(DIN : 06699673)

Ashish Kumar Bagga  
Director  
(DIN : 01023789)

Place : New Delhi  
Date : 26/05/2017

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : 26/05/2017

**Mail Today Newspapers Private Limited**

**Statement of profit and loss for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	15	3,608.12	4,014.33
Other income	16(a)	119.56	29.49
Other gains / (losses) - net	16(b)	2.97	(5.04)
<b>Total Income</b>		<b>3,730.65</b>	<b>4,038.78</b>
<b>Expenses</b>			
Cost of materials consumed	17	307.20	381.04
Employee benefits expense	18	1,053.52	1,182.76
Depreciation and amortisation expense	19	36.74	35.02
Other expenses	20	2,607.92	2,592.25
Finance costs	21	450.50	463.07
<b>Total expenses</b>		<b>4,455.88</b>	<b>4,654.14</b>
<b>(Loss) before tax</b>		<b>(725.23)</b>	<b>(615.36)</b>
Income tax expenses	22		
- Current Tax		-	-
- Deferred Tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>(Loss) for the year</b>		<b>(725.23)</b>	<b>(615.36)</b>
<b>Other comprehensive expense</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		4.35	(1.15)
<b>Other comprehensive income/(expense) for the year</b>		<b>4.35</b>	<b>(1.15)</b>
<b>Total comprehensive (expense) for the year</b>		<b>(720.88)</b>	<b>(616.51)</b>
<b>Earning per equity share</b>			
Basic and diluted earning per share	28	(0.55)	(0.49)

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

This is the statement of profit and loss referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
(DIN : 06699673)

Ashish Kumar Bagga  
Director  
(DIN : 01023789)

Place : New Delhi  
Date : 26/05/2017

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : 26/05/2017

**Mail Today Newspapers Private Limited**

**Statement of cash flow for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from operating activities</b>			
<b>(Loss) before income tax</b>		(725.23)	(615.36)
Adjustments for			
Depreciation of property, plant and equipment	19	22.67	27.50
Depreciation on investment property	19	4.33	4.33
Amortisation of intangible assets	19	9.74	3.19
Provision for impairment on investment property under construction	20	73.28	91.00
Loss/(Gain) on disposal of property, plant and equipment	16(b)	0.06	(0.35)
Allowance for doubtful debts	20	163.53	92.02
Interest income	16(a)	(8.76)	(8.44)
Finance costs	21	450.50	463.07
<b>Changes in operating assets and liabilities</b>			
(Increase) in trade receivables	6(a)	(18.16)	(146.08)
Increase in trade payables	12(c)	267.90	208.04
(Increase)/Decrease in other financial assets	6(b)	(0.57)	1.81
(Increase) in other non current assets	8	(131.16)	(333.89)
(Increase)/Decrease in other current assets	10	5.26	(195.08)
(Decrease) in employee benefit obligations	13	(3.25)	(9.56)
Increase/(Decrease) in other financial liabilities	12(d)	2.98	(5.47)
Decrease in other current liabilities	14	(88.18)	(13.71)
(Increase)/Decrease in inventories	9	(15.38)	78.68
<b>Cash from / (used in) operating activities</b>		<b>9.56</b>	<b>(358.30)</b>
Income tax (refunds)		(60.98)	(9.73)
<b>Net cash from / (used in) operating activities</b>		<b>70.54</b>	<b>(348.57)</b>
<b>Cash flow from investing activities</b>			
Payment for acquisition of property, plant and equipment	3	-	(2.98)
Proceeds from disposal of property, plant and equipment	3	0.11	0.71
Purchase of investment properties	4	(3.50)	(60.78)
Interest received	16(a)	8.76	8.44
<b>Net cash from / (used in) investing activities</b>		<b>5.37</b>	<b>(54.61)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of share capital (including securities premium)	11(a)	200.00	722.44
Proceeds of borrowings	12(a)	2,583.33	1,581.01
Repayments of borrowings	12(a)	(2,648.10)	(1,995.65)
Interest paid	21	(450.50)	(463.07)
<b>Net cash (used in) financing activities</b>		<b>(315.27)</b>	<b>(155.27)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(239.36)</b>	<b>(558.45)</b>
Cash and cash equivalents at the beginning of the year		(501.42)	57.03
<b>Cash and cash equivalent at end of the year</b>		<b>(740.78)</b>	<b>(501.42)</b>
<b>Non Cash financing and investing activities</b>			
Acquisition of investment properties by means of exchange of services		3.50	60.78
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
<b>Cash and cash equivalents as per above comprise of the following:</b>			
		<b>March 31, 2017</b>	<b>March 31, 2016</b>
Cash and cash equivalents { note 6(c)}		41.31	3.11
Bank overdrafts { note 12(b)}		(782.08)	(472.97)
Book overdraft { note 12(d)}		-	(31.56)
<b>Balance per statement of cash flows</b>		<b>(740.77)</b>	<b>(501.42)</b>

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

This is the statement of cash flow referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of  
Mail Today Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
(DIN : 06699673)

Ashish Kumar Bagga  
Director  
(DIN : 01023789)

Place : New Delhi  
Date : 26/05/2017

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : 26/05/2017

**Mail Today Newspapers Private Limited**

**Statement of changes in equity for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

**A Equity share capital**

	Notes	Amount
As at April 1, 2015		12,588.02
Changes in equity share capital	11(a)	320.68
<b>As at March 31, 2016</b>		<b>12,908.70</b>
Changes in equity share capital	11(a)	200.00
<b>As at March 31, 2017</b>		<b>13,108.70</b>

**B Other equity**

	Reserve and surplus		Total
	Securities premium reserve	Retained earnings	
<b>Balance as at April 1, 2015</b>	22,125.01	(36,457.42)	(14,332.41)
(Loss) for the year	-	(615.36)	(615.36)
Other comprehensive (expense)	-	(1.15)	(1.15)
<b>Total comprehensive (expense) for the year</b>	-	<b>(616.51)</b>	<b>(616.51)</b>
<b>Transactions with owners in their capacity as owner</b>			
Issue of equity shares, net of transaction costs	401.76	-	401.76
	<b>401.76</b>	-	<b>401.76</b>
<b>Balance as at March 31, 2016</b>	<b>22,526.77</b>	<b>(37,073.93)</b>	<b>(14,547.16)</b>
<b>Balance as at April 1, 2016</b>	22,526.77	(37,073.93)	(14,547.16)
(Loss) for the year	-	(725.23)	(725.23)
Other comprehensive income	-	4.35	4.35
<b>Total comprehensive (expense) for the year</b>	-	<b>(720.88)</b>	<b>(720.88)</b>
<b>Transactions with owners in their capacity as owner</b>			
Issue of equity shares, net of transaction costs	-	-	-
	-	-	-
<b>Balance as at March 31, 2017</b>	<b>22,526.77</b>	<b>(37,794.81)</b>	<b>(15,268.04)</b>

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

This is the statement of changes in equity referred to in our report of even date.

For KM & CO

Firm Registration Number : 024883N

Chartered Accountants

For and on behalf of the Board of Directors of Mail Today

Newspapers Private Limited

per Kapil Mittal

Partner

Membership No. 502221

Rajender Kumar Mangla

Director

(DIN : 06699673)

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(DIN : 01023789)

Place : New Delhi

Date : 26/05/2017

Manmohan Kandpal

Company Secretary

Membership No. 28183

Neeraj Soni

Chief Financial Officer

PAN: AWYPS9532K

Place : New Delhi

Date : 26/05/2017

**Mail Today Newspapers Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

**Background**

Mail Today Newspapers Private Limited ('the Company') was incorporated on May 9, 2007 and started its operations from November 16, 2007. The Company publishes 'Mail Today', an English daily newspaper and further displays its publication on 'mailtoday.in'. The Company derives revenue from the sale of the above mentioned publications and advertisements published therein. The corporate identity number of the Company is U22210DL2007PTC163174.

**Note 1: Significant accounting policies**

**(a) Basis of preparation**

*(i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 33 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

*(ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis.

*(iii) Going concern*

During the year, the Company's total comprehensive expenses of INR 720.88 Lacs (Previous year INR 616.51 Lacs) thereby resulting in accumulated losses of INR 37,794.81 Lacs (Previous year INR 37,073.93 Lacs) against shareholders' funds of INR 35,635.47 Lacs (Previous year INR 35,435.47 Lacs), which has eroded its net worth completely. Based on the revised business plan which includes ongoing commitments of funding from the holding company namely T.V. Today Network Limited and streamlined operations, the Company expects to expand and generate positive cash flows. In view of this, these financial statements are prepared on going concern basis and no adjustment has been made to carrying value of assets and liabilities in the financial statements.

**(b) Segment Reporting**

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

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 26 for segment information as presented.

**(c) Foreign Currency Translation**

*(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupees in lacs (INR), which is the Company's functional and presentation currency.

*(ii) Transaction and balances*

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

**(d) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Rendering of services - Advertisement Income**

**Timing of recognition:** Advertisement income is recognized as and when advertisement is published /displayed and is disclosed net of discount.

**Measurement of revenue:** Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

**Sale of publication and waste paper**

**Timing of recognition:** Sale of publications and waste paper revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

**Measurement of revenue:** Revenue from sale of publication is based on sale price of the newspaper or contractual price. No element of financing is deemed present as the sales are made for credit period, which is consistent with market practice.

**(e) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Leases**

**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(g) Impairment of assets**

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

**(h) Cash and cash equivalents**

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

**(i) Trade receivables**

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

**(j) Inventories- Raw Material**

Raw-material are stated at lower of cost and net realisable value. Cost of raw-material comprises cost of purchases. Cost of raw-material also include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determine on weighted average basis.

**(k) Financial assets**

**(i) Classification**

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

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



*Debt instruments*

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

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

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

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(A) details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

(v) *Income recognition*

**Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(l) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

*Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

*Depreciation methods, estimated useful lives and residual value*

- (i) Depreciation on tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.
- (ii) Assets costing below INR 5,000 (rupees five thousand) are fully depreciated in the year of acquisition.
- (iii) Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

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

Gain and loss on disposables are determined by comparing proceeds with carrying amount. These are included in the profit or loss with other gains/(losses).

**(n) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of investment property is replaced, the carrying amount of replaced part is derecognised.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company depreciates investment property on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

*Transition to Ind As*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment properties.

**(o) Intangible assets**

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**(i) Amortisation methods and periods**

Intangible assets mainly include software licenses stated at cost, less accumulated amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and are amortized using the straight-line method over a period of three years.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(r) Employee benefits**

*(i) Short-term obligation*

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*(ii) Other long-term employee benefits obligations*

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

*(iii) Post employment obligations*

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged.

**Mail Today Newspapers Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**

Defined contribution plans

Company's contributions to Provident Fund, Employees' State Insurance Scheme and Employee Pension Scheme, which are defined contribution plans, are expensed to the statement of profit and loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions to the respective government funds.

**(s) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(t) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 28).

*(ii) Diluted earnings per share*

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

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

**(u) Recent accounting pronouncements**

*(i) New Standards*

There were no new standards published which would be applicable on the Company.

*(ii) New Amendments*

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the recent amendment, as a result the corresponding impact on the financial statements is being evaluated.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

In the opinion of the management, there is no impact of such change on the financial statements.

**Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgements**

The areas involving critical estimates and judgements are:

- i) Estimation of current tax expense and payable - Note 22
- ii) Estimate useful life of intangible assets - Note 5
- iii) Estimation of employee related defined benefit obligations - Note 13
- iv) Recognition of deferred tax assets for carried forward tax losses - Note 22
- v) Impairment of trade receivables - Note 24(A)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances.

**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

*(All amounts are Indian rupees in lacs, unless otherwise stated)*

**Note 3: Property, plant and equipment**

	<b>Leasehold improvements</b>	<b>Plant and machinery</b>	<b>Office equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Total</b>
<b>Year ended March 31, 2016</b>						
<b>Gross carrying amount</b>						
Deemed cost as at April 1, 2015	-	89.68	1.89	1.30	0.57	93.44
Additions	-	2.93	0.06	-	-	2.99
Disposals	-	-	-	-	(0.57)	(0.57)
<b>Closing gross carrying amount</b>	<b>-</b>	<b>92.61</b>	<b>1.95</b>	<b>1.30</b>	<b>-</b>	<b>95.86</b>
<b>Accumulated depreciation</b>						
Depreciation charge during the year	-	26.44	0.41	0.44	0.21	27.50
Disposals	-	-	-	-	(0.21)	(0.21)
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>26.44</b>	<b>0.41</b>	<b>0.44</b>	<b>-</b>	<b>27.29</b>
<b>Net carrying amount</b>	<b>-</b>	<b>66.17</b>	<b>1.54</b>	<b>0.86</b>	<b>-</b>	<b>68.57</b>
<b>Year ended March 31, 2017</b>						
<b>Gross carrying amount</b>						
As at April 1, 2016	-	92.61	1.95	1.30	-	95.86
Additions	-	-	-	-	-	-
Disposals	-	(4.11)	-	-	-	(4.11)
<b>Closing gross carrying amount</b>	<b>-</b>	<b>88.50</b>	<b>1.95</b>	<b>1.30</b>	<b>-</b>	<b>91.75</b>
<b>Accumulated depreciation</b>						
As at April 1, 2016	-	26.44	0.41	0.44	-	27.29
Depreciation charge during the year	-	22.05	0.05	0.56	-	22.67
Disposals	-	(3.93)	-	-	-	(3.94)
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>44.56</b>	<b>0.46</b>	<b>1.00</b>	<b>-</b>	<b>46.02</b>
<b>Net carrying amount</b>	<b>-</b>	<b>43.94</b>	<b>1.49</b>	<b>0.30</b>	<b>-</b>	<b>45.73</b>

*(i) Property plant and equipment pledged as security*

Refer to note 32 for information on property, plant and equipment pledged as security by the Company.

*(ii) Leasehold improvements*

Leasehold improvements are amortized over the useful life or unexpired period of lease, whichever is lower on straight line basis.

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**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

*(All amounts are Indian rupees in lacs, unless otherwise stated)*

**Note 4: Investment properties**

**Completed investment properties**

	March 31, 2017	March 31, 2016
<b>A. Completed investment properties</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount / Deemed cost as at April 1, 2015	255.78	255.78
Additions during the year	-	-
<b>Closing gross carrying amount (A)</b>	<b>255.78</b>	<b>255.78</b>
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	4.33	-
Depreciation charged during the year	4.33	4.33
<b>Closing accumulated depreciation (B)</b>	<b>8.66</b>	<b>4.33</b>
<b>Net carrying amount (C=A-B)</b>	<b>247.12</b>	<b>251.45</b>
<b>B. Investment properties under construction</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount / Deemed cost as at April 1, 2015	557.01	496.23
Additions during the year	3.50	60.78
Less: Amount transferred to completed investment properties	-	-
<b>Closing gross carrying amount (D)</b>	<b>560.51</b>	<b>557.01</b>
<b>Accumulated Impairment</b>		
Opening accumulated impairment	91.00	-
Impairment charged during the year	148.08	-
Impairment reversed during the year	(74.80)	91.00
<b>Closing accumulated impairment (E)</b>	<b>164.28</b>	<b>91.00</b>
<b>Net carrying amount (F=D-E)</b>	<b>396.23</b>	<b>466.01</b>
<b>Total (C+F)</b>	<b>643.35</b>	<b>717.46</b>

*(i) Amount recognised in profit or loss for investment properties*

	March 31, 2017	March 31, 2016
Rental Income	-	-
<b>Profit from investment properties before depreciation</b>	<b>-</b>	<b>-</b>
Impairment	73.28	91.00
Depreciation	4.33	4.33
<b>(Loss) from investment properties</b>	<b>(77.61)</b>	<b>(95.33)</b>

*(ii) Fair value*

	March 31, 2017	March 31, 2016	April 1, 2015
Completed Investment properties	276.00	253.00	257.00
Investment properties under construction	562.00	594.00	499.12

**Estimation of fair value**

The Company obtains independent valuations for its investment properties at least once a year. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by independent valuers. As at March 31, 2017, the fair valuation has been performed by Cushman and Wakefield India. The main inputs used are application of Sales Comparable Method for valuation, information on comparable properties from various sources such as sub brokers, real estate agents etc. All resulting fair value estimates for investment properties are included in level 3.



**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 5: Intangible assets**

	<b>Computer software</b>	<b>Total</b>
<b>Year ended March 31, 2016</b>		
<b>Gross carrying amount</b>		
Deemed cost as at April 1, 2015	14.61	14.61
Additions	-	-
<b>Closing gross carrying amount</b>	<b>14.61</b>	<b>14.61</b>
<b>Accumulated amortisation</b>		
Amortisation charge for the year	3.19	3.19
<b>Closing accumulated amortisation</b>	<b>3.19</b>	<b>3.19</b>
<b>Closing net carrying amount</b>	<b>11.42</b>	<b>11.42</b>
<b>Year ended March 31, 2017</b>		
<b>Gross carrying amount</b>		
As at April 1, 2016	14.61	14.61
Additions	-	-
<b>Closing gross carrying amount</b>	<b>14.61</b>	<b>14.61</b>
<b>Accumulated amortisation</b>		
As at April 1, 2016	3.19	3.19
Amortisation charge for the year	9.74	9.74
<b>Closing accumulated amortisation</b>	<b>12.93</b>	<b>12.93</b>
<b>Closing net carrying amount</b>	<b>1.68</b>	<b>1.68</b>

*Significant estimate: Useful life of intangible assets*

The Company estimates the useful life of the software to be three (3) years.

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**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

**Note 6: Financial assets**

**6(a) Trade Receivables**

	March 31, 2017	March 31, 2016	April 1, 2015
Trade Receivables	1,327.19	1,314.15	1,159.32
Receivables from related parties (note 27)	18.08	12.96	21.70
Less: Allowance for doubtful debts	(507.63)	(344.10)	(252.07)
<b>Total Receivables</b>	<b>837.64</b>	<b>983.01</b>	<b>928.95</b>
Current portion	837.64	983.01	928.95
Non-current portion	-	-	-

**Break-up of security details**

	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	12.20	9.22	11.38
Unsecured, considered good	825.44	973.79	917.57
Unsecured, considered doubtful	507.63	344.10	252.07
Total	1,345.27	1,327.11	1,181.02
Less: Allowance for doubtful debts	(507.63)	(344.10)	(252.07)
<b>Total trade receivables</b>	<b>837.64</b>	<b>983.01</b>	<b>928.95</b>

**6(b) Loans**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>						
Security deposits						
- To related parties	-	9.87	-	9.30	-	8.25
- To others	0.58	-	0.58	-	3.44	-
<b>Total Loans</b>	<b>0.58</b>	<b>9.87</b>	<b>0.58</b>	<b>9.30</b>	<b>3.44</b>	<b>8.25</b>

**6(c) Cash and cash equivalents**

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
- in current accounts	40.79	2.23	449.90
Cash on hand	0.52	0.88	0.05
<b>Total cash and cash equivalents</b>	<b>41.31</b>	<b>3.11</b>	<b>449.95</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**Note 7: Tax assets**

	March 31, 2017	March 31, 2016
<b>Advance income tax</b>		
Opening balance	85.84	95.57
Add: Taxes paid during the year	24.86	41.36
Less: Tax (refunds) received / adjusted during the year	(85.84)	(51.09)
Less: Current tax payable for the year	-	-
<b>Closing balance of Advance Tax</b>	<b>24.86</b>	<b>85.84</b>

	March 31, 2017	March 31, 2016	April 1, 2015
Non-current portion	24.86	43.89	95.57
Current portion	-	41.95	-

**Note 8: Other non-current assets**

	March 31, 2017	March 31, 2016	April 1, 2015
Receivables against exchange of services from related parties (note 27)	518.77	387.39	-
Prepaid expenses	0.39	0.61	54.11
<b>Total other non-current assets</b>	<b>519.16</b>	<b>388.00</b>	<b>54.11</b>

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 9: Inventories**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Raw materials {Includes in transit INR Nil (March 31, 2016: INR Nil, April 1, 2015: INR 39.68 Lacs)}	157.99	142.61	221.29
<b>Total inventories</b>	<b>157.99</b>	<b>142.61</b>	<b>221.29</b>

**Note 10: Other current assets**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Receivables against exchange of services			
- Related parties (note 27)	488.17	418.75	185.17
- Others	51.61	87.87	104.55
Advances			
- Considered good	9.58	7.03	26.04
- Considered doubtful	33.79	33.79	33.79
Less: Allowances for doubtful advances	(33.79)	(33.79)	(33.79)
Prepaid expenses	6.06	50.63	57.35
Service tax receivable	10.35	6.75	2.84
<b>Total other current assets</b>	<b>565.77</b>	<b>571.03</b>	<b>375.95</b>

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**Note 11: Share capital and other equity**

**11(a) Equity share capital**

**Authorised equity share capital**

	Number of shares	Amount
As at April 1, 2015	1350,00,000	13,500.00
Increase during the year	-	-
<b>As at March 31, 2016</b>	<b>1350,00,000</b>	<b>13,500.00</b>
Increase during the year	-	-
<b>As at March 31, 2017</b>	<b>1350,00,000</b>	<b>13,500.00</b>

**(i) Movements in equity share capital**

	Notes	Number of shares	Equity share capital (par value)
As at April 1, 2015		1258,80,181	12,588.02
Issued during the year		32,06,835	320.68
<b>As at March 31, 2016</b>		<b>1290,87,016</b>	<b>12,908.70</b>
Issued during the year		20,00,000	200.00
<b>As at March 31, 2017</b>		<b>1310,87,016</b>	<b>13,108.70</b>

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**(ii) Equity shares of the Company held by holding company\Ultimate holding company**

	March 31, 2017	March 31, 2016	April 1, 2015
	Number of shares	Number of shares	Number of shares
India Today Online Private Limited (the holding company)	875,33,881	855,33,881	826,40,824
T.V. Today Network Limited (the ultimate holding company) w.e.f. March 15, 2017 {Prior to March 15, 2017 was a fellow subsidiary company}	435,53,135	105,10,510	105,10,510

**(iii) Details of shareholders holding more than 5% equity shares in the Company**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	holding (%)	Number of shares	holding (%)	Number of shares	holding (%)
India Today Online Private Limited (the holding company)	875,33,881	66.78%	855,33,881	66.26%	826,40,824	65.65%
AN (Mauritius) Limited	-	0.00%	330,42,625	25.60%	327,28,847	26.00%
T.V. Today Network Limited (the ultimate holding company) w.e.f. March 15, 2017 {Prior to March 15, 2017 was a fellow subsidiary company}	435,53,135	33.22%	105,10,510	8.14%	105,10,510	8.35%
<b>Total</b>	<b>1310,87,016</b>	<b>100.00%</b>	<b>1290,87,016</b>	<b>100.00%</b>	<b>1258,80,181</b>	<b>100.00%</b>

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***11(b) Reserves and surplus**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Securities premium reserve	22,526.77	22,526.77	22,125.01
Retained earning	(37,794.81)	(37,073.93)	(36,457.42)
<b>Total reserves and surplus</b>	<b>(15,268.04)</b>	<b>(14,547.16)</b>	<b>(14,332.41)</b>

## (i) Securities premium reserve

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Opening balance	22,526.77	22,125.01
Add: Received upon issue of equity shares	-	401.76
<b>Closing balance</b>	<b>22,526.77</b>	<b>22,526.77</b>

## (ii) Retained earnings

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Opening balance	(37,073.93)	(36,457.42)
Net (loss) for the year	(725.23)	(615.36)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	4.35	(1.15)
<b>Closing balance</b>	<b>(37,794.81)</b>	<b>(37,073.93)</b>

**Nature and purpose of other reserves****Securities premium reserve**

Securities premium reserve is used to record the premium received upon issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

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**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

**Note 12: Financial liabilities**

**12(a) Non current borrowings**

	<b>Maturity Date</b>	<b>Terms of repayments</b>	<b>Coupon/ Interest Rate</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Term loans from banks</b>						
<b>(Secured)</b>						
Indian rupees loan from The Ratnakar Bank Limited (RBL) - I	22-Sep-18	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	213.56	637.99	1,059.18
Indian rupees loan from The Ratnakar Bank Limited (RBL) - II	04-Sep-17	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	-	142.41	425.17
Indian rupees loan from Yes Bank Limited (YBL) - III	07-Feb-19	12 equal quarterly installments after moratorium of 12 months.	YBL base rate + 1%	165.57	329.05	-
Indian rupees loan from The Ratnakar Bank Limited (RBL) - IV	30-Jun-18	7 equal quarterly installments after moratorium of 3 months.	MCLR rate + 1.75%	141.67	-	-
<b>Current maturities of term loans from banks</b>						
<b>Term loans</b>						
Indian rupees loan from The Ratnakar Bank Limited - I	22-Sep-18	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	424.43	421.19	418.34
Indian rupees loan from The Ratnakar Bank Limited - II	04-Sep-17	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	142.41	282.76	280.31
Indian rupees loan from Yes Bank Limited - III	07-Feb-19	12 equal quarterly installments after moratorium of 12 months.	YBL base rate + 1%	163.48	161.64	-
Indian rupees loan from The Ratnakar Bank Limited (RBL) - IV	30-Jun-18	7 equal quarterly installments after moratorium of 3 months.	MCLR rate + 1.75%	555.61	-	-
<b>Working capital demand loans</b>						
Indian rupees loan from The Ratnakar Bank Limited - IV		Single repayment at the end of tenor of 12 months	RBL base rate+1.5%	447.99	339.36	996.04
Indian rupees loan from Yes Bank Limited- V		Single repayment at the end of tenor of 12 months	YBL base rate +1%	444.91	450.00	-
<b>Total borrowings</b>				<b>2,699.63</b>	<b>2,764.40</b>	<b>3,179.04</b>
Less: current maturities of long-term debt (included in 12(d))				(2,178.83)	(1,654.95)	(1,694.69)
<b>Non-current borrowings (as per balance sheet)</b>				<b>520.80</b>	<b>1,109.45</b>	<b>1,484.35</b>

**12 (b) Current borrowings**

	<b>Terms of repayments</b>	<b>Coupon/ Interest Rate</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
<b>Loan repayable on demand</b>					
<b>(Secured)</b>					
<b>From banks</b>					
Bank overdrafts from Yes Bank Limited (YBL)	Repayable on demand	YBL base rate +1%	782.08	472.97	392.92
<b>Net Current borrowing</b>			<b>782.08</b>	<b>472.97</b>	<b>392.92</b>

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Secured borrowing and asset pledged as security**

(a) Term loan - I, II and WCDL - IV from RBL are secured by first pari passu charge by way of hypothecation on all the current assets and all the moveable fixed assets of the Company, both present and future and first pari passu charge by way of equitable mortgage on all the immoveable properties of the Company, present and future. These loans are further secured by way of unconditional and irrevocable corporate guarantee of Living Media India Limited (LMI), the ultimate holding company.

(b) Term loan- III and IV, WCDL - V and bank overdraft are secured by First Pari Passu charge by way of hypothecation on all the current assets and all the moveable fixed assets of the Company, both present and future and First Pari Passu by way of equitable mortgage on all the immoveable properties of the Company present and future. These loans are further secured by way of unconditional and irrevocable corporate guarantee of LMI.

**12(c) Trade payables**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade payables			
Outstanding due to Micro and Small Enterprises (note 30)	-	-	-
Outstanding due to others	753.82	572.68	543.59
Outstanding due to related parties (note 27)	475.57	388.81	209.86
<b>Total trade payables</b>	<b>1,229.39</b>	<b>961.49</b>	<b>753.45</b>

**12(d) Other financial liabilities**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Current maturities of long term debt	2,178.83	1,654.95	1,694.69
Bank overdraft	-	31.56	-
Security deposits from agents*	12.20	9.22	14.69
<b>Total other financial liabilities</b>	<b>2,191.03</b>	<b>1,695.73</b>	<b>1,709.38</b>

\*Repayable on demand carries interest @ 7%

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**Note 13: Employee benefit obligations****Non - current**

	March 31, 2017	March 31, 2016	April 1, 2015
Leave obligations (i)	25.24	29.06	30.69
Gratuity (ii)	46.70	49.89	55.11
<b>Total employee benefit obligations</b>	<b>71.94</b>	<b>78.95</b>	<b>85.80</b>

**Current**

	March 31, 2017	March 31, 2016	April 1, 2015
Leave obligations (i)	0.67	1.20	1.89
Gratuity (ii)	0.86	0.91	1.78
<b>Total employee benefit obligations</b>	<b>1.53</b>	<b>2.11</b>	<b>3.67</b>

**(i) Leave obligations**

The leave obligations cover the Company's liability of sick and earned leave.

The amount of the provision of INR 0.67 Lac (March 31, 2016 INR 1.20 Lacs, April 1, 2015 INR 1.89 Lacs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	March 31, 2017	March 31, 2016	April 1, 2015
Current leave obligations expected to be settled within the next 12 months	0.67	1.20	1.89

**(ii) Post-employment obligations - Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**(iii) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund, Employee's State Insurance Scheme and Employee Pension Scheme for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is INR 42.78 Lacs (March 31, 2016 INR 45.51 Lacs).

**Balance sheet amounts Gratuity (India)**

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

	Present value of obligation
	<b>56.89</b>
Current service cost	4.41
Interest expense/(income)	9.10
<b>Total amount recognised in profit or loss</b>	<b>13.51</b>
<i>Remeasurements:</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	0.03
Experience (gains)/losses	1.12
<b>Total amount recognised in other comprehensive income</b>	<b>1.15</b>
Benefit paid	(20.75)
<b>March 31, 2016</b>	<b>50.80</b>



**Mail Today Newspapers Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2017**
*(All amounts are Indian rupees in lacs, unless otherwise stated)*

	<b>Present value of obligation</b>
	<b>50.80</b>
Current service cost	4.09
Interest expense/(income)	9.98
<b>Total amount recognised in profit or loss</b>	<b>14.07</b>
<i>Remeasurements:</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	2.29
Experience (gains)/losses	(6.65)
<b>Total amount recognised in other comprehensive income</b>	<b>(4.36)</b>
Benefit paid	(12.95)
<b>March 31, 2017</b>	<b>47.56</b>

The net liability disclosed above relates to funded plan is as follows:

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Present value of the obligations	47.56	50.80	56.89
Fair value of plan assets	-	-	-
Unfunded liability in balance sheet	(47.56)	(50.80)	(56.89)
Unfunded liability recognised in balance sheet	<b>(47.56)</b>	<b>(50.80)</b>	<b>(56.89)</b>

**(iv) Post Employment benefits (Gratuity)**
*Significant estimates: actuarial assumptions and sensitivity*

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Discount rate	7.54%	8.00%	7.75%
Salary growth rate	5.50%	5.50%	5.25%
Average age (years)	38.59	38.43	38.18
Average past services (years)	4.42	5.01	3.76
Average remaining working lives of employees (years)	19.41	19.57	15.89

**(v) Sensitivity analysis**

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

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**I. Changes in defined benefit obligation due to change in discount Rate, if all other assumptions remain constant.**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Present value of obligation at the end of the year	<b>47.56</b>	<b>50.80</b>
Impact due to increase of 0.50%	(2.56)	(2.83)
Impact due to decrease of 0.50%	2.76	3.06

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***II. Changes in defined benefit obligation due to change in salary growth rate, if all other assumptions remain constant.**

	March 31, 2017	March 31, 2016
Present value of obligation at the end of the year	47.56	50.80
Impact due to increase of 0.50%	2.80	3.12
Impact due to decrease of 0.50%	(2.62)	(2.91)

**(vi) Risk exposure**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- a) Salary increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Discount rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- c) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- d) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**(vii) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 15.77 years (2016 15.77 years - 2015 - 15.89 years)

The expected maturity analysis of gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2017</b>					
Defined benefit obligation gratuity	0.86	0.67	2.58	43.45	47.56
<b>Total</b>	<b>0.86</b>	<b>0.67</b>	<b>2.58</b>	<b>43.45</b>	<b>47.56</b>
<b>March 31, 2016</b>					
Defined benefit obligation gratuity	0.91	0.84	5.26	43.79	50.80
<b>Total</b>	<b>0.91</b>	<b>0.84</b>	<b>5.26</b>	<b>43.79</b>	<b>50.80</b>
<b>April 1, 2015</b>					
Defined benefit obligation gratuity	1.78	1.00	6.00	48.11	56.89
<b>Total</b>	<b>1.78</b>	<b>1.00</b>	<b>6.00</b>	<b>48.11</b>	<b>56.89</b>

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**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 14: Other current liabilities**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Unearned revenue	96.13	153.00	148.20
Advances from customers	85.39	115.69	125.69
TDS payable	25.42	29.97	38.51
PF payable	3.44	-	-
Service tax payable	0.13	0.03	-
<b>Total</b>	<b>210.51</b>	<b>298.69</b>	<b>312.40</b>

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**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 15: Revenue from operations**

The Company derives the following types of revenue:

	March 31, 2017	March 31, 2016
Sale of publications	507.00	504.94
Advertisement and related income	2,422.54	2,575.14
Revenue from exchange of services - Advertisement income	673.25	929.31
Other operating revenue:		
Scrap sales	5.33	4.94
<b>Total revenue</b>	<b>3,608.12</b>	<b>4,014.33</b>

**Note 16: Other income and other gains/(losses)****(a) Other income**

	March 31, 2017	March 31, 2016
Interest income from financial assets at amortised cost	0.57	1.05
Interest income on income tax	8.19	7.39
Unclaimed balances written back (net)	96.89	6.38
Miscellaneous income	13.91	14.67
<b>Total other income</b>	<b>119.56</b>	<b>29.49</b>

**(b) Other gains/(losses)**

	Notes	March 31, 2017	March 31, 2016
(Loss) / gain on disposal of property, plant and equipment	3	(0.06)	0.35
Net foreign exchange gain / (losses)		3.03	(5.39)
<b>Total other gains/ (losses)</b>		<b>2.97</b>	<b>(5.04)</b>

**Note 17. Cost of materials consumed**

	March 31, 2017	March 31, 2016
Inventory at the beginning of the year	142.61	221.29
Add : purchases	324.14	304.73
Less : sale of damaged newsprint	1.56	2.37
Less : Inventory at the end of the year	157.99	142.61
<b>Total cost of material consumed</b>	<b>307.20</b>	<b>381.04</b>

**Note 18: Employee benefit expenses**

	Notes	March 31, 2017	March 31, 2016
Salaries, wages and bonus		980.68	1,100.68
Contribution to provident and other funds		42.78	45.51
Gratuity	13	14.07	13.51
Staff welfare expenses		15.99	23.06
<b>Total employee benefit expense</b>		<b>1,053.52</b>	<b>1,182.76</b>

**Note 19: Depreciation and amortisation expense**

	Notes	March 31, 2017	March 31, 2016
Depreciation of property, plant and equipment	3	22.67	27.50
Depreciation on investment property	4	4.33	4.33
Amortisation of intangible assets	5	9.74	3.19
<b>Total depreciation and amortisation expense</b>		<b>36.74</b>	<b>35.02</b>

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 20: Other expenses**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Printing and service charges	640.98	754.98
News services and dispatches	200.68	241.54
Power and fuel	35.62	42.16
Freight and forwarding charges	89.33	96.27
Rental charges (Refer note 29)	98.94	118.80
Insurance	9.32	12.17
Repairs and maintenance:		
Plant and machinery	11.50	9.82
Others	8.75	9.17
Advertising and sales promotion	828.58	485.72
Travelling expenses	117.30	94.88
Communication costs	24.20	31.66
Car hire charges	39.23	41.94
Housekeeping	1.48	1.39
Vehicle running and maintenance	-	11.56
Courier expenses	1.65	2.93
Printing and stationery	2.04	2.06
Legal and professional fees	135.40	212.90
Guard services	4.98	4.79
Newspapers and periodicals	2.36	21.92
Payment to auditors (Refer note 20(a) below)	4.91	8.02
Business promotion	34.74	36.26
Allowance for doubtful debts and advances	228.43	233.24
Impairment on investment property under construction	73.28	91.00
Bad debts written off	66.52	160.43
Less: Adjusted with provision for doubtful debts	<u>(64.90)</u>	(141.22)
Donation expenses	0.06	0.07
Miscellaneous expenses	12.54	7.79
<b>Total other expenses</b>	<b>2,607.92</b>	<b>2,592.25</b>

**Note 20 (a): Details of payments to auditors**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	2.30	6.87
Tax audit fee	1.15	1.15
<b>In other capacities:</b>		
Certification fees etc.	0.75	-
Reimbursement of expenses	0.71	-
<b>Total payments to auditors</b>	<b>4.91</b>	<b>8.02</b>

**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

*(All amounts are Indian rupees in lacs, unless otherwise stated)*

**Note 21: Finance costs**

	<b>Notes</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Interest and finance charges on financial liabilities not at fair value through profit or loss		437.84	461.47
Other borrowing costs		12.66	1.60
<b>Total finance costs</b>		<b>450.50</b>	<b>463.07</b>

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**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

**Note 22: Income tax expense**

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	March 31, 2017	March 31, 2016
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense</b>	-	-

**(b) Significant estimates**

In calculating the Income tax for the year, the Company has treated leave encashment expenditure as being deductible for tax purposes. The Company has relied upon the ruling of Hon'ble Supreme Court in the case of Bharat Earthmovers vs. CIT.

**(c) Reconciliation of tax expenses and the accounting (loss) multiplied by India's tax rates:**

	March 31, 2017	March 31, 2016
<b>(Loss) before income tax expense</b>	<b>(725.23)</b>	<b>(615.36)</b>
<b>Tax at the Indian tax rate of 30.90% (2015-16 30.90%)</b>	<b>(224.10)</b>	<b>(190.15)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax deducted at source by customers charged off	1.00	0.09
Interest on late payment of withholding taxes	0.01	0.01
Donation expenses	0.02	0.02
Tax losses expired during the year	2,319.56	1,118.84
Tax effect of tax losses for which no deferred income tax was recognised	(2,213.67)	(1,049.35)
Tax effect of deductible temporary differences for which no deferred income tax was recognised	117.18	120.54
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**(d) Tax losses**

	March 31, 2017	March 31, 2016	April 1, 2015
Unused tax losses	24,263.70	31,427.68	34,823.65
Potential tax benefit @ 30.90 %	7,497.48	9,711.15	10,760.51

These unused tax losses are available for offsetting for eight years against near future of the companies in which the loss arose and the same will expire as follow:

Assessment Year of expiry	March 31, 2017	March 31, 2016	April 1, 2015
2016-17	-	-	3,620.85
2017-18	-	7,506.68	7,506.68
2018-19	4,966.32	4,966.32	4,966.32
2019-20	6,986.44	6,986.44	6,986.44
2020-21	5,156.86	5,156.86	5,156.86
2021-22	2,807.80	2,807.80	2,807.80
2022-23	1,679.66	1,679.66	1,679.66
2023-24	2,099.04	2,099.04	2,099.04
2024-25	224.88	224.88	-
2025-26	342.70	-	-
<b>Total</b>	<b>24,263.70</b>	<b>31,427.68</b>	<b>34,823.65</b>

**(e) Unabsorbed Depreciation**

	March 31, 2017	March 31, 2016	April 1, 2015
Unabsorbed Depreciation	729.34	714.33	688.38
Potential tax benefit @ 30.90 %	225.37	220.73	212.71

These unabsorbed depreciation are available for offsetting and can be carried forward indefinitely and have no expiry date.

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***(f) Unrecognised temporary differences**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Deductible temporary differences other than impairment of investment properties	1,032.58	748.10	473.81
Potential tax benefit @ 30.90% (A)	<b>319.07</b>	<b>231.16</b>	<b>146.41</b>
Deductible temporary differences on impairment of investment properties	166.38	91.00	-
Potential tax benefit @ 20.60%	34.27	18.75	-
Re-instated potential tax benefit on impairment of investment properties @ 30.90% (B)	<b>51.41</b>	<b>28.12</b>	-
<b>Total benefit on deductible temporary difference @ 30.90% (A+B)</b>	<b>370.48</b>	<b>259.28</b>	<b>146.41</b>

Deferred tax assets have not been recognised in respect of the losses, unabsorbed depreciation and deductible temporary differences, since, the Company has been loss making from some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the total equity as at March 31, 2017 will increased by INR 8,093.33 Lacs (March 31, 2016 INR 10,191.16 Lacs and April 1, 2015 INR 11,119.62 Lacs).

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**Mail Today Newspaper Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

**Note 23: Fair value**

**Financial instruments by category**

	March 31, 2017	March 31, 2016	April 1, 2015
	Amortisation Cost	Amortisation Cost	Amortisation Cost
<i>Financial assets</i>			
Trade receivables	837.64	983.01	928.95
Security deposits	10.45	9.88	11.69
Cash and cash equivalents	41.31	3.11	449.95
<b>Total financial assets</b>	<b>889.40</b>	<b>996.00</b>	<b>1,390.59</b>
<i>Financial liabilities</i>			
Borrowings	3,481.71	3,237.37	3,571.96
Trade payables	1,229.39	961.49	753.45
Book overdraft	-	31.56	-
Security deposits from agents	12.20	9.22	14.69
<b>Total financial liabilities</b>	<b>4,723.30</b>	<b>4,239.64</b>	<b>4,340.10</b>

**(i) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2017</b>					
<b>Financial assets</b>					
Security deposits	6(b)	-	-	10.45	10.45
<b>Total financial assets</b>		-	-	<b>10.45</b>	<b>10.45</b>
<b>Financial Liabilities</b>					
Borrowings	12(a)	-	-	3,515.41	3,515.41
<b>Total financial liabilities</b>		-	-	<b>3,515.41</b>	<b>3,515.41</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2016</b>					
<b>Financial assets</b>					
Security deposits	6(b)	-	-	9.89	9.89
<b>Total financial assets</b>		-	-	<b>9.89</b>	<b>9.89</b>
<b>Financial Liabilities</b>					
Borrowings	12(a)	-	-	3,262.97	3,262.97
<b>Total financial liabilities</b>		-	-	<b>3,262.97</b>	<b>3,262.97</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At April 1, 2015</b>					
<b>Financial assets</b>					
Security deposits	6(b)	-	-	11.69	11.69
<b>Total financial assets</b>		-	-	<b>11.69</b>	<b>11.69</b>
<b>Financial Liabilities</b>					
Borrowings	12(a)	-	-	3,607.20	3,607.20
<b>Total financial liabilities</b>		-	-	<b>3,607.20</b>	<b>3,607.20</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017****(ii) Valuation technique**

Valuation technique used to determine fair value of Security deposit given and borrowings is based on discounted cash flow analysis. These valuations are included under level 3, since the fair values have been determined based on present values and the discount rates, which were adjusted for counterparty or own credit risk.

**(iii) Valuation processes:**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the Board of Directors. Discussion of valuation processes and results are held between the Board of Directors and Valuation team at least once in line with the Company's reporting periods.

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

	March 31, 2017		March 31, 2016		April 1, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Security deposits	10.45	10.45	9.88	9.89	11.69	11.69
<b>Total financial assets</b>	<b>10.45</b>	<b>10.45</b>	<b>9.88</b>	<b>9.89</b>	<b>11.69</b>	<b>11.69</b>
<b>Financial liabilities</b>						
Borrowings	3,481.71	3,515.41	3,237.37	3,262.97	3,571.96	3,607.20
<b>Total financial liabilities</b>	<b>3,481.71</b>	<b>3,515.41</b>	<b>3,237.37</b>	<b>3,262.97</b>	<b>3,571.96</b>	<b>3,607.20</b>

The carrying amounts of trade receivables, cash and cash equivalents, trade payables, book overdraft and security deposit received are considered to be the same as their fair values, due to their short-term nature.

The Fair value of non- current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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**Note 24: Financial risk management**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk team that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

**Trade receivables**

Customer credit risk is managed on the basis of Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating, credit limits and credit terms as per internal assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6(a). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**(i) Expected credit loss for trade receivables under simplified approach**

**Year ended March 31, 2017:**

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	114.46	313.58	190.88	206.48	182.77	104.97	232.13	1,345.27
Expected loss rate	0%	4%	20%	35%	62%	72%	84%	
Expected credit losses (Loss allowance provision)	-	12.99	38.18	72.99	113.05	75.15	195.27	507.63
<b>Carrying amount of trade receivables (net of impairment)</b>	114.46	300.59	152.70	133.49	69.72	29.82	36.86	837.64

**Year ended March 31, 2016:**

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	75.69	211.80	191.08	600.80	163.10	60.47	24.17	1,327.11
Expected loss rate	0%	3%	17%	29%	47%	61%	74%	
Expected credit losses (Loss allowance provision)	-	6.54	32.48	174.23	76.06	36.89	17.90	344.10
<b>Carrying amount of trade receivables (net of impairment)</b>	75.69	205.26	158.60	426.57	87.04	23.58	6.27	983.01

**As at April 1, 2015:**

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	43.61	312.97	165.81	473.38	155.88	16.12	13.25	1,181.02
Expected loss rate	0%	2%	15%	28%	45%	57%	70%	
Expected credit losses (Loss allowance provision)	-	6.25	24.87	132.55	69.93	9.19	9.28	252.07
<b>Carrying amount of trade receivables (net of impairment)</b>	43.61	306.72	140.94	340.83	85.95	6.93	3.97	928.95

The gross carrying amount of trade receivables is INR 1,345.27 Lacs (March 31, 2016 INR 1,327.11 Lacs, April 1, 2015 INR 1,181.02 Lacs).

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2016 and 31 March 2015 is the carrying amounts as illustrated in Note 6(b).

**(ii) Expected credit loss for loans, security deposits and other financial assets.****As at March 31, 2017:**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Security deposits	10.45	0.00%	-	10.45

**As at March 31, 2016:**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Security deposits	9.88	0.00%	-	9.88

**As at April 1, 2015:**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Security deposits	11.69	0.00%	-	11.69

**(iii) Reconciliation of loss allowance provision : Trade receivables**

Reconciliation of loss allowance	Life-time expected credit
Loss allowance on April 1, 2015	252.07
Changes in loss allowance	92.03
Loss allowance on March 31, 2016	344.10
Changes in loss allowance	163.53
Loss allowance on March 31, 2017	507.63

**Significant estimates and judgments****Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the management. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet cash requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Floating rate			
-Expiring within one year (bank overdraft and Other facilities)	984.59	77.03	1,107.08
<b>Total</b>	<b>984.59</b>	<b>77.03</b>	<b>1,107.08</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of one year and are renewable at the end of term.

**(ii) Maturities of financial liabilities**

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**As at March 31, 2017**

<b>Contractual maturities of financial liabilities</b>	<b>Repayable on demand</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>between 1 and 2 year</b>	<b>between 2 and 5 year</b>	<b>Total</b>
Borrowings	782.08	363.10	854.76	991.67	523.81	-	3,515.42
Trade payables	-	1,229.39	-	-	-	-	1,229.39
Other financial liabilities	12.20	-	-	-	-	-	12.20
<b>Total financial liabilities</b>	<b>794.28</b>	<b>1,592.49</b>	<b>854.76</b>	<b>991.67</b>	<b>523.81</b>	<b>-</b>	<b>4,757.01</b>

**As at March 31, 2016**

<b>Contractual maturities of financial liabilities</b>	<b>Repayable on demand</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>between 1 and 2 year</b>	<b>between 2 and 5 year</b>	<b>Total</b>
Borrowings	472.97	220.24	220.24	1,230.48	738.10	380.95	3,262.98
Trade payables	-	961.49	-	-	-	-	961.49
Other financial liabilities	9.22	-	-	-	-	-	9.22
<b>Total financial liabilities</b>	<b>482.19</b>	<b>1,181.73</b>	<b>220.24</b>	<b>1,230.48</b>	<b>738.10</b>	<b>380.95</b>	<b>4,233.69</b>

**As at April 1, 2015**

<b>Contractual maturities of financial liabilities</b>	<b>Repayable on demand</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>between 1 and 2 year</b>	<b>between 2 and 5 year</b>	<b>Total</b>
Borrowings	392.92	178.57	178.57	1,357.14	714.29	785.71	3,607.20
Trade payables	-	753.45	-	-	-	-	753.45
Other financial liabilities	14.69	-	-	-	-	-	14.69
<b>Total financial liabilities</b>	<b>407.61</b>	<b>932.02</b>	<b>178.57</b>	<b>1,357.14</b>	<b>714.29</b>	<b>785.71</b>	<b>4,375.34</b>

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**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***(C) Market risk****(i) Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the GBP and USD. Foreign exchange risk arises from foreign commercial transactions that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

**(a) Foreign currency risk exposure:**

The Company exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	March 31, 2017		March 31, 2016		April 1, 2015	
	USD	GBP	USD	GBP	USD	GBP
<b>Financial liabilities</b>						
Trade payable	0.30	8.20	0.96	12.57	112.57	3.33

**(b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Impact on profit after tax	
	March 31, 2017	March 31, 2016
USD Sensitivity		
INR/USD - Increase by 5%	(0.02)	(0.05)
INR/USD - Decrease by 5%	0.02	0.05
GBP Sensitivity		
INR/GBP - Increase by 5%	(0.41)	(0.63)
INR/GBP - Decrease by 5%	0.41	0.63

**(ii) Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term and long term debt obligations with floating interest rates.

**(a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Variable rate borrowings	3,481.71	3,237.38	3,571.96
<b>Total borrowings</b>	<b>3,481.71</b>	<b>3,237.38</b>	<b>3,571.96</b>

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

	Impact on profit after tax	
	March 31, 2017	March 31, 2016
Interest rates - increase by 50 basis points	(18.25)	(17.65)
Interest rates - decrease by 50 basis points	18.74	17.65

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**Note 25: Capital management**

**Risk management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings (including current maturities) cash and cash net of cash and cash equivalents) divided by Total "equity" (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Net debt	3,440.40	3,234.26	3,122.01
Total equity	(2,159.34)	(1,638.46)	(1,744.39)
Net debt to equity ratio	-159%	-197%	-179%

**Loan covenants**

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

- (i) Maintain positive net worth, - *Not Adhered*
- (ii) For reporting period 2015- 16 Debt/ EBITDA less than 3.5 x - *Not adhered*
- (iii) For reporting period 2016- 17 Debt/ EBITDA less than 2.0x - 4.0 x - *Not adhered*
- (iv) For reporting period 2017- 18 Debt/ EBITDA less than 2.0 x - *Not adhered*
- (v) For reporting period 2015-16 EBITDA should be better than negative INR 10 Crore - *Not adhered*
- (vi) For reporting period 2015-16 onward positive net worth. - *Not adhered*
- (vii) Guarantor maintain minimum net worth of INR 200 Crore. - *Financial statements as of March 31, 2017 under IND AS not yet final.*

The management of the Company believes that the non-adherence to the covenants, as stated above, is temporary and no penalty shall be levied by the banks towards interest / immediate repayment as per past trend. Accordingly, no additional provision is required to be made in the financial statements.

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**Note 26: Segment information**

**(a) Description of segments and principal activities**

The Company's Board of Directors and the manager for corporate planning, examines the Company's performance from a service line perspective and has identified two reportable segments of its business:

- Advertisement from newspapers
- Advertisement from events

The Company's board of directors and managers primarily uses a measure of adjusted earning before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, they also receives information about the segments revenue and assets on monthly basis.

**(b) Adjusted EBITDA**

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

	March 31, 2017	31 March 2016
Advertisement from newspapers	(570.21)	(240.01)
Advertisement from events	323.46	114.30
<b>Total adjusted EBITDA</b>	<b>(246.75)</b>	<b>(125.71)</b>

**Adjusted EBITDA reconciles to profit before income tax as follows:**

	Notes	31 March 2017	31 March 2016
Total adjusted EBITDA		(246.75)	(125.71)
Finance costs	21	(450.50)	(463.07)
Depreciation and amortisation expense	19	(36.74)	(35.02)
Interest income	16(a)	8.76	8.44
<b>(Loss) before income tax</b>		<b>(725.23)</b>	<b>(615.36)</b>

**(c) Segment revenue**

There is no inter segments transactions. The revenue is from external customers only. The segment revenue is measured in the same way as in the statement of profit or loss.

	March 31, 2017	31 March 2016
Advertisement from newspapers	3,099.68	3,797.80
Advertisement from events	508.44	216.53
<b>Total segment revenue</b>	<b>3,608.12</b>	<b>4,014.33</b>

**(d) Segment assets**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment:

	March 31, 2017		March 31, 2016		April 1, 2015
	Segment Assets	Additions to non current assets*	Segment Assets	Additions to non current assets*	Segment Assets
Advertisement from newspapers	1,957.61	-	1,976.39	2.99	1,559.45
Advertisement from events	180.81	-	198.13	-	140.60
<b>Total segment assets</b>	<b>2,138.42</b>	<b>-</b>	<b>2,174.52</b>	<b>2.99</b>	<b>1,700.05</b>
Unallocated:					
Investment properties	643.35	3.50	717.46	60.78	752.01
Cash and cash equivalents	41.31	-	3.11	-	449.95
Tax asset	24.86	-	85.84	-	95.57
<b>Total assets as per the balance sheet</b>	<b>2,847.94</b>	<b>3.50</b>	<b>2,980.93</b>	<b>63.77</b>	<b>2,997.58</b>

\* Other than financial assets



**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017****(e) Segment liabilities**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. The Company's borrowings are not considered to be segment liabilities, but are managed by the treasury function.

	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>1 March 2015</b>
Advertisement from Newspapers	1,478.82	1,319.81	1,135.88
Advertisement from events	46.75	30.65	34.13
<b>Total segment liabilities</b>	<b>1,525.57</b>	<b>1,350.46</b>	<b>1,170.01</b>
<u>Unallocated:</u>			
Borrowings	1,302.88	1,582.42	1,877.27
Book Overdraft	-	31.56	-
Current maturities of long term debt	2,178.83	1,654.95	1,694.69
<b>Total liabilities as per the balance sheet</b>	<b>5,007.28</b>	<b>4,619.39</b>	<b>4,741.97</b>

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**Note 27: Related party transactions**

**(a) Parent entities**

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2017	March 31, 2016	April 1, 2015
India Today Online Private Limited	Parent company	India	66.78%	66.26%	65.65%
T.V. Today Network Limited w.e.f. March 15, 2017	Senior parent company (Prior to March 15, 2017 was fellow subsidiary company)	India	33.22%	8.14%	8.35%
Living Media India Limited w.e.f. March 15, 2017	Ultimate parent company (Prior to December 18, 2015 was Senior Parent Company)	India	85.69%	70.90%	70.40%
World Media Private Limited till December 18, 2015	Ultimate parent Company	India	41.26%	34.14%	38.93%

**(b) Key management personnel compensation**

**Transaction with Key Management Personnel**

	March 31, 2017	March 31, 2016
Short-term employee benefits	113.69	103.13
Long-term employee benefits	-	-
Post-employment benefits	-	-
<b>Total</b>	<b>113.69</b>	<b>103.13</b>

The gratuity, leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity, leave liability for Key management personnel can not be ascertained separately, except for the amount actually paid.

**(c) Transactions with related parties**

The following transaction incurred with related parties

	March 31, 2017	March 31, 2016
<i>Sale and purchase of services</i>		
Purchase of advertisement space / material:		
Living Media India Limited	384.87	244.85
T.V. Today Network Limited	-	-
Fellow subsidiaries	45.86	25.35
Enterprise having significant influence over the Company	0.48	-
Advertisement income		
Living Media India Limited	597.19	908.33
T.V. Today Network Limited	-	-
Fellow subsidiary	29.71	35.04
Subscriptions for new equity shares by parent entity		
India Today Online Private Limited	200.00	586.60
Enterprise having significant influence over the Company	-	135.83
Printing and service charges		
Enterprise having significant influence over the Company	6.72	1.79
Printing and stationery		
Fellow subsidiary	-	0.18
Enterprise having significant influence over the Company	0.27	-
Rent charged by related parties for use of common facilities / utilities:		
T.V. Today Network Limited	1.51	-
Fellow subsidiary	30.62	38.63
Miscellaneous reimbursement of expenses to related parties:		
Living Media India Limited	62.98	118.41
T.V. Today Network Limited	1.34	-
Fellow subsidiaries	33.27	43.20
Enterprise having significant influence over the Company	1.21	0.30

**(d) Outstanding balances arising from sales/purchases of services.**

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

<b>Trade payables:</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Living Media India Limited	199.27	190.94	94.32
T.V. Today Network Limited	268.11	-	-
Fellow subsidiaries	-	195.94	115.54
Enterprise having significant influence over the Company	8.19	1.93	-
<b>Total payables to related parties (note 12(c))</b>	<b>475.57</b>	<b>388.81</b>	<b>209.86</b>

<b>Trade receivables:</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Living Media India Limited	3.67	-	-
T.V. Today Network Limited	13.99	-	-
Fellow subsidiaries	-	12.96	21.70
Enterprise having significant influence over the Company	0.42	-	-
<b>Total receivables from related parties (note 6(a))</b>	<b>18.08</b>	<b>12.96</b>	<b>21.70</b>

<b>Receivables against exchange of services</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Living Media India Limited	852.59	645.65	21.41
T.V. Today Network Limited	154.35	-	-
Fellow subsidiaries	-	160.49	163.76
<b>Total receivables against exchange of services (note 8 and 10)</b>	<b>1,006.94</b>	<b>806.14</b>	<b>185.17</b>

<b>Other current assets - advances</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Living Media India Limited	0.61	45.34	88.75
Enterprise having significant influence over the Company	0.01	-	-
Fellow subsidiary	-	0.01	0.01
<b>Total other current assets - advances</b>	<b>0.62</b>	<b>45.35</b>	<b>88.76</b>

<b>Advance from customers</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
T.V. Today Network Limited	2.93	-	-
Fellow subsidiary	-	2.93	2.93
<b>Total advances received</b>	<b>2.93</b>	<b>2.93</b>	<b>2.93</b>

**(e) Terms and conditions**

The sales to, purchases and other related party transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2017, The Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil, April 1, 2015: INR Nil). This assessments is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Commitment with related parties**

There have been no guarantees provided or received for any related party receivables or payables except for the unconditional and irrevocable corporate guarantee provided by Living Media India Limited towards borrowing of the Company.

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 28: Earnings per share**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
(a) Basic and diluted earnings per share attributable to the equity holders of the Company	(0.55)	(0.49)
(Loss) attributable to the equity holders of the Company used in calculating basic and diluted earnings per share	(725.23)	(615.36)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. of shares)	1307,52,769	1265,24,092

**Note 29:****Operating leases**

a) The Company has taken various offices premises under operating lease agreements. These are generally renewable at the option of the Company.

b) There are no properties under non cancellable leases, where the Company is carrying commercial operations.

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2017</b>
Lease rental payment for the year recognised in statement of profit and loss	118.80	98.94

**Note 30: Details of dues to Micro and Small Enterprises**

a) Based on the information available with the Company, there are no dues to Micro, Small & Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

b) there was neither any interest payable nor paid to any supplier under the aforesaid Act and similarly there is no such amount remaining unpaid.

**Note 31: Detail of Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016.**

<b>Particulars</b>	<b>SBN</b>	<b>Other denomination notes</b>	<b>Total</b>
<b>Closing cash in hand as on 08.11.2016</b>	6.68	0.01	6.69
Add: Permitted receipts	-	0.01	0.01
Add: Amount withdrawn from bank	-	7.30	7.30
Less: Permitted payments	-	4.62	4.62
Less: Amount depoisted in bank	6.68	-	6.68
<b>Closing cash in hand as on 30.12.2016</b>	-	<b>2.70</b>	<b>2.70</b>

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**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2017***(All amounts are Indian rupees in lacs, unless otherwise stated)***Note 32: Assets pledged as security**

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

	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>				
<i>First charge</i>				
<b>Financial assets</b>				
Trade receivables	6(a)	837.64	983.01	928.95
Cash and cash equivalent	6(c)	41.31	3.11	449.95
Loans	6(b)	0.58	0.58	3.44
<b>Non-financial assets</b>				
Inventories	9	157.99	142.61	221.29
Tax assets	10	-	41.95	-
Other assets	10	565.77	571.03	375.95
<b>Total current assets pledged as security</b>		<b>1,603.29</b>	<b>1,742.29</b>	<b>1,979.58</b>
<b>Non-current</b>				
<i>First charge</i>				
Property, plant and equipment	3	45.73	68.57	93.45
<b>Financial assets</b>				
Loans	6(b)	9.87	9.30	8.25
<b>Non-financial assets</b>				
Tax assets	7	24.86	43.89	95.57
Other assets	8	519.16	388.00	54.11
<b>Total non-current assets pledged as security</b>		<b>599.62</b>	<b>509.76</b>	<b>251.38</b>
<b>Total assets pledged as security</b>		<b>2,202.91</b>	<b>2,252.05</b>	<b>2,230.96</b>

**Note 33: First-time adoption of Ind AS**

**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind As

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions**

**A.1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by IND AS 40 investment properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

**A.2 Ind AS mandatory exceptions**

**A.2.1 Estimates**

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

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made estimate for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as this was not required under previous GAAP:

**A.2.2 De-recognition of financial assets and liabilities**

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

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

**A.2.3 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**Mail Today Newspaper Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

(All amounts are Indian rupees in lacs, unless otherwise stated)

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as at date of transition (April 1, 2015)**

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		93.45	-	93.45
Capital work-in-progress			-	
Investment Property	1 & 2	-	752.01	752.01
Intangible assets		14.61	-	14.61
Financial assets				
i. Investment	1	259.89	(259.89)	-
ii. Loans	4	9.87	(1.62)	8.25
Non-current tax assets		95.57	-	95.57
Other non-current assets	1,4 & 5	540.60	(486.49)	54.11
<b>Total non-current assets</b>		<b>1,013.99</b>	<b>4.01</b>	<b>1,018.00</b>
<b>Current assets</b>				
Inventories		221.29	-	221.29
Financial assets				
i. Trade receivables	3	943.96	(15.01)	928.95
ii. Cash and cash equivalents		449.95	-	449.95
iii. Loans		3.44	-	3.44
v. Other financial assets		-	-	-
Other current assets	4,5	370.05	5.90	375.95
<b>Total current assets</b>		<b>1,988.69</b>	<b>(9.11)</b>	<b>1,979.58</b>
<b>Total assets</b>		<b>3,002.68</b>	<b>(5.10)</b>	<b>2,997.58</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		12,588.02	-	12,588.02
<b>Other equity</b>		-		-
Reserve and surplus	2,4,5 & 7	(14,370.40)	37.99	(14,332.41)
Other reserves				
<b>Total equity</b>		<b>(1,782.38)</b>	<b>37.99</b>	<b>(1,744.39)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings	5	1,500.00	(15.65)	1,484.35
Employee benefit obligations		85.80	-	85.80
<b>Total non-current liabilities</b>		<b>1,585.80</b>	<b>(15.65)</b>	<b>1,570.15</b>
<b>Current liabilities</b>				
Financial Liabilities				
i. Borrowings		392.92	-	392.92
ii. Trade payables		753.45	-	753.45
iii. Other financial liabilities	5	1,728.98	(19.60)	1,709.38
Employee benefit obligations		3.67	-	3.67
Other current liabilities	7	320.24	(7.84)	312.40
<b>Total current liabilities</b>		<b>3,199.26</b>	<b>(27.44)</b>	<b>3,171.82</b>
<b>Total liabilities</b>		<b>4,785.06</b>	<b>(43.09)</b>	<b>4,741.97</b>
<b>Total equity and liabilities</b>		<b>3,002.68</b>	<b>(5.10)</b>	<b>2,997.58</b>

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

**Mail Today Newspaper Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2017**  
*(All amounts are Indian rupees in lacs, unless otherwise stated)*

**Reconciliation of equity as at March 31, 2016**

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		68.57	-	68.57
Investment Property	1&2	-	717.46	717.46
Intangible assets		11.42	-	11.42
Financial assets				-
i. Investment	1	259.90	(259.90)	-
i. Trade receivables	3	-	-	-
ii. Loans	4	9.87	(0.57)	9.30
Deferred tax assets				-
Non current tax asset		43.89	-	43.89
Other non-current assets	1&4	854.01	(466.01)	388.00
<b>Total non-current assets</b>		<b>1,247.66</b>	<b>(9.02)</b>	<b>1,238.64</b>
<b>Current assets</b>				
Inventories		142.61	-	142.61
Financial assets				-
i. Trade receivables	3	985.27	(2.26)	983.01
ii. Cash and cash equivalents		3.11	-	3.11
iii. Bank balance other than (ii) above				-
iii. Loans		0.58	-	0.58
v. Other financial assets		-	-	-
Current tax assets		41.95	-	41.95
Other current assets	4	570.59	0.44	571.03
<b>Total current assets</b>		<b>1,744.11</b>	<b>(1.82)</b>	<b>1,742.29</b>
<b>Total assets</b>		<b>2,991.77</b>	<b>(10.84)</b>	<b>2,980.93</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		12,908.70	-	12,908.70
<b>Other equity</b>		-		-
Reserve and surplus	2,4,5 & 7	(14,569.76)	22.60	(14,547.16)
Other reserves				
<b>Total equity</b>		<b>(1,661.06)</b>	<b>22.60</b>	<b>(1,638.46)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
i. Borrowings	5	1,119.05	(9.60)	1,109.45
Employee benefit obligations		78.95	-	78.95
Other non-current liabilities				
<b>Total non-current liabilities</b>		<b>1,198.00</b>	<b>(9.60)</b>	<b>1,188.40</b>
<b>Current liabilities</b>				
Financial Liabilities				
i. Borrowings		472.97	-	472.97
ii. Trade payables	7	961.49	-	961.49
ii. Other financial liabilities	5	1,711.73	(16.00)	1,695.73
Employee benefit obligations		2.11	-	2.11
Other current liabilities		306.53	(7.84)	298.69
<b>Total current liabilities</b>		<b>3,454.83</b>	<b>(23.84)</b>	<b>3,430.99</b>
<b>Total liabilities</b>		<b>4,652.83</b>	<b>(33.44)</b>	<b>4,619.39</b>
<b>Total equity and liabilities</b>		<b>2,991.77</b>	<b>(10.84)</b>	<b>2,980.93</b>

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



*Reconciliation of total comprehensive income for the year ended March 31, 2016*

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
<b>Continuing operations</b>				
Revenue from operations		4,014.33	-	4,014.33
Other income	4	28.44	1.05	29.49
Other gains/ (losses) - net		(5.04)	-	(5.04)
<b>Total Income</b>		<b>4,037.73</b>	<b>1.05</b>	<b>4,038.78</b>
<b>Expenses</b>				
Cost of raw materials consumed		381.04	-	381.04
Employee benefits expense	8	1,183.91	(1.15)	1,182.76
Depreciation and amortisation expense	2	30.69	4.33	35.02
Other expenses	4	2,604.13	(11.88)	2,592.25
Finance costs	5	439.09	23.98	463.07
<b>Total expenses</b>		<b>4,638.86</b>	<b>15.28</b>	<b>4,654.14</b>
<b>(Loss) for the year</b>		<b>(601.13)</b>	<b>(14.23)</b>	<b>(615.36)</b>
<b>Other comprehensive income/ (expense)</b>				
<i>Items that will not be reclassified to profit and loss</i>				
Remeasurements of post-employment benefit obligations	8	-	(1.15)	(1.15)
Income tax relating to these items		-	-	-
<b>Other comprehensive (expense) for the year, net of tax</b>		<b>-</b>	<b>(1.15)</b>	<b>(1.15)</b>
<b>Total comprehensive income for the year</b>		<b>(601.13)</b>	<b>(15.38)</b>	<b>(616.51)</b>

**Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

	Notes to first-time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per previous GAAP		(1,661.06)	(1,782.38)
Adjustments:			
Depreciation on investment property	2	(8.45)	(4.12)
Borrowings- Transaction cost adjustment	5	64.90	64.89
Charge of incremental interest cost as per effective interest method		(39.30)	(15.31)
Provision for expected credit losses on trade receivables	3	(2.25)	(15.00)
Derecognition of expense from exchange of services	7	7.84	7.84
Fair value of security deposits	4	(0.14)	(0.31)
Total adjustments		22.60	37.99
<b>Total equity as per Ind AS</b>		<b>(1,638.46)</b>	<b>(1,744.39)</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

	Notes to first time adoption	March 31, 2016
<b>(Loss) after tax as per previous GAAP</b>		<b>(601.13)</b>
Adjustments:		
Depreciation on investment property	2	(4.33)
Borrowings- Transaction cost adjustment	5	(23.98)
Provision for expected credit losses on trade receivables		12.75
Remeasurement of post employment benefit expense	8	1.15
Fair value of security deposit given	4	0.18
Total adjustments		<b>(14.23)</b>
<b>(Loss) after tax as per Ind AS</b>		<b>(615.36)</b>
Other comprehensive expense	8	(1.15)
<b>Total comprehensive expenses as per Ind As</b>		<b>(616.51)</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016**

	Notes	Previous GAAP *	Adjustments	Ind AS
Net cash flow from operating activities	4,5	(436.01)	87.43	(348.58)
Net cash flow from investing activities	1,4	5.12	(59.73)	(54.61)
Net cash flow from financing activities	5 & 6	(15.95)	(139.31)	(155.26)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(446.84)</b>	<b>(111.61)</b>	<b>(558.45)</b>
Cash and cash equivalents as at April 1, 2015	6	449.95	(392.92)	57.03
<b>Cash and cash equivalents as at March 31, 2016</b>		<b>3.11</b>	<b>(504.53)</b>	<b>(501.42)</b>

**Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS:**

	Notes to first time adoption	March 31, 2016	April 1, 2015
Cash and cash equivalents as per previous GAAP		3.11	449.95
Less: Adjustment for reclassification of bank and book overdraft balance from current borrowings and other financial liabilities	6	504.53	392.92
<b>Resulting Cash and cash equivalents used for the purpose of statement of cash flows</b>		<b>(501.42)</b>	<b>57.03</b>

**C: Notes to first-time adoption**

**Note 1: Investment property**

Under the previous GAAP, completed investment properties were presented as a part of non - current investments amounting to INR 259.89 Lacs (April 1, 2015 INR 259.89 Lacs) and advances given against investment properties under construction were presented under other non - current asset amounting to INR 466.01 Lacs (net of provision for impairment of INR 91.00 Lacs) (April 1, 2015 INR 496.23 Lacs). Under IND AS, investment properties (inclusive of completed investment properties and investment properties under construction) are required to be separately presented on the face of balance sheet. Accordingly, total investment properties amounting to INR 725.90 Lacs (April 1, 2015 INR 756.12 Lacs) has been disclosed separately on the face of the balance sheet. There is no impact on the total equity or profit or loss as a result of this adjustment.

**Note 2: Depreciation on investment property**

Under the previous GAAP, the completed investment properties were valued at lower of cost or net realisable value. Investment properties were measured initially at cost, including related transaction costs. No depreciation was charged under previous GAAP.

Under Ind AS, subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. As a result, the carrying value of completed investment property decreased by INR 8.45 Lacs as at March 31, 2016 (April 1, 2015 INR 4.12 Lacs). Consequently, the total equity as at March 31, 2016 decreased by INR 8.45 Lacs (April 1, 2015 INR 4.12 Lacs) and loss for the year ended March 31, 2016 increased by INR 4.33 Lacs.

**Note 3: Trade receivables**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by INR 2.25 Lacs as at March 31, 2016 (April 1, 2015 INR 15.00 Lacs). Consequently, the total equity as at March 31, 2016 decreased by INR 2.25 Lacs (April 1, 2015 INR 15.00 Lacs) and loss for the year ended March 31, 2016 decreased by INR 12.75 Lacs.

**Note 4: Security deposits- asset**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by INR 0.57 Lac as at March 31, 2016 (April 1, 2015 INR 1.62 Lacs). The prepaid rent increased by INR 0.44 Lac as at March 31, 2016 (April 1, 2015 - INR 1.31 Lacs). Total equity decreased by INR 0.31 Lac as on April 1, 2015. The loss for the year and total equity as at March 31, 2016 decreased/increased by INR 0.18 Lac due to notional interest income recognised on security deposits of INR 1.05 Lacs which is set off by the amortisation of the prepaid rent of INR 0.87 Lac.

**Note 5: Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. If transactions cost are paid in advance i.e. before the draw down of the borrowing facility, then such transaction costs are reflected as prepayments and recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at March 31, 2016 have been reduced by INR 25.59 Lacs (April 1, 2015 INR 35.25 Lacs) and prepayment as at March 31, 2016 have increased by INR Nil (April 1, 2015 : INR 14.33 Lacs) with a corresponding adjustment to retained earnings as at March 2016 INR 25.59 Lacs (April 1, 2015 INR 49.58 Lacs). The loss for the year ended March 31, 2016 increased by INR 23.98 Lacs as a result of the additional interest expense.

**Note 6: Bank overdrafts**

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by INR 504.53 Lacs as at March 31, 2016 (April 1, 2015 INR 392.92 Lacs) and cash flows from financing activities for the year ended March 31, 2016 have also reduced by INR 111.62 Lacs to the effect of the movements in bank overdrafts.

**Mail Today Newspaper Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2017**

**Note 7: Exchange of services**

The Company entered into barter agreements with the customers for advertisement revenue. Under previous GAAP, the service which are exchanged or swapped for services of similar nature or otherwise, the value is recognised as individual transaction for each of revenue and expense.

Under Ind AS, the service which are exchanged or swapped for service of similar nature and value, is not regarded as a transaction which generates revenue. Hence, the Company has reversed the amount booked as advertisement revenue and expenses which resulted due to the barter agreement of similar nature and value with corresponding reversal in trade receivable/advance to vendor and trade payable/advance from customer. Accordingly, the retained earning increased and advance from customer decreased by INR 7.84 Lacs as at April 1, 2015 and as at March 31, 2016.

**Note 8: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increased by INR 1.15 Lacs. There is no impact on the total equity as at March 31, 2016.

**Note 9: Retained earnings**

Retained earning as at 1 April, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 10: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as "other comprehensive income" includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Ashish Kumar Bagga  
Director  
(DIN : 01023789)

Aroon Purie  
Director  
(DIN : 00002794)

Place : New Delhi  
Date : 26/05/2017

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : 26/05/2017

**V.K. ARORA & ASSOCIATES**  
Chartered Accountants  
245-A, Sant Nagar, Main Road  
East of Kailash, New Delhi-110065  
Ph. No. 26448624

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF India Today Online Private Limited

### **Report on the Ind AS Separate Financial Statements**

We have audited the accompanying Ind AS Separate financial statements of India Today Online Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of profit and loss, including the Statement of other comprehensive income, the Cash flow statement and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Separate financial statements that give a true and fair view of the financial position, profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Separate financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS Separate financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of these Ind AS Separate financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Separate financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind As Separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Separate financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Separate financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Separate financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of profit and loss including the Statement of other comprehensive income, the Cash flow statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
  - (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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position significantly;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 20 to these Ind AS financial statements as to the holding of Specified Bank Notes as at November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

**For V.K. Arora & Associates**  
Chartered Accountants  
Firm Registration Number: 002046N

Place: New Delhi  
Dated: 26/05/2017

**Vipan Kumar**  
Proprietor  
Membership number: 080858

### **Annexure-A to the Independent Auditor's Report**

The Annexure referred in our Independent Auditor's Report to the members of the Company on the Separate financial statements for the year ended 31<sup>st</sup> March, 2017, we report that: -

- i) The Company does not have any tangible or intangible fixed assets therefore the provisions of clause I (a), (b) and ( c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- ii) The company does not have any stock of finished goods, spare parts and raw material throughout the year therefore the provisions of clause ii of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) The Company has not given any loan to any of the directors or any other person in whom the director is interested or given any guarantee or security which requires the provisions of the section 185 and 186 of the Companies Act 2013 to comply with. In respect of Investments made, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted deposits from public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) As per information and explanation given to us by the management, the Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii) (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance fund, Income Tax and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2017.  
  
(b) According to the information and explanations given to us and records of the company examined by us, in our opinion there are no dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute.
- viii) The Company has not obtained any loans or borrowing from any financial institution, bank or Government. Also the company does not have any debenture holder.
- ix) The Company has not raised any Initial Public Offer or further Public Offer and not obtained any term loan.



- x) Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the company or any fraud on the company by its offices or employees that have been noticed or reported during the year nor have we been informed of such a case by the management.
- xi) No Managerial remuneration has been paid or provided by the company.
- xii) The Company is not a Nidhi company.
- xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) The Company has made a preferential allotment of shares to its ultimate holding company on a Private placement basis during the year under review. According to the information and explanations given to us, the company has complied with the requirement of Section 42 of the Companies Act, 2013 and amount raised has been used for the purposes for which the funds were raised.
- xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him as covered by section 192 of the Companies Act, 2013.
- xvi) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

**For V.K. Arora & Associates**  
Chartered Accountants  
Firm Registration Number: 002046N

Place: New Delhi  
Dated: 26/05/2017

**Vipan Kumar**  
Proprietor  
Membership number: 080858

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

### **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 India Today Online Private Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the Ind AS Separate financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management 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 Internal Financial Controls Over Financial Reporting (**IFCOFR**) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 V.K. Arora & Associates**  
Chartered Accountants  
Firm Registration Number: 002046N

Place: New Delhi  
Dated: 26/05/2017

**Vipan Kumar**  
Proprietor  
Membership number: 080858

**India Today Online Private Limited**  
**Separate Balance sheet as at March 31, 2017**

	Notes	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Financial assets				
Investment in subsidiary	3	2,503.47	2,651.55	10,142.86
<b>Total non-current assets</b>		<b>2,503.47</b>	<b>2,651.55</b>	<b>10,142.86</b>
<b>Current assets</b>				
Financial assets				
Cash and cash equivalents	4	0.87	0.08	36.92
Other current assets	5	18.70	-	-
<b>Total current assets</b>		<b>19.57</b>	<b>0.08</b>	<b>36.92</b>
<b>Total assets</b>		<b>2,523.04</b>	<b>2,651.63</b>	<b>10,179.78</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	6(a)	9,480.74	7,488.74	7,488.74
<b>Other equity</b>				
Reserves and surplus	6(b)	(6,977.21)	(6,422.80)	1,778.70
<b>Total equity</b>		<b>2,503.53</b>	<b>1,065.94</b>	<b>9,267.44</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings	7(a)	-	1,321.82	769.62
ii. Trade payables	7(b)	0.81	100.65	95.76
iii. Other financial liabilities	7(c)	-	151.02	41.85
Current tax liabilities	8	-	-	0.44
Other current liabilities	9	18.70	12.20	4.67
<b>Total current liabilities</b>		<b>19.51</b>	<b>1,585.69</b>	<b>912.34</b>
<b>Total liabilities</b>		<b>19.51</b>	<b>1,585.69</b>	<b>912.34</b>
<b>Total equity and liabilities</b>		<b>2,523.04</b>	<b>2,651.63</b>	<b>10,179.78</b>

The accompanying notes are an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

For V K Arora & Associates  
Firm Registration Number : 002046N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Sunil Mohan Buckshee  
Director  
DIN: 00113090

Dinesh Bhatia  
Director  
DIN: 01604681

per Vipin Kumar  
Proprietor  
Membership No. 80858  
Place : New Delhi  
Date : 26.05.2017

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Arpit Jain  
Company Secretary  
PAN No. ARHPJ7819G

**India Today Online Private Limited**

**Separate Statement of profit and loss for the year ended March 31, 2017**

	Notes	Year ended March 31, 2017 (Rs. in lacs)	Year ended March 31, 2016 (Rs. in lacs)
Revenue from operations		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Employee benefits expense	10	0.80	0.31
Other expenses	11	16.59	1.97
Finance costs	12	186.95	121.30
<b>Total expenses</b>		<b>204.34</b>	<b>123.58</b>
<b>Income/(Loss) before exceptional items and tax</b>		<b>(204.34)</b>	<b>(123.58)</b>
Exceptional items	13	348.08	8,077.92
<b>Income/(Loss) before tax</b>		<b>(552.42)</b>	<b>(8,201.50)</b>
Income tax expense	14		
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive Income/(Loss) for the year</b>		<b>(552.42)</b>	<b>(8,201.50)</b>
<b>Earning per equity share</b>			
Basic and diluted earning per share (in Rupees)	19	(0.74)	(10.95)

The accompanying notes are an integral part of these financial statements.  
This is the statement of profit and loss referred to in our report of even date.

For V K Arora & Associates  
Firm Registration Number : 002046N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Sunil Mohan Buckshee  
Director  
DIN: 00113090

Dinesh Bhatia  
Director  
DIN: 01604681

per Vipin Kumar  
Proprietor  
Membership No. 80858  
Place : New Delhi  
Date : 26.05.2017

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Arpit Jain  
Company Secretary  
PAN No. ARHPJ7819G

**India Today Online Private Limited**  
**Separate Statement of changes in equity for the year ended March 31, 2017**

**A Equity share capital**

<b>Particulars</b>	<b>Notes</b>	<b>(Rs. in lacs)</b>
As at April 1, 2015		7,488.74
Changes in equity share capital	6(a)	-
<b>As at March 31, 2016</b>		<b>7,488.74</b>
Changes in equity share capital	6(a)	1,992.00
<b>As at March 31, 2017</b>		<b>9,480.74</b>

**B Other equity {refer note 6(b)}**

<b>Particulars</b>	<b>Reserves and surplus</b>		<b>(Rs. in lacs)</b>
	<b>Securities premium reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance as at April 1, 2015</b>	14,975.48	(13,196.78)	1,778.70
Total comprehensive Income/(Loss) for the year	-	(8,201.50)	(8,201.50)
<b>Balance at March 31, 2016</b>	<b>14,975.48</b>	<b>(21,398.28)</b>	<b>(6,422.80)</b>
Total comprehensive Income/(Loss) for the year	-	(552.42)	(552.42)
Less: Transactions costs arising on share issues	(1.99)	-	(1.99)
<b>Balance at March 31, 2017</b>	<b>14,973.49</b>	<b>(21,950.70)</b>	<b>(6,977.21)</b>

The accompanying notes are an integral part of these financial statements.  
This is the statement of changes in equity referred to in our report of even date.

For V K Arora & Associates  
Firm Registration Number : 002046N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Sunil Mohan Buckshee  
Director  
DIN: 00113090

Dinesh Bhatia  
Director  
DIN: 01604681

per Vipin Kumar  
Proprietor  
Membership No. 80858  
Place : New Delhi  
Date : 26.05.2017

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Arpit Jain  
Company Secretary  
PAN No. ARHPJ7819G

**India Today Online Private Limited**  
**Separate Statement of cash flow for the year ended March 31, 2017**

	Notes	Year ended March 31, 2017 (Rs. in lacs)	Year ended March 31, 2016 (Rs. in lacs)
<b>Cash flow from operating activities</b>			
Income/(Loss) for the year		(552.42)	(8,201.50)
Adjustments for			
Impairment of investment in subsidiary	13	348.08	8,077.92
Finance cost	12	186.95	121.30
<b>Changes in operating assets and liabilities</b>			
(Decrease)/Increase in trade payables	7(b)	(99.84)	4.89
Increase in other current liabilities	9	6.50	7.53
<b>Cash generated from operations</b>		<b>(110.73)</b>	<b>10.14</b>
Income tax paid	8	-	0.44
<b>Net cash inflow from operating activities</b>		<b>(110.73)</b>	<b>9.70</b>
<b>Cash flow from investing activities</b>			
Loans to related parties		(18.70)	-
Payment for investment in subsidiary	3	(200.00)	(586.61)
<b>Net cash (outflow) from investing activities</b>		<b>(218.70)</b>	<b>(586.61)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	7(a)	200.00	552.20
Repayment of borrowings		(1,521.82)	-
Proceeds from issue of shares (net of transactions costs)		1,990.01	-
Interest paid		(337.97)	(12.13)
<b>Net cash inflow from financing activities</b>		<b>330.22</b>	<b>540.07</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>0.79</b>	<b>(36.84)</b>
Cash and cash equivalents at the beginning of the year		0.08	36.92
<b>Cash and cash equivalent at end of the year</b>		<b>0.87</b>	<b>0.08</b>

**Cash and cash equivalents as per above comprise (refer note 4):**

	March 31, 2017	March 31, 2016
Balances with banks		
- in current accounts	0.87	0.08
<b>Total</b>	<b>0.87</b>	<b>0.08</b>

The accompanying notes are an integral part of these financial statements.  
This is the statement of cash flows referred to in our report of even date.

For V K Arora & Associates  
Firm Registration Number : 002046N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Sunil Mohan Buckshee  
Director  
DIN: 00113090

Dinesh Bhatia  
Director  
DIN: 01604681

per Vipin Kumar  
Proprietor  
Membership No. 80858  
Place : New Delhi  
Date : 26.05.2017

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Arpit Jain  
Company Secretary  
PAN No. ARHPJ7819G

## India Today Online Private Limited

### Notes forming part of the Separate financial statements for the year ended March 31, 2017

#### Background

India Today Online Private Limited (hereinafter referred to as "the Company") is a company incorporated and domiciled in India as a private company in accordance with the provisions of the Companies Act, 2013. Its registered office is at F-26, First floor, Connaught Place, New Delhi - 110001, India. The principal activity of the Company is the holding and management of investments in companies.

#### Note 1: Significant accounting policies

##### (a) Basis of preparation

###### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 21 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

###### (iii) Separate financial statements

These financial statements are Separate financial statement of the Company. The Company has availed exemption from preparation of consolidated financial statements under Rule 6, "Manner of consolidation of account" of the Companies (Accounts) Amendment Rules, 2016 and para 4(a) of Ind AS 110, because the ultimate parent company namely Living Media India Limited (LMI), (incorporated and registered in India) files consolidated financial statements in accordance with Ind AS with the Registrar of Companies. A copy of the consolidated financial statements is available to the members at 9, K-Block, Connaught Circus, New Delhi - 110001, India.

##### (b) Investments and other financial assets

###### (i) Classification

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

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

-those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

###### (ii) Measurement

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

###### Equity instruments

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

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



## India Today Online Private Limited

### Notes forming part of the Separate financial statements for the year ended March 31, 2017

#### (iii) *Impairment of financial assets*

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For all financial assets (other than trade receivables), expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

#### (iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

#### (c) **Functional and presentation currency**

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

#### (d) **Segment reporting**

The purpose of the Company is the acquisition, disposal and holding of investment in companies. Entire operations has been considered as representing a single segment. The said treatment is in accordance with the guiding principles enunciated in the Ind AS 108 Operating segments.

#### (e) **Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Cash and cash equivalents**

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

**(g) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(i) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(j) Employee benefits**

**(i) Short-term obligations**

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Long term and post employment obligations**

The Company has only one employee. The provisions of Employee Provident Fund Scheme 1952 and Payment of Gratuity Act, 1972 are not applicable to the Company being having total number of employees below the threshold number of employees required for applicability of provisions. Further, the Company does not have any long term benefit or post employment benefit plan as per policy of the Company, hence no liability is anticipated on account of long term and post employment obligations.

**(k) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(I) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

*(ii) Diluted earnings per share*

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

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

**Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgements**

The areas involving critical estimates and judgements are:

- i) Estimation of current tax expense and payable - Note 14
- ii) Recognition of deferred tax assets for carried forward tax losses - Note 14

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances.

**India Today Online Private Limited**

**Notes forming part of the Separate financial statements for the year ended March 31, 2017**

**Note 3: Investment in subsidiary**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Investment in equity instrument (fully paid up)</b>			
<b>Equity investments at FVTPL</b>			
<b>Subsidiary Companies (unquoted)</b>			
87,533,881 (March 31, 2016: 85,533,881 April 1, 2015: 82,640,824) equity shares Mail Today Newspaper Private Limited of Rs. 10 each fully paid up	2,503.47	2,651.55	10,142.86
<b>Total</b>	<b>2,503.47</b>	<b>2,651.55</b>	<b>10,142.86</b>

The Company's interest in subsidiary are as follows:

Name of the subsidiary company	Principal place of business	March 31, 2017	March 31, 2016	April 1, 2015
Mail Today Newspaper Private Limited	India	66.78%	66.26%	65.65%

**Note 4: Cash and cash equivalents**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Balances with banks:			
- in current accounts	0.87	0.08	36.92
<b>Total cash and cash equivalents</b>	<b>0.87</b>	<b>0.08</b>	<b>36.92</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**Note 5: Other current assets**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Advance to ultimate holding company	18.70	-	-
	<b>18.70</b>	<b>-</b>	<b>-</b>

*This space has intentionally been left blank*

**India Today Online Private Limited**  
**Notes forming part of the Separate financial statements for the year ended March 31, 2017**

**Note 6: Share capital and other equity**

**6 (a) Share capital**

**Authorised share capital**

	Equity shares		Preference shares	
	Number of shares	(Rs. in lacs)	Number of shares	(Rs. in lacs)
As at April 1, 2015	780,00,000	7,800.00	20,00,000	200.00
Increase during the year	-	-	-	-
<b>As at March 31, 2016</b>	<b>780,00,000</b>	<b>7,800.00</b>	<b>20,00,000</b>	<b>200.00</b>
Increase during the year	170,00,000	1,700.00	-	-
<b>As at March 31, 2017</b>	<b>950,00,000</b>	<b>9,500.00</b>	<b>20,00,000</b>	<b>200.00</b>

**(i) Movements in equity share capital**

	Number of shares (in nos.)	Equity share capital (Rs. in lacs)
As at April 1, 2015	748,87,389	7,488.74
Issued during the year	-	-
<b>As at March 31, 2016</b>	<b>748,87,389</b>	<b>7,488.74</b>
Issued during the year	199,20,000	1,992.00
<b>As at March 31, 2017</b>	<b>948,07,389</b>	<b>9,480.74</b>

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**Terms and rights attached to preference shares**

The Company has one class of preference shares having a par value of Rs. 10 per share. The Company has not issued preference share to any shareholder.

**(ii) Shares of the Company held by holding/ultimate holding company**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Equity shares:</b>			
Living Media India Limited (LMI), the ultimate holding company along with its nominees* (upto to March 15, 2017 was the holding company)	-	7,488.74	7,488.74
T.V. Today Network Limited (TVTN), the holding company with effect from March 15, 2017 (by virtue of gift deed dated March 15, 2017 and March 28, 2017, LMI has gifted its shareholding to TVTN at nil consideration)	9,480.74	-	-

**(iii) Details of shareholders holding more than 5% shares in the Company**

	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
<b>Equity shares:</b>						
Living Media India Limited (LMI), the ultimate holding company along with its nominees* (prior to March 15, 2017 was the holding company)	-	-	748,87,389	100.00%	748,87,389	100.00%
T.V. Today Network Limited (TVTN), the holding company with effect from March 15, 2017 (by virtue of gift deed dated March 15, 2017 and March 28, 2017, LMI has gifted its shareholding to TVTN at nil consideration)	948,07,389	100.00%	-	-	-	-
<b>Total</b>	<b>948,07,389</b>	<b>100.00%</b>	<b>748,87,389</b>	<b>100.00%</b>	<b>748,87,389</b>	<b>100.00%</b>

\*As per records of the Company, including its register of shareholder/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**6 (b) Reserves and surplus**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Securities premium reserve*	14,973.49	14,975.48	14,975.48
Retained earnings	(21,950.70)	(21,398.28)	(13,196.78)
<b>Total reserves and surplus</b>	<b>(6,977.21)</b>	<b>(6,422.80)</b>	<b>1,778.70</b>

**(i) Securities premium reserve**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	14,975.48	14,975.48
Add: Received on issue of equity shares	-	-
Less: Transactions costs arising on share issues	(1.99)	-
<b>Closing balance</b>	<b>14,973.49</b>	<b>14,975.48</b>

**\*Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**(ii) Retained earnings**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	(21,398.28)	(13,196.78)
Total comprehensive Income/(Loss) for the year	(552.42)	(8,201.50)
<b>Closing balance</b>	<b>(21,950.70)</b>	<b>(21,398.28)</b>

**Note 7: Financial liabilities****7 (a) Current borrowings**

	Terms of repayments	Coupon/ Interest Rate	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Unsecured</b>					
<b>Loan from related party</b>					
Living Media India Limited (LMI), the ultimate holding company along with its nominees* (prior to March 15, 2017 was the holding company)	Repayable on demand	LMI average borrowing rate +0.25%	Not Applicable	1,472.84	811.47
<b>Total current borrowings</b>				<b>1,472.84</b>	<b>811.47</b>
Less: Interest accrued {include in note 7(c)}				(151.02)	(41.85)
<b>Current borrowings (as per balance sheet)</b>			<b>-</b>	<b>1,321.82</b>	<b>769.62</b>

Since, the Company has converted existing short-term borrowing from the ultimate holding company i.e. Living Media India Limited (LMI) into equity share capital with effect from March 28, 2017. The Company does not have any borrowing as at March 31, 2017. The Company previously had short term borrowing outstanding from LMI which charged interest at the rate of its average borrowing rate plus 0.25%.

**7 (b) Trade payables**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Current</b>			
Trade payables			
Outstanding due to Micro and Small Enterprises (note 22)	-	-	-
Outstanding due to others	0.81	0.25	15.34
Outstanding due to related parties (note 18)	-	100.40	80.42
<b>Total Trade payables</b>	<b>0.81</b>	<b>100.65</b>	<b>95.76</b>

**7 (c) Other financial liabilities**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
<b>Current</b>			
Interest accrued	-	151.02	41.85
<b>Total other financial liabilities</b>	<b>-</b>	<b>151.02</b>	<b>41.85</b>

**Note 8: Current tax liabilities**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Opening balance	-	0.44
Add: Current tax payable for the year	-	-
Less: Tax paid	-	0.44
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**Note 9: Other current liabilities**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Statutory tax payables	252	18.70	12.20
<b>Total other current liabilities</b>	<b>18.70</b>	<b>12.20</b>	<b>4.67</b>

**Note 10: Employee benefits expense**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Salaries	0.80	0.31
<b>Total employee benefits expense</b>	<b>0.80</b>	<b>0.31</b>

**Note 11: Other expenses**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Rates and taxes	15.57	0.22
Legal and professional fees	0.81	1.51
Payment to auditors (Refer note 11(a) below)	0.20	0.15
Interest on delays in depositing statutory dues	-	0.06
Miscellaneous expenses	0.01	0.03
<b>Total other expenses</b>	<b>16.59</b>	<b>1.97</b>

**Note 11(a): Details of payments to auditors**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	0.15	0.10
Re-imburement of expenses	0.05	0.05
<b>Total payments to auditors</b>	<b>0.20</b>	<b>0.15</b>

**Note 12: Finance costs**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Interest and finance charges on financial liabilities not at fair value through profit or loss	186.95	121.30
<b>Finance cost expensed in profit and loss</b>	<b>186.95</b>	<b>121.30</b>

**Note 13: Exceptional items**

	Note	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Fair value loss on investment in subsidiaries at fair value through profit and loss	3(iii)	348.08	8,077.92
<b>Total exceptional items</b>		<b>348.08</b>	<b>8,077.92</b>

**Note 14: Income tax expense**

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rates:**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
(Loss) before income tax expenses	(552.42)	(8,201.50)
<b>Tax at the Indian tax rate of 30.90% (2015-2016 30.90%) *</b>	<b>(170.70)</b>	<b>(2,534.26)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Disallowance of expenses pertaining to exempt income	63.14	38.19
Tax effect of deductible temporary differences for which no deferred income tax was recognised	107.56	2,496.07
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**(c) Deductible temporary differences**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Unrecognised deductible temporary difference pertaining to fair valuation of investment in Mail Today for which no deferred tax asset has been recognised*	17,634.23	17,286.15	9,208.23
Potential tax benefit @ 20.60 %	3,632.65	3,560.95	1,896.90

\*The deductible tax differences includes loss on investment in Mail Today Newspapers Private Limited, since, the Company does not expect the same to reverse in the foreseeable future, hence deferred tax assets on such losses has not been recognised by the Company.

*This space has intentionally been left blank*



Note 15: Fair value measurements  
Financial instruments by category

(Rs. in lacs)

	March 31, 2017		March 31, 2016		April 1, 2015	
	FVPL	Amortised Cost	FVPL	Amortised Cost	FVPL	Amortised Cost
<i>Financial assets</i>						
Investment in subsidiary	2,503.47	-	2,651.55	-	10,142.86	-
Cash and cash equivalents	-	0.87	-	0.08	-	36.92
<b>Total financial assets</b>	<b>2,503.47</b>	<b>0.87</b>	<b>2,651.55</b>	<b>0.08</b>	<b>10,142.86</b>	<b>36.92</b>
<i>Financial liabilities</i>						
Borrowings	-	-	-	1,321.82	-	769.62
Trade payables	-	0.81	-	100.65	-	95.76
Other financial liabilities	-	-	-	151.02	-	41.85
<b>Total financial liabilities</b>	<b>-</b>	<b>0.81</b>	<b>-</b>	<b>1,573.49</b>	<b>-</b>	<b>907.23</b>

(i) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities ;

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly ;

Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured at fair value - recurring fair value measurements	March 31, 2017	March 31, 2016	April 1, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
	Level 3	Level 3	Level 3
Financial assets			
Investment in subsidiary	2,503.47	2,651.55	10,142.86
<b>Total financial assets</b>	<b>2,503.47</b>	<b>2,651.55</b>	<b>10,142.86</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	March 31, 2017	March 31, 2016	April 1, 2015
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
	Level 3	Level 3	Level 3
Financial liabilities			
Borrowings	Not Applicable	1,321.82	769.62
<b>Total financial liabilities</b>	<b>Not Applicable</b>	<b>1,321.82</b>	<b>769.62</b>

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2017 and March 31, 2016:

	Unquoted equity shares (Rs. in lacs)
<b>As at April 1, 2015</b>	10,142.86
Investment made during the year	586.60
(Losses) recognised in profit or loss	(8,077.92)
<b>As at March 31, 2016</b>	<b>2,651.54</b>
Investment made during the year	200.00
(Losses) recognised in profit or loss	(348.08)
<b>As at March 31, 2017</b>	<b>2,503.46</b>
<b>Unrealised (losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period</b>	
March 31, 2017	(348.08)
March 31, 2016	(8,077.92)

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

As at March 31, 2017

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares*	2,503.47	Earnings growth rate	Growth rate - 4.45% Range 3.95% ~ 4.95%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 682.76 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 533.96 lacs.
		Risk adjusted discount rate	Rate used - 17.30% Range 16.30%~18.30%	

\* Based on the valuation as at December 31, 2016 vide valuation report dated March 12, 2017.

As at March 31, 2016

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	2,651.55	Earnings growth rate	Growth rate - 4.48% Range 4% ~ 5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 769.80 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 598.74 lacs.
		Risk adjusted discount rate	Rate used - 16.60% Range 15.60%~17.60%	

As at April 1, 2015

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	10,142.86	Earnings growth rate	Growth rate - 3.00% Range 2.5% ~ 3.5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 1,672.00 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 1,345.76 lacs.
		Risk adjusted discount rate	Rate used - 16.12% Range 15.12%~17.12%	

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(v) Valuation processes:

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values except for the valuations of unquoted equity shares and derivative financial assets are performed by external valuation experts. This team and valuation experts reports directly to the Board of directors. Discussion of valuation processes and results are held between the Board of Directors and Valuation team at least once in a year in line with the Company's reporting periods.

The main level 3 inputs for unquoted equity shares and derivative financial assets used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

- Risk free rate is computed based on the 3 year Indian Government Bond Yield.

- Earnings growth factor for unquoted equity shares are estimated based on market information for similar types of companies.

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

Particulars	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Financial liabilities			
Borrowings			
Carrying value	-	1,321.82	769.62
Fair value	Not Applicable	1,321.82	769.62

The carrying amounts of trade payable, loans and interest accrued (other financial liabilities) thereon are considered to be the same as their fair values, due to their short-term nature.

**Note 16: Financial risk management**

The Company's activities expose it to a variety of financial risks i.e. Credit risk, Liquidity risk and Market risk. The Board of Directors (BOD) along with Audit Committee (AC) of the Company oversees the management of these risks. BOD and AC is supported by a team of Internal Auditor that advises on financial risks and the appropriate financial risks governance framework for the Company. The Internal Audit team provides assurance to the BOD and AC that the Company's financial risks activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risks objectives.

**(A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Currently, credit risks to the Company arises only from cash and cash equivalents. As a policy, the Company accepts only highly rated banks for transactions.

**(B) Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturing groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rs. in lacs)			
Contractual maturities of financial liabilities	Repayable on demand	0-3 Months	Total
<b>March 31, 2017</b>			
Borrowings	-	-	-
Trade payables	-	0.81	0.81
Other financial liabilities	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>0.81</b>	<b>0.81</b>

Amount (Rs/L)			
Contractual maturities of financial liabilities	Repayable on demand	0-3 Months	Total
<b>March 31, 2016</b>			
Borrowings	1,321.82	-	1,321.82
Trade payables	-	100.65	100.65
Other financial liabilities	-	151.02	151.02
<b>Total liabilities</b>	<b>1,321.82</b>	<b>251.67</b>	<b>1,573.49</b>

Amount (Rs/L)			
Contractual maturities of financial liabilities	Repayable on demand	0-3 Months	Total
<b>April 1, 2015</b>			
Borrowings	769.62	-	769.62
Trade payables	-	95.76	95.76
Other financial liabilities	-	41.85	41.85
<b>Total liabilities</b>	<b>769.62</b>	<b>137.61</b>	<b>907.23</b>

Management does not have a formal policy for managing the liquidity risk. However, the Company ensures that there are adequate funds to meet all obligations in a timely and cost effective manner.

**(C) Market risk**

**(i) Interest rate risk**

**(a) Interest rate risk exposure**

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Company's financial instruments will fluctuate because of changes in market interest rates determined from time to time.

Since, the Company has converted existing short-term borrowing from the ultimate holding company i.e. Living Media India Limited (LMI) into equity share capital with effect from March 28, 2017. The Company does not have any borrowing as at March 31, 2017. The Company previously had short term borrowing outstanding from LMI which charged interest at the rate of its average borrowing rate plus 0.25%. The Company had following variable rate borrowings from LMI:

Particulars	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Weighted average interest rate	13.42%	13.30%	15.45%
Loan balance (repayable on demand)	-	1,321.82	769.62
% of total loans	Not Applicable	100%	100%

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates

	Impact on profit after tax	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Interest rate - increase by 50 basis points (previous year 50 basis points)	(7.28)	(4.54)
Interest rate - increase by 50 basis points (previous year 50 basis points)	7.28	4.54

**(ii) Price risk**

**Equity price risk**

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Company does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

**Note 17: Capital management**

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended March 31, 2017.

The Company's capital and net debt were made up as follows:

<b>Particulars</b>	<b>March 31, 2017 (Rs. in lacs)</b>	<b>March 31, 2016 (Rs. in lacs)</b>	<b>April 1, 2015 (Rs. in lacs)</b>
Net debt	-	1,321.74	732.70
Total equity	2,503.53	1,065.94	9,267.44
Net debt to equity ratio	0%	124%	8%

*This space has intentionally been left blank*

**Note 18: Related party transactions**

**(a) Parent entities**

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership Interest		
			March 31, 2017	March 31, 2016	April 1, 2015
World Media Private Limited upto December 18, 2015	Ultimate parent company	India	Not Applicable	Not Applicable	55.30%
Living Media India Limited	Ultimate parent company (Prior to March 15, 2017 was Parent Company)	India	Not Applicable	100.00%	100.00%
T.V. Today Network Limited (with effect from March 15, 2017)	Parent company	India	100.00%	Not Applicable	Not Applicable

**(b) Subsidiary**

Name	Place of incorporation	Principal activities	Ownership Interest		
			March 31, 2017	March 31, 2016	April 1, 2015
Mail Today Newspapers Private Limited	India	Publication services	66.78%	66.26%	65.65%

**(c) Key management personnel compensation**

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Short-term employee benefits	0.80	0.31
<b>Total compensation</b>	<b>0.80</b>	<b>0.31</b>

**(d) Transactions with related parties**

The following transaction incurred with related parties

	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
<b>Other transactions</b>		
Advance received		
- Parent company	18.84	-
Reimbursement of expenses		
- Parent company	13.22	15.25
- Fellow subsidiary	-	0.61

**(e) Outstanding balances**

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

Trade payables	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)	March 31, 2015 (Rs. in lacs)
- Parent company	-	100.27	80.42
- Fellow subsidiary	-	0.13	0.01
<b>Total trade payables</b>	<b>-</b>	<b>100.40</b>	<b>80.43</b>

**Loan from ultimate parent entity**

(Rs. in lacs)

	31 March, 2017		31 March, 2016	
	Loan outstanding	Interest accrued	Loan outstanding	Interest accrued
Beginning of the year	1,321.81	151.02	769.62	41.85
Loan received	200.00	-	587.19	-
Loan repayments made	-	-	(35.00)	-
Interest charged	-	186.95	-	121.30
Interest paid	-	(19.00)	-	(12.13)
Dues converted to equity	(1,521.81)	(318.97)	-	-
<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>1,321.81</b>	<b>151.02</b>

**Advance to ultimate parent company**

(Rs. in lacs)

	Loan outstanding	
	31-Mar-17	31-Mar-16
Opening	-	-
Advance given	18.70	-
<b>End of the year</b>	<b>18.70</b>	<b>-</b>

**Investment made in subsidiary**

(Rs. in lacs)

	31 March, 2017	31 March, 2016
Beginning of the year	19,937.69	19,351.09
Investment made during the year	200.00	586.60
<b>End of the year *</b>	<b>20,137.69</b>	<b>19,937.69</b>

\*excludes provision for impairment as assessed by the Company.

**Terms and conditions of transactions with related party**

Outstanding trade payables at the year-end were unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. Short term borrowing from the ultimate parent company were unsecured and repayable on demand. Interest was charged @ average borrowing rate of LMI plus 0.25%.

Advance to ultimate holding company represents advance paid to LMI for statutory dues payment to be made on behalf of the Company.

As at March 31, 2017, the Company has recorded impairment of investment in subsidiary company i.e. Mail Today Newspaper Private Limited amounting to Rs. 17,634.23 lacs (March 31, 2016 : Rs. 17,286.15 lacs).

**India Today Online Private Limited****Notes forming part of the Separate financial statements for the year ended March 31, 2017****Note 19: Earnings per share**

Particulars	Year ended	
	March 31, 2017 (Rs. in lacs)	March 31, 2016 (Rs. in lacs)
Basic and diluted earnings per share (in Rupees) attributable to the equity holders of the Company	(0.74)	(10.95)
(Loss) attributable to the equity holders of the Company used in calculating basic earnings per share	(552.42)	(8,201.50)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. of shares)	751,05,690	748,87,389

**Note 20: Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:**

Particulars	Specified Bank Notes (Rs. in lacs)	Other denomination notes (Rs. in lacs)	Total (Rs. in lacs)
Closing cash in hand as on November 08, 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

*This space has intentionally been left blank*

**Note 21: First-time adoption of Ind AS**

**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions**

**Business combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combination occurring prior to the transition date have not been restated.

**A.2 Ind AS mandatory exceptions**

**A.2.1 Estimates**

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

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**A.2.2 De-recognition of financial assets and liabilities**

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

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

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## India Today Online Private Limited

### Notes forming part of the Separate financial statements for the year ended March 31, 2017

#### B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

#### *Reconciliation of equity as at date of transition (April 1, 2015)*

	Previous GAAP *	Adjustments	Ind AS
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investment in subsidiary	10,142.86	-	10,142.86
<b>Total non-current assets</b>	<b>10,142.86</b>	<b>-</b>	<b>10,142.86</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	36.92	-	36.92
<b>Total current assets</b>	<b>36.92</b>	<b>-</b>	<b>36.92</b>
<b>Total assets</b>	<b>10,179.78</b>	<b>-</b>	<b>10,179.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7,488.74	-	7,488.74
<b>Other equity</b>			
Reserves and surplus	1,778.70	-	1,778.70
<b>Total equity</b>	<b>9,267.44</b>	<b>-</b>	<b>9,267.44</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	769.62	-	769.62
ii. Trade payables	95.76	-	95.76
iii. Other financial liabilities	41.85	-	41.85
Current tax liabilities	0.44	-	0.44
Other current liabilities	4.67	-	4.67
<b>Total current liabilities</b>	<b>912.34</b>	<b>-</b>	<b>912.34</b>
<b>Total liabilities</b>	<b>912.34</b>	<b>-</b>	<b>912.34</b>
<b>Total equity and liabilities</b>	<b>10,179.78</b>	<b>-</b>	<b>10,179.78</b>

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

**Reconciliation of equity as at March 31, 2016**

	Previous GAAP * (Rs. in lacs)	Adjustments (Rs. in lacs)	Ind AS (Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investment in subsidiary	2,651.55	-	2,651.55
<b>Total non-current assets</b>	<b>2,651.55</b>	<b>-</b>	<b>2,651.55</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	0.08	-	0.08
<b>Total current assets</b>	<b>0.08</b>	<b>-</b>	<b>0.08</b>
<b>Total assets</b>	<b>2,651.63</b>	<b>-</b>	<b>2,651.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7,488.74	-	7,488.74
<b>Other equity</b>			
Reserves and surplus	(6,422.80)	-	(6,422.80)
<b>Total equity</b>	<b>1,065.94</b>	<b>-</b>	<b>1,065.94</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	1,321.82	-	1,321.82
ii. Trade payables	100.65	-	100.65
iii. Other financial liabilities	151.02	-	151.02
Current tax liabilities	-	-	-
Other current liabilities	12.20	-	12.20
<b>Total current liabilities</b>	<b>1,585.69</b>	<b>-</b>	<b>1,585.69</b>
<b>Total equity and liabilities</b>	<b>2,651.63</b>	<b>-</b>	<b>2,651.63</b>

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

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

	Previous GAAP * (Rs. in lacs)	Adjustments (Rs. in lacs)	Ind AS (Rs. in lacs)
Revenue from operations	-	-	-
<b>Total Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>			
Employee benefits expense	0.31	-	0.31
Other expenses	1.97	-	1.97
Finance costs	121.30	-	121.30
<b>Total expenses</b>	<b>123.58</b>	<b>-</b>	<b>123.58</b>
<b>(Loss) before exceptional items and tax</b>	<b>(123.58)</b>	<b>-</b>	<b>(123.58)</b>
Exceptional items	8,077.92	-	8,077.92
<b>(Loss) before tax</b>	<b>(8,201.50)</b>	<b>-</b>	<b>(8,201.50)</b>
Income tax expense			
Current tax	-	-	-
Deferred tax	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Loss)/total comprehensive expense for the year</b>	<b>(8,201.50)</b>	<b>-</b>	<b>(8,201.50)</b>

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



**Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Total equity (shareholder's funds) as per previous GAAP	1,065.94	9,267.44
Adjustments	Nil	Nil
<b>Total equity as per Ind AS</b>	<b>1,065.94</b>	<b>9,267.44</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2016**

	March 31, 2016 (Rs. in lacs)
Income/(Loss) after tax as per previous GAAP	(8,201.50)
Adjustments	Nil
<b>Income/(Loss) after tax/Other comprehensive expenses as per Ind AS</b>	<b>(8,201.50)</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2016**

	Previous GAAP * (Rs. in lacs)	Adjustments (Rs. in lacs)	Ind AS (Rs. in lacs)
Net cash flow from operating activities	9.70	-	9.70
Net cash flow from investing activities	(586.61)	-	(586.61)
Net cash flow from financing activities	540.07	-	540.07
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(36.84)</b>	<b>-</b>	<b>(36.84)</b>
Cash and cash equivalents as at April 1, 2015	36.92	-	36.92
<b>Cash and cash equivalents as at March 31, 2016</b>	<b>0.08</b>	<b>-</b>	<b>0.08</b>

**Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS:**

	March 31, 2016 (Rs. in lacs)	April 1, 2015 (Rs. in lacs)
Cash and cash equivalents as per previous GAAP	0.08	36.92
Adjustments	Nil	Nil
<b>Cash and cash equivalents for the purpose of statement of cash flows as per Ind AS</b>	<b>0.08</b>	<b>36.92</b>

**Note 22: Dues to Micro and Small Enterprises**

Based on information available with the Company, there are no outstanding dues to micro and small enterprises as at March 31, 2017. No interest is paid /payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

For V K Arora & Associates  
Firm Registration Number : 002046N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Sunil Mohan Buckshee  
Director  
DIN: 00113090

Dinesh Bhatia  
Director  
DIN: 01604681

per Vipan Kumar  
Proprietor  
Membership No. 80858  
Place : New Delhi  
Date : 26.05.2017

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Arpit Jain  
Company Secretary  
PAN No. ARHPJ7819G

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Mail Today Newspapers Private Limited

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Mail Today Newspapers Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of profit and loss, including the Statement of other comprehensive income, the Cash flow statement and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of these Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind As financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of profit and loss including the Statement of other comprehensive income, the Cash flow statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
  - (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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position significantly;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KM & CO  
Chartered Accountants  
ICAI Firm Registration Number: 024883N

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date: May 22, 2018

**Annexure 1 referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re: Mail Today Newspapers Private Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.  
  
(c) According to the information and explanations given by the management, the title deed of immovable properties, included in investment properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are not applicable and hence not commented upon.
- (v) The Company has not accepted any deposit from public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section (1) of Section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, , service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues of income tax, provident fund, employees' state insurance, income-tax, goods and services tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has no outstanding dues in respect of a financial institution or dues to debenture holders.

- (ix) In our opinion and according to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer / further public offer / debt instruments. Further, term loans were utilized for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of The Reserve Bank of India Act, 1934 are not applicable to the Company, hence not commented upon.

For KM & CO  
Chartered Accountants  
ICAI Firm Registration Number: 024883N

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date: May 22, 2018

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAIL TODAY NEWSPAPERS PRIVATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**To the Members of Mail Today Newspapers Private Limited**

We have audited the internal financial controls over financial reporting of Mail Today Newspapers Private Limited (“the Company”) as of March 31, 2018 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 Management 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 Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 KM & CO  
Chartered Accountants  
ICAI Firm Registration Number: 024883N

per Kapil Mittal  
Partner  
Membership No. 502221

Place: New Delhi  
Date: May 22, 2018



**Mail Today Newspapers Private Limited**
**Balance sheet as at March 31, 2018**
*(All amounts in Indian rupees in lakhs, unless otherwise stated)*

	Notes	March 31, 2018	March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	36.46	45.73
Investment properties	4	549.97	643.75
Intangible assets	5	-	1.68
Financial assets			
i. Loans	6(b)	-	9.87
Non-current tax assets	7	53.09	24.86
Other non-current assets	8	-	519.16
<b>Total non-current assets</b>		<b>639.52</b>	<b>1,245.05</b>
<b>Current assets</b>			
Inventories	9	168.39	157.99
Financial assets			
i. Trade receivables	6(a)	718.70	837.64
ii. Cash and cash equivalents	6(c)	142.71	41.31
iii. Loans	6(b)	5.16	0.58
Other current assets	10	539.63	565.37
<b>Total current assets</b>		<b>1,574.59</b>	<b>1,602.89</b>
<b>Total assets</b>		<b>2,214.11</b>	<b>2,847.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11(a)	17,160.40	13,108.70
<b>Other equity</b>			
Reserve and surplus	11(b)	(16,452.85)	(15,268.04)
<b>Total equity</b>		<b>707.55</b>	<b>(2,159.34)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	12(a)	-	520.80
Employee benefit obligations	13	81.38	71.94
<b>Total non-current liabilities</b>		<b>81.38</b>	<b>592.74</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Borrowings	12(b)	-	782.08
ii. Trade payables	12(c)	1,168.89	1,229.39
iii. Other financial liabilities	12(d)	15.78	2,191.03
Provisions	13	35.64	-
Employee benefit obligations	14	2.26	1.53
Other current liabilities	15	202.61	210.51
<b>Total current liabilities</b>		<b>1,425.18</b>	<b>4,414.54</b>
<b>Total liabilities</b>		<b>1,506.56</b>	<b>5,007.28</b>
<b>Total equity and liabilities</b>		<b>2,214.11</b>	<b>2,847.94</b>

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

This is the balance sheet referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla      Aroon Purie  
Director                              Director  
DIN : 06699673                      DIN: 00002794

Manmohan Kandpal              Neeraj Soni  
Company Secretary              Chief Financial Officer  
Membership No. 28183              PAN: AWYPS9532K

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**Mail Today Newspapers Private Limited****Statement of profit and loss for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)*

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	16	<b>3,045.53</b>	3,608.12
Other income	17(a)	<b>162.57</b>	119.56
Other gains/ (losses) - net	17(b)	<b>0.75</b>	2.97
<b>Total Income</b>		<b>3,208.85</b>	3,730.65
<b>Expenses</b>			
Cost of materials consumed	18	<b>279.37</b>	307.20
Employee benefits expense	19	<b>993.64</b>	1,053.52
Depreciation and amortisation expense	20	<b>15.25</b>	36.74
Other expenses	21	<b>2,775.49</b>	2,607.92
Finance costs	22	<b>292.66</b>	450.50
<b>Total expenses</b>		<b>4,356.41</b>	4,455.88
<b>(Loss) before tax</b>		<b>(1,147.56)</b>	(725.23)
Income tax expenses	23		
- Current Tax		-	-
- Deferred Tax		-	-
<b>Total tax expense</b>		<b>-</b>	-
<b>(Loss) for the year</b>		<b>(1,147.56)</b>	(725.23)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		<b>2.44</b>	4.35
Income tax relating to these items		-	-
<b>Other comprehensive income for the year</b>		<b>2.44</b>	4.35
<b>Total comprehensive expense for the year</b>		<b>(1,145.12)</b>	(720.88)
<b>Earning per equity share</b>			
Basic and diluted earning per share		<b>(0.56)</b>	(0.55)

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

This is the statement of profit and loss referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
DIN : 06699673

Aroon Purie  
Director  
DIN: 00002794

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**Mail Today Newspapers Private Limited**  
**Statement of cash flow for the year ended March 31, 2018**  
*(All amounts in Indian rupees in lakhs, unless otherwise stated)*

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
<b>Cash flow from operating activities</b>			
<b>(Loss) before income tax</b>		<b>(1,147.56)</b>	(725.23)
Adjustments for			
Depreciation of property, plant and equipment	19	9.24	22.67
Depreciation on investment property	19	4.33	4.33
Amortisation of intangible assets	19	1.68	9.74
Provision for impairment on investment property under construction	20	89.45	73.28
Loss/(Gain) on disposal of property, plant and equipment	16(b)	(0.20)	0.06
Allowance for doubtful debts and advances (net)	20	(3.14)	163.53
Interest income	16(a)	-	(8.76)
Finance costs	21	292.66	450.51
<b>Changes in operating assets and liabilities</b>			
(Increase)/Decrease in trade receivables	6(a)	127.98	(18.15)
Increase/(Decrease) in trade payables	12(c)	(60.50)	267.90
(Increase)/Decrease in other financial assets	6(b)	5.29	(0.57)
(Increase)/Decrease in other non current assets	8	519.16	(131.16)
Decrease in other current assets	10	19.84	5.66
Increase in provisions		35.64	-
Increase/(Decrease) in employee benefit obligations	13	12.61	(3.24)
Increase in other financial liabilities	12(d)	3.58	2.98
Decrease in other current liabilities	14	(7.90)	(88.19)
(Increase) in inventories	9	(10.40)	(15.39)
<b>Cash generated from / (used in) operating activities</b>		<b>(108.24)</b>	9.97
Income tax (paid) /refunds		(28.23)	60.98
<b>Net cash generated from / (used in) operating activities</b>		<b>(136.47)</b>	70.95
<b>Cash flow from investing activities</b>			
Proceeds from disposal of property, plant and equipment	3	0.23	0.12
Purchase of investment properties	4	-	(3.90)
Interest received	16(a)	-	8.76
<b>Net cash generated from investing activities</b>		<b>0.23</b>	4.98
<b>Cash flow from financing activities</b>			
Proceeds from issuance of share capital (including securities premium)	11(a)	4,051.70	200.00
Proceeds of borrowings	12(a)	-	2,583.33
Repayments of borrowings	12(a)	(2,699.63)	(2,648.10)
Share issue expenses	11(b)	(39.69)	-
Interest paid	21	(292.66)	(450.51)
<b>Net cash generated from / (used in) financing activities</b>		<b>1,019.72</b>	(315.28)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>883.48</b>	(239.35)
Cash and cash equivalents at the beginning of the year		(740.77)	(501.42)
<b>Cash and cash equivalent at end of the year</b>		<b>142.71</b>	(740.77)
<b>Non Cash financing and investing activities</b>			
Acquisition of investment properties by means of exchange of services		-	3.90
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
<b>Cash and cash equivalents as per above comprise of the following:</b>			
		<b>31 March 2018</b>	31 March 2017
Cash and cash equivalents {note 6(c)}		142.71	41.31
Bank overdrafts {note 12(b)}		-	(782.08)
<b>Balance per statement of cash flows</b>		<b>142.71</b>	(740.77)

The accompanying notes are an integral part of these financial statements.  
This is the statement of cash flow referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
DIN : 06699673

Aroon Purie  
Director  
DIN: 00002794

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**Mail Today Newspapers Private Limited****Statement of changes in equity for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***A Equity share capital**

	Notes	Amount
As at April 1, 2016		12,908.70
Changes in equity share capital	11(a)	200.00
<b>As at March 31, 2017</b>		<b>13,108.70</b>
Changes in equity share capital	11(a)	4,051.70
<b>As at March 31, 2018</b>		<b>17,160.40</b>

**B Other equity**

	Reserve and surplus		Total
	Securities premium reserve	Retained earnings	
<b>Balance as at April 1, 2016</b>	22,526.77	(37,073.93)	(14,547.16)
(Loss) for the year	-	(725.23)	(725.23)
Other comprehensive income	-	4.35	4.35
<b>Total comprehensive (expense) for the year</b>	-	<b>(720.88)</b>	<b>(720.88)</b>
<b>Balance as at March 31, 2017</b>	<b>22,526.77</b>	<b>(37,794.81)</b>	<b>(15,268.04)</b>
(Loss) for the year	-	(1,147.56)	(1,147.56)
Other comprehensive income	-	2.44	2.44
<b>Total comprehensive (expense) for the year</b>	-	<b>(1,145.12)</b>	<b>(1,145.12)</b>
<b>Transactions with owners in their capacity as owner</b>			
Less: Transaction cost arising on share issues	(39.69)	-	(39.69)
<b>Balance as at March 31, 2018</b>	<b>22,487.08</b>	<b>(38,939.93)</b>	<b>(16,452.85)</b>

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

This is the statement of changes in equity referred to in our report of even date.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
DIN : 06699673

Aroon Purie  
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Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : May 22, 2018

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Place : New Delhi  
Date : May 22, 2018

**Background**

Mail Today Newspapers Private Limited ('the Company') was incorporated on May 9, 2007 and started its operations from November 16, 2007. The Company publishes 'Mail Today', an English daily newspaper and further displays its publication on 'mailtoday.in'. The Company derives revenue from the sale of the above mentioned publications and advertisements published therein. The corporate identity number of the Company is U22210DL2007PTC163174.

**Note 1: Significant accounting policies**

**(a) Basis of preparation**

*(i) Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and relevant rules as amended there after.

*(ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis.

*(iii) Going concern*

During the year, the Company's total comprehensive expenses of INR 1,145.12 Lakhs (Previous year INR 720.88 Lakhs) thereby resulting in accumulated losses of INR 38,939.93 Lakhs (Previous year INR 37,794.81 Lakhs) against shareholders' funds of INR 39,647.48 Lakhs (Previous year INR 35,635.47 Lakhs), which has substantially eroded its net worth. Based on the revised business plan which includes ongoing commitments of funding from the holding company namely T.V. Today Network Limited (TVTN), proposed merger of publishing undertaking with TVTN and streamlined operations, the Company expects to expand and generate positive cash flows. In view of this, these financial statements are prepared on going concern basis and no adjustment has been made to carrying value of assets and liabilities in the financial statements.

**(b) Segment Reporting**

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

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 26 for segment information as presented.

**(c) Foreign Currency Translation**

*(i) Functional and presentation currency*

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

*(ii) Transaction and balances*

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

**(d) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Rendering of services - Advertisement Income**

**Timing of recognition:** Advertisement income is recognized as and when advertisement is published /displayed and is disclosed net of discount.

**Measurement of revenue:** Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

**Sale of publication and waste paper**

**Timing of recognition:** Sale of publications and waste paper revenue is recognized when the significant risks and rewards of ownership have passed on to the buyer and is disclosed net of sales return and discounts.

**Measurement of revenue:** Revenue from sale of publication is based on sale price of the newspaper or contractual price. No element of financing is deemed present as the sales are made for credit period, which is consistent with market practice.

**(e) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Leases**

**As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(g) Impairment of assets**

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

**(h) Cash and cash equivalents**

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

**(i) Trade receivables**

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

**(j) Inventories- Raw Material**

Raw-material are stated at lower of cost and net realisable value. Cost of raw-material comprises cost of purchases. Cost of raw-material also include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determine on weighted average basis.

**(k) Financial assets**

**(i) Classification**

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

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

-those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) *Measurement*

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

*Debt instruments*

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

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

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

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(iii) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(A) details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

(v) *Income recognition*



**Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(l) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(m) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

*Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

*Depreciation methods, estimated useful lives and residual value*

- (i) Depreciation on tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.
- (ii) Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition.
- (iii) Leasehold Improvements are amortized over the useful life or unexpired period of lease (whichever is lower) on a straight line basis.

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

Gain and loss on disposables are determined by comparing proceeds with carrying amount. These are included in the profit or loss with other gains/(losses).

**(n) Investment properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of investment property is replaced, the carrying amount of replaced part is derecognised.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Company depreciates investment property on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

*Transition to Ind As*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the investment properties.

**(o) Intangible assets**

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**(i) Amortisation methods and periods**

Intangible assets mainly include software licenses stated at cost, less accumulated amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and are amortized using the straight-line method over a period of three years.

**(ii) Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(r) Employee benefits**

*(i) Short-term obligation*

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*(ii) Other long-term employee benefits obligations*

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

*(iii) Post employment obligations*

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged.

Defined contribution plans

Company's contributions to Provident Fund, Employees' State Insurance Scheme and Employee Pension Scheme, which are defined contribution plans, are expensed to the statement of profit and loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions to the respective government funds.

**(s) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(t) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 28).

*(ii) Diluted earnings per share*

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

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

**(u) Recent accounting pronouncements**

*(i) New Standards*

There were no new standards published which would be applicable on the Company.

*(ii) New Amendments*

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**Ind AS 115- Revenue from Contract with Customers:**

"On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant."

**Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgements**

The areas involving critical estimates and judgements are:

- i) Estimation of current tax expense and payable - Note 22
- ii) Estimate useful life of intangible assets - Note 5
- iii) Estimation of employee related defined benefit obligations - Note 13
- iv) Recognition of deferred tax assets for carried forward tax losses - Note 22
- v) Impairment of trade receivables - Note 24(A)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances.

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**Note 3: Property, plant and equipment**

	<b>Plant and machinery</b>	<b>Office equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Total</b>
<b>Year ended March 31, 2017</b>					
<b>Gross carrying amount</b>					
As at April 1, 2016	92.61	1.95	1.30	-	95.86
Disposals	-4.11	-	-	-	-4.11
<b>Closing gross carrying amount</b>	<b>88.50</b>	<b>1.95</b>	<b>1.30</b>	<b>-</b>	<b>91.75</b>
<b>Accumulated depreciation</b>					
As at April 1, 2016	26.44	0.41	0.44	-	27.29
Depreciation charge during the year	22.05	0.05	0.56	-	22.66
Disposals	-3.93	-	-	-	-3.93
<b>Closing accumulated depreciation</b>	<b>44.56</b>	<b>0.46</b>	<b>1.00</b>	<b>-</b>	<b>46.02</b>
<b>Net carrying amount</b>	<b>43.94</b>	<b>1.49</b>	<b>0.30</b>	<b>-</b>	<b>45.73</b>
<b>Year ended March 31, 2018</b>					
<b>Gross carrying amount</b>					
As at April 1, 2017	88.50	1.95	1.30	-	91.75
Disposals	-0.65	-	-	-	-0.65
<b>Closing gross carrying amount</b>	<b>87.85</b>	<b>1.95</b>	<b>1.30</b>	<b>-</b>	<b>91.10</b>
<b>Accumulated depreciation</b>					
As at April 1, 2017	44.56	0.46	1.00	-	46.02
Depreciation charge during the year	9.06	0.02	0.16	-	9.24
Disposals	-0.62	-	-	-	-0.62
<b>Closing accumulated depreciation</b>	<b>53.00</b>	<b>0.48</b>	<b>1.16</b>	<b>-</b>	<b>54.64</b>
<b>Net carrying amount</b>	<b>34.85</b>	<b>1.47</b>	<b>0.14</b>	<b>-</b>	<b>36.46</b>

(i) *Property plant and equipment pledged as security*

Refer to Note 32 for information on property, plant and equipment pledged as security by the Company.

**Note 4: Investment properties****Completed investment properties**

	March 31, 2018	March 31, 2017
<b>A. Completed investment properties</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	255.78	255.78
Additions during the year	-	-
<b>Closing gross carrying amount (A)</b>	<b>255.78</b>	255.78
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	8.66	4.33
Impairment charged during the year	-	-
Depreciation charge during the year	4.33	4.33
<b>Closing accumulated depreciation (B)</b>	<b>12.99</b>	8.66
<b>Net carrying amount (C=A-B)</b>	<b>242.79</b>	247.12
<b>B. Investment properties under construction</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	560.91	557.01
Additions during the year	-	3.90
<b>Closing gross carrying amount (D)</b>	<b>560.91</b>	560.91
<b>Accumulated Impairment</b>		
Opening accumulated impairment	164.28	91.00
Impairment charged during the year	89.45	148.08
Impairment reversed during the year	-	(74.80)
<b>Closing accumulated impairment (E)</b>	<b>253.73</b>	164.28
<b>Net carrying amount (F=D-E)</b>	<b>307.18</b>	396.63
<b>Total (C+F)</b>	<b>549.97</b>	643.75

(i) Amount recognised in profit or loss for investment properties

	March 31, 2018	March 31, 2017
Rental Income	-	-
<b>Profit from investment properties before depreciation</b>	<b>-</b>	<b>-</b>
Impairment	89.45	73.28
Depreciation	4.33	4.33
<b>(Loss) from investment properties</b>	<b>(93.78)</b>	(77.61)

(ii) Fair value

	March 31, 2018	March 31, 2017
Completed Investment properties	284.00	276.00
Investment properties under construction	436.00	562.00

**Estimation of fair value**

The Company obtains independent valuations for its investment properties at least once a year. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment properties have been determined by independent valuers. As at March 31, 2018, the fair valuation has been performed by Gandhi & Associates. It is worked out on the basis of super area rates per sq. ft. (cost of construction, proportionate cost of land, misc. services within the group housing complex: composite rate). Cost per sq. ft. has been taken as prevalent in the market as ascertained from the various local reputed property agents. All resulting fair value estimates for investment properties are included in level 3. The same has been updated in current year towards further decline in the fair value.

**Note 5: Intangible assets**

	<b>Computer software</b>	<b>Total</b>
<b>Year ended March 31, 2017</b>		
<b>Gross carrying amount</b>		
As at April 1, 2016	14.61	14.61
Additions	-	-
<b>Closing gross carrying amount</b>	<b>14.61</b>	<b>14.61</b>
<b>Accumulated amortisation</b>		
As at April 1, 2016	3.19	3.19
Amortisation charge for the year	9.74	9.74
<b>Closing accumulated amortisation</b>	<b>12.93</b>	<b>12.93</b>
Closing net carrying amount	<b>1.68</b>	<b>1.68</b>
<b>Year ended March 31, 2017</b>		
<b>Gross carrying amount</b>		
As at April 1, 2017	14.61	14.61
Additions	-	-
<b>Closing gross carrying amount</b>	<b>14.61</b>	<b>14.61</b>
<b>Accumulated amortisation</b>		
As at April 1, 2017	12.93	12.93
Amortisation charge for the year	1.68	1.68
<b>Closing accumulated amortisation</b>	<b>14.61</b>	<b>14.61</b>
Closing net carrying amount	-	-

(i) *Significant estimate: Useful life of intangible assets*

The Company estimates the useful life of the software to be three (3) years.



**Note 6: Financial assets**

**6(a) Trade Receivables**

	March 31, 2018	March 31, 2017
Trade Receivables	1,217.29	1,327.19
Receivables from related parties	-	18.08
Less: Allowance for doubtful debts	(498.59)	(507.63)
<b>Total Receivables</b>	<b>718.70</b>	<b>837.64</b>
Current portion	718.70	837.64
Non-current portion	-	-

**Break-up of security details**

	March 31, 2018	March 31, 2017
Secured, considered good	15.43	12.20
Unsecured, considered good	703.27	825.44
Unsecured, considered doubtful	498.59	507.63
Total	1,217.29	1,345.27
Less: Allowance for doubtful debts	(498.59)	(507.63)
<b>Total trade receivables</b>	<b>718.70</b>	<b>837.64</b>

**6(b) Loans**

	March 31, 2018		March 31, 2017	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
Security deposits				
- To related party	-	-	-	9.87
- To others	5.16	-	0.58	-
<b>Total Loans</b>	<b>5.16</b>	<b>-</b>	<b>0.58</b>	<b>9.87</b>

**6(c) Cash and cash equivalents**

	March 31, 2018	March 31, 2017
Balances with banks		
- in current accounts	141.17	40.79
Cash on hand	1.54	0.52
<b>Total cash and cash equivalents</b>	<b>142.71</b>	<b>41.31</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**Note 7: Tax assets**

	March 31, 2018	March 31, 2017
<b>Advance income tax</b>		
Opening balance	24.86	85.84
Add: Taxes paid during the year	28.32	24.86
Less: Tax (refunds) received / adjusted during the year	(0.09)	(85.84)
Less: Current tax payable for the year	-	-
<b>Closing balance of Advance Tax</b>	<b>53.09</b>	<b>24.86</b>

	March 31, 2018	March 31, 2017
Non-current portion	53.09	24.86
Current portion	-	-

**Note 8: Other non-current assets**

	March 31, 2018	March 31, 2017
Receivables against exchange of services from related parties	-	518.77
Prepaid expenses	-	0.39
<b>Total other non-current assets</b>	<b>-</b>	<b>519.16</b>

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***Note 9: Inventories**

	March 31, 2018	March 31, 2017
Raw materials	168.39	157.99
<b>Total inventories</b>	<b>168.39</b>	<b>157.99</b>

**Note 10: Other current assets**

	March 31, 2018	March 31, 2017
Receivables against exchange of services		
- Related parties	413.22	488.17
- Others		
- Considered good	59.27	51.61
- Considered doubtful	5.90	-
Less: Allowances for doubtful receivables	(5.90)	-
Advances		
- Considered good	13.46	9.18
- Considered doubtful	33.79	33.79
Less: Allowances for doubtful advances	(33.79)	(33.79)
Prepaid expenses	5.42	6.06
Goods and Services Tax / Service tax receivable	48.26	10.35
<b>Total other current assets</b>	<b>539.63</b>	<b>565.37</b>

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**Note 11: Share capital and other equity****11(a) Equity share capital****Authorised equity share capital**

	Number of shares	Amount
As at April 1, 2016	1350,00,000	13,500.00
Increase during the year	-	-
<b>As at March 31, 2017</b>	<b>1350,00,000</b>	<b>13,500.00</b>
Increase during the year	420,00,000	4,200.00
<b>As at March 31, 2018</b>	<b>1770,00,000</b>	<b>17,700.00</b>

**(i) Movements in equity share capital**

Notes	Number of shares	Equity share capital (par value)
As at April 1, 2016	1290,87,016	12,908.70
Issued during the year	20,00,000	200.00
<b>As at March 31, 2017</b>	<b>1310,87,016</b>	<b>13,108.70</b>
Issued during the year	405,17,002	4,051.70
<b>As at March 31, 2018</b>	<b>1716,04,018</b>	<b>17,160.40</b>

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**(ii) Equity shares of the Company held by holding/ ultimate holding company**

	March 31, 2018	March 31, 2017
	Number of shares	Number of shares
India Today Online Private Limited (the holding company)	<b>875,33,881</b>	875,33,881
T.V. Today Network Limited (the ultimate holding company)	<b>840,70,137</b>	435,53,135

**(iii) Details of shareholders holding more than 5% equity shares in the Company**

Name of Shareholders	March 31, 2018		March 31, 2017	
	Number of shares	holding (%)	Number of shares	holding (%)
India Today Online Private Limited (the holding company)	<b>875,33,881</b>	<b>51.01%</b>	875,33,881	66.78%
T.V. Today Network Limited (the ultimate holding company)	<b>840,70,137</b>	<b>48.99%</b>	435,53,135	33.21%
<b>Total</b>	<b>1716,04,018</b>	<b>100.00%</b>	1310,87,016	100.00%

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***11(b) Reserves and surplus**

	March 31, 2018	March 31, 2017
Securities premium reserve	22,487.08	22,526.77
Retained earning	(38,939.93)	(37,794.81)
<b>Total reserves and surplus</b>	<b>(16,452.85)</b>	<b>(15,268.04)</b>

**(i) Securities premium reserve**

	March 31, 2018	March 31, 2017
Opening balance	22,526.77	22,526.77
Add: Received upon issue of equity shares	-	-
Less: Transaction cost arising on share issues*	(39.69)	-
<b>Closing balance</b>	<b>22,487.08</b>	<b>22,526.77</b>

**(ii) Retained earnings**

	March 31, 2018	March 31, 2017
Opening balance	(37,794.81)	(37,073.93)
Net (loss) for the year	(1,147.56)	(725.23)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	2.44	4.35
<b>Closing balance</b>	<b>(38,939.93)</b>	<b>(37,794.81)</b>

\* The transaction cost arising on share issue include amount of Rs. 35.64 lakhs pertaining to equity shares issued in the past years, accounted by the Company in current financial year.

**Nature and purpose of other reserves****Securities premium reserve**

Securities premium reserve is used to record the premium received upon issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

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**Mail Today Newspapers Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2018**
*(All amounts in Indian rupees in lakhs, unless otherwise stated)*
**Note 12: Financial liabilities**
**12(a) Non current borrowings**

	<b>Maturity Date*</b>	<b>Terms of repayments</b>	<b>Coupon/ Interest Rate</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Term loans from banks (Secured)</b>					
Indian rupees loan from The Ratnakar Bank Limited (RBL) - I	22-Sep-18	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	-	213.56
Indian rupees loan from The Ratnakar Bank Limited (RBL) - II	04-Sep-17	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	-	-
Indian rupees loan from Yes Bank Limited (YBL) - III	05-Aug-19	12 equal quarterly installments after moratorium of 12 months.	YBL base rate + 1%	-	165.57
Indian rupees loan from The Ratnakar Bank Limited (RBL) - IV	30-Jun-18	24 equal quarterly installments after moratorium of 3 months.	MCLR rate + 1.75	-	141.67
<b>Current maturity of long term loans (from bank)</b>					
<b>Term loans</b>					
Indian rupees loan from The Ratnakar Bank Limited - I	22-Sep-18	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	-	424.43
Indian rupees loan from The Ratnakar Bank Limited - II	04-Sep-17	14 equal quarterly installments after moratorium of 6 months.	RBL base rate+1.5%	-	142.41
Indian rupees loan from Yes Bank Limited - III	05-Aug-19	12 equal quarterly installments after moratorium of 12 months.	YBL base rate + 1%	-	163.48
Indian rupees loan from The Ratnakar Bank Limited (RBL) - IV	30-Jun-18	24 equal quarterly installments after moratorium of 3 months.	MCLR rate + 1.75	-	555.61
<b>Working capital demand loans</b>					
Indian rupees loan from Yes Bank Limited - IV		Single repayment at the end of tenor of 12 months	YBL base rate+1%	-	447.99
Indian rupees loan from RBL Bank Limited- V		Single repayment at the end of tenor of 12 months	RBL base rate +1.5%	-	444.91
<b>Total borrowings</b>				-	2,699.63
Less: current maturities of long-term debt (included in 12(d))				-	(2,178.83)
<b>Non-current borrowings</b>				-	520.80

\* The loans have been repaid in full settlement in advance by the Company as at December 6, 2017 for Yes Bank Limited and December 8, 2017 for The Ratnakar Bank Limited.

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***12 (b) Current borrowings**

	Terms of repayments	Coupon/ Interest Rate	March 31, 2018	March 31, 2017
<b>Loan repayable on demand (Secured)</b>				
<b>From banks</b>				
Bank overdrafts from Yes Bank Limited (YBL)	Repayable on demand	YBL base rate +1%	-	782.08
<b>Net Current borrowing</b>			<b>-</b>	<b>782.08</b>

**Secured borrowing and asset pledged as security**

(a) Term loan - I, II and WCDL - IV from RBL were secured by first pari passu charge by way of hypothecation on all the current assets and all the moveable fixed assets of the Company, both present and future and first pari passu charge by way of equitable mortgage on all the immoveable properties of the Company, present and future. These loans were further secured by way of unconditional and irrevocable corporate guarantee of Living Media India Limited, the ultimate holding company. The charge has been released by RBL on December 27, 2017.

(b) Term loan- III and IV, WCDL - V and bank overdraft from Yes Bank are secured by First Pari Passu charge by way of hypothecation on all the current assets and all the moveable fixed assets of the Company, both present and future and First Pari Passu by way of equitable mortgage on all the immoveable properties of the Company present and future. These loans are further secured by way of unconditional and irrevocable corporate guarantee of T.V Today Network Limited (Previous year Living Media India Limited). The Company has not drawn any amount other than the cash credit limit as of March 31, 2018.

**12(c) Trade payables**

	March 31, 2018	March 31, 2017
<b>Current</b>		
Trade payables	630.68	753.82
Trade payables to related parties	538.21	475.57
<b>Total trade payables</b>	<b>1,168.89</b>	<b>1,229.39</b>

**12(d) Other financial liabilities**

	March 31, 2018	March 31, 2017
<b>Current</b>		
Current maturities of long term debt	-	2,178.83
Security deposits from agents*	15.78	12.20
<b>Total other financial liabilities</b>	<b>15.78</b>	<b>2,191.03</b>

\*Repayable on demand carries interest @ 7% per annum.

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018**

*(All amounts in Indian rupees in lakhs, unless otherwise stated)*

**Note 13: Provisions**

	March 31, 2018	March 31, 2017
<b>Current</b>		
Provision for contingency	35.64	-
<b>Total provision for contingency</b>	<b>35.64</b>	-

**(i) Information about individual provisions and significant estimates**

## Provision for contingency

Represents provision towards penalty payable on late payment of stamp duty under provisions of Indian Stamp (Delhi Amendment) Act, 2007, as amended from time to time. The Company has during the year, applied for regularisation of dues payable on issue of equity shares in the earlier years. Pending approval from relevant authorities. Provision has been created by the Company as per best estimates available as of date of financial

**(ii) Movement in provisions**

Movement of provision during the financial year is set out below:

	Amount
<b>As at April 1, 2016</b>	-
Charged to profit or loss	-
Amount paid during the year	-
<b>As at March 31, 2017</b>	-
Charged to profit or loss	35.64
Amount paid during the year	-
<b>As at March 31, 2018</b>	<b>35.64</b>

*This space has intentionally been left blank*

**Note 14: Employee benefit obligations**

**Non - current**

	<b>March 31, 2018</b>	March 31, 2017
Leave obligations	<b>31.22</b>	25.24
Gratuity	<b>50.16</b>	46.70
<b>Total employee benefit obligations</b>	<b>81.38</b>	71.94

**Current**

	<b>March 31, 2018</b>	March 31, 2017
Leave obligations	<b>0.89</b>	0.67
Gratuity	<b>1.37</b>	0.86
<b>Total employee benefit obligations</b>	<b>2.26</b>	1.53

**(i) Leave obligations**

The leave obligations cover the Company's liability of sick and earned leave.

The amount of the provision of Rs 0.89 Lakh (March 31, 2017 Rs 0.67 Lakh) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	<b>March 31, 2018</b>	March 31, 2017
Current leave obligations expected to be settled within the next 12 months	<b>0.89</b>	0.67

**(ii) Post-employment obligations - Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**(iii) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund, Employee's State Insurance Scheme and Employee Pension Scheme for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs 41.32 Lakh (March 31, 2017 Rs 42.78 Lakh).



**Mail Today Newspapers Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2018**

*(All amounts in Indian rupees in lakhs, unless otherwise stated)*

**Balance sheet amounts - Gratuity**

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

	<b>Present value of obligation</b>
<b>As at April 1, 2016</b>	<b>50.80</b>
Current service cost	4.09
Interest expense/(income)	9.98
<b>Total amount recognised in profit or loss</b>	<b>14.07</b>
<i>Remeasurements:</i>	
Return on plan assets, excluding amounts included in	-
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	2.29
Experience (gains)/losses	(6.65)
<b>Total amount recognised in other comprehensive</b>	<b>(4.36)</b>
Employer contributions	
Plan participants	
Benefit paid	(12.95)
<b>March 31, 2017</b>	<b>47.56</b>

	<b>Present value of obligation</b>
<b>As at April 1, 2017</b>	<b>47.56</b>
Current service cost	9.31
Interest expense/(income)	3.59
<b>Total amount recognised in profit or loss</b>	<b>12.90</b>
<i>Remeasurements:</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(3.83)
Experience (gains)/losses	1.39
<b>Total amount recognised in other comprehensive</b>	<b>(2.44)</b>
Employer contributions	
Benefit paid	(6.49)
<b>March 31, 2018</b>	<b>51.53</b>

The net liability disclosed above relates to funded plan is as follows:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Present value of the obligations	51.53	47.56
Fair value of plan assets	-	-
Unfunded liability in balance sheet	(51.53)	(47.56)
Unfunded liability recognised in balance sheet	<b>(51.53)</b>	<b>(47.56)</b>

**(iv) Post Employment benefits (Gratuity)**

*Significant estimates: actuarial assumptions and sensitivity*

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Discount rate	7.73%	7.54%
Salary growth rate	5.00%	5.50%
Average age (years)	39.37	38.59
Average past services (years)	5.11	4.42
Average remaining working lives of	18.63	19.41

**(v) Sensitivity analysis**

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

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**I. Changes in defined benefit obligation due to change in discount Rate, if all other assumptions remain constant.**

	March 31, 2018	March 31, 2017
Present value of obligation at the end of the year	51.53	47.56
Impact due to increase of 0.50%	(2.55)	(2.56)
Impact due to decrease of 0.50%	2.74	2.76

**II. Changes in defined benefit obligation due to change in salary growth rate, if all other assumptions remain constant.**

	March 31, 2018	March 31, 2017
Present value of obligation at the end of the year	51.53	47.56
Impact due to increase of 0.50%	2.81	2.80
Impact due to decrease of 0.50%	(2.63)	(2.62)

**(vi) Risk exposure**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- a) Salary increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Discount rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- c) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- d) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**(vii) Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 15.07 years (2017: 15.77 years).

The expected maturity analysis of gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2018</b>					
Defined benefit obligation gratuity	1.37	0.72	2.58	46.86	51.53
<b>Total</b>	<b>1.37</b>	<b>0.72</b>	<b>2.58</b>	<b>46.86</b>	<b>51.53</b>
<b>March 31, 2017</b>					
Defined benefit obligation gratuity	0.86	0.67	2.58	43.45	47.56
<b>Total</b>	<b>0.86</b>	<b>0.67</b>	<b>2.58</b>	<b>43.45</b>	<b>47.56</b>

**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***Note 15: Other current liabilities**

	<b>March 31, 2018</b>	March 31, 2017
Unearned revenue	<b>70.26</b>	96.13
Advances from customers	<b>95.92</b>	85.39
Tax deducted at source payable	<b>33.08</b>	28.86
Provident fund payable	<b>3.30</b>	-
Employees state insurance payable	<b>0.05</b>	-
Service tax payable	-	0.13
<b>Total</b>	<b>202.61</b>	210.51

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**Mail Today Newspapers Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***Note 16: Revenue from operations**

The Company derives the following types of revenue:

	March 31, 2018	March 31, 2017
Sale of publications	519.39	507.00
Advertisement and related income	2,301.56	2,422.54
Revenue from exchange of services - Advertisement income	215.85	673.25
Other operating revenue:		
Scrap sales	8.73	5.33
<b>Total revenue</b>	<b>3,045.53</b>	<b>3,608.12</b>

**Note 17: Other income and other gains/(losses)****(a) Other income**

	March 31, 2018	March 31, 2017
Interest income from financial assets at amortised cost	-	0.57
Interest income on income tax	-	8.19
Unclaimed balances written back (net)	146.49	96.89
Miscellaneous income	16.08	13.91
<b>Total other income</b>	<b>162.57</b>	<b>119.56</b>

**(b) Other gains/(losses)**

	Notes	March 31, 2018	March 31, 2017
(Loss) / gain on disposal of property, plant and equipment	3	0.20	(0.06)
Net foreign exchange gain		0.55	3.03
<b>Total other gains/ (losses)</b>		<b>0.75</b>	<b>2.97</b>

**Note 18. Cost of materials consumed**

	March 31, 2018	March 31, 2017
Inventory at the beginning of the year	157.99	142.61
Add : purchases	291.86	324.14
Less : sale of damaged newsprint	2.09	1.56
Less : Inventory at the end of the year	168.39	157.99
<b>Total cost of material consumed</b>	<b>279.37</b>	<b>307.20</b>

**Note 19: Employee benefit expenses**

	Notes	March 31, 2018	March 31, 2017
Salaries, wages and bonus		923.07	980.68
Contribution to provident fund		41.32	42.78
Gratuity	13	12.90	14.07
Staff welfare expenses		16.35	15.99
<b>Total employee benefit expense</b>		<b>993.64</b>	<b>1,053.52</b>

**Note 20: Depreciation and amortisation expense**

	Notes	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment	3	9.24	22.67
Depreciation on investment property	4	4.33	4.33
Amortisation of intangible assets	5	1.68	9.74
<b>Total depreciation and amortisation expense</b>		<b>15.25</b>	<b>36.74</b>

**Mail Today Newspapers Private Limited**
**Notes forming part of the financial statements for the year ended March 31, 2018**
*(All amounts in Indian rupees in lakhs, unless otherwise stated)*
**Note 21: Other expenses**

	March 31, 2018	March 31, 2017
Printing and service charges	616.61	640.98
News services and dispatches	178.05	200.68
Power and fuel	29.01	35.62
Rate and Taxes	73.44	-
Freight and forwarding charges	85.02	89.33
Rental charges	49.12	98.94
Insurance	9.81	9.32
Repairs and maintenance:		
Plant and machinery	13.01	11.50
Others	5.00	8.75
Advertising and sales promotion	1,093.45	828.58
Travelling expenses	109.76	117.30
Communication costs	18.57	24.20
Car hire charges	42.16	39.23
Housekeeping	0.71	1.48
Courier expenses	1.72	1.65
Printing and stationery	1.67	2.04
Legal and professional fees	138.51	135.40
Guard services	4.01	4.98
Newspapers and periodicals	2.48	2.36
Payment to auditors (Refer note 21(a) below)	4.30	4.91
Business promotion	30.70	34.74
Allowance for doubtful debts and advances	167.44	228.43
Impairment on investment property under construction	89.45	73.28
Bad debts written off	170.58	66.52
Less: Adjusted with provision for doubtful debts and advances	(170.58)	(64.90)
Donation expenses	0.06	0.06
Miscellaneous expenses	11.43	12.54
<b>Total other expenses</b>	<b>2,775.49</b>	<b>2,607.92</b>

**Note 21 (a): Details of payments to auditors**

	March 31, 2018	March 31, 2017
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	2.75	2.30
Tax audit fee	1.00	1.15
<b>In other capacities:</b>		
Certification fees etc.	0.30	0.75
Reimbursement of expenses	0.25	0.71
<b>Total payments to auditors</b>	<b>4.30</b>	<b>4.91</b>

**Note 22: Finance costs**

	March 31, 2018	March 31, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	264.27	437.84
Other borrowing costs	28.39	12.66
<b>Total finance costs</b>	<b>292.66</b>	<b>450.50</b>

**Note 22: Income tax expense**

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	March 31, 2018	March 31, 2017
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense</b>	-	-

**(b) Significant estimates**

In calculating the income tax for the year, the Company has treated leave encashment expenditure as being deductible for tax purposes. The Company has relied upon the ruling of Hon'ble Supreme Court in the case of Bharat Earthmovers Vs. CIT.

**(c) Reconciliation of tax expenses and the accounting (loss) multiplied by India's tax rates:**

	March 31, 2018	March 31, 2017
(Loss) before income tax expense	(1,147.56)	(725.23)
<b>Tax at the Indian tax rate of 25.75% (2016-2017 30.90%)</b>	<b>(295.50)</b>	<b>(224.10)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
TDS written off	-	1.00
Interest on late payment of TDS	0.02	0.01
Donation debited in Profit & Loss Account	0.02	0.02
Tax losses expired during the year	1,278.83	2,319.56
Tax effect of tax losses for which no deferred income tax was recognised	(1,020.39)	(2,213.67)
Tax effect of deductible temporary differences for which no deferred income tax was recognised	37.02	117.18
<b>Income tax expense</b>	-	-

**(d) Tax losses**

	March 31, 2018	March 31, 2017
Unused tax losses	20,301.01	24,263.70
Potential tax benefit @ 25.75% (2016-17 30.90%)	5,227.51	7,497.48

These unused tax losses are available for offsetting for eight years against near future of the companies in which the loss arose and the same will expire as follow:

Year of expiry	March 31, 2018	March 31, 2017
2016-17	-	-
2017-18	-	-
2018-19	-	4,966.32
2019-20	6,986.44	6,986.44
2020-21	5,156.86	5,156.86
2021-22	2,807.80	2,807.80
2022-23	1,679.66	1,679.66
2023-24	2,099.04	2,099.04
2024-25	224.88	224.88
2025-26	342.70	342.70
2026-27	1,003.63	Not Applicable
<b>Total</b>	<b>20,301.01</b>	<b>24,263.70</b>

**(e) Unabsorbed Depreciation**

	March 31, 2018	March 31, 2017
Unabsorbed Depreciation	739.23	729.34
Potential tax benefit @ 25.75% (2016-17 30.90%)	190.35	225.37

These unabsorbed depreciation are available for offsetting and can be carried forward indefinitely and have no expiry date.

**(e) Unrecognised temporary differences**

	March 31, 2018	March 31, 2017
Deductible temporary differences other than impairment of investment properties	1,076.68	1,032.58
Potential tax benefit @ 25.75% (2016-17 30.90%) (A)	277.25	319.07
Deductible temporary differences on impairment of investment properties	253.73	166.38
Potential tax benefit @ 20.60% (2016-17 20.60%)	52.27	34.27
Re-instated potential tax benefit on impairment of investment properties @ 25.75% (2016-17 30.90%) (B)	65.34	51.41
<b>Total benefit on deductible temporary difference @ 25.75% (2016-17 30.90%) (A+B)</b>	<b>342.59</b>	<b>370.47</b>

Deferred tax assets have not been recognised in respect of the losses, unabsorbed depreciation and deductible temporary differences, since, the Company has been loss making from some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognise all unrecognised deferred tax assets, the total equity as at March 31, 2018 will increase by Rs. 5,760.45 Lakhs (March 31, 2017 Rs. 8,093.32 Lakhs).

## Note 23: Fair value measurements

## Financial instruments by category

	March 31, 2018	March 31, 2017
	Amortisation Cost	Amortisation Cost
<i>Financial assets</i>		
Trade receivables	718.70	837.64
Security deposits	5.16	10.45
Cash and cash equivalents	142.71	41.31
<b>Total financial assets</b>	<b>866.57</b>	<b>889.40</b>
<i>Financial liabilities</i>		
Borrowings	-	3,481.71
Trade payables	1,168.89	1,229.39
Security deposits from agents	15.78	12.20
<b>Total financial liabilities</b>	<b>1,184.67</b>	<b>4,723.30</b>

## (i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2018</b>					
<b>Financial assets</b>					
Security deposits	6(b)	-	-	5.16	5.16
<b>Total financial assets</b>		-	-	<b>5.16</b>	<b>5.16</b>
<b>Financial Liabilities</b>					
Borrowings	12(a)	-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>5.16</b>	<b>5.16</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2017</b>					
<b>Financial assets</b>					
Security deposits	6(b)	-	-	10.45	10.45
<b>Total financial assets</b>		-	-	<b>10.45</b>	<b>10.45</b>
<b>Financial Liabilities</b>					
Borrowings	12(a)	-	-	3,515.41	3,515.41
<b>Total financial liabilities</b>		-	-	<b>3,515.41</b>	<b>3,515.41</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***(ii) Valuation technique**

Valuation technique used to determine fair value of Security deposit given and borrowings is based on discounted cash flow analysis. These valuations are included under level 3, since the fair values have been determined based on present values and the discount rates, which were adjusted for counterparty or own credit risk.

**(iii) Valuation processes:**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes. This team reports directly to the Board of Directors. Discussion of valuation processes and results are held between the Board of Directors and Valuation team at least once in line with the Company's reporting periods.

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

	March 31, 2018		March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Security deposits	5.16	5.16	10.45	10.45
<b>Total financial assets</b>	<b>5.16</b>	<b>5.16</b>	10.45	10.45
<b>Financial liabilities</b>				
Borrowings	-	-	3,481.71	3,515.41
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	3,481.71	3,515.41

The carrying amounts of trade receivables, cash and cash equivalents, trade payables, book overdraft and security deposit received are considered to be the same as their fair values, due to their short-term nature.

The Fair value of non- current borrowings are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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**Note 24: Financial risk management**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk team that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

**Trade receivables**

Customer credit risk is managed on the basis of Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating, credit limits and credit terms as per internal assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6(a). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**(i) Expected credit loss for trade receivables under simplified approach****Year ended March 31, 2018:**

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than3 years	Total
Gross carrying amount	121.34	332.42	255.79	123.33	99.96	131.65	152.81	1,217.29
Expected loss rate	0%	5%	26%	46%	81%	90%	100%	
Expected credit losses (Loss allowance provision)	-	17.99	66.86	61.39	80.80	118.74	152.81	498.59
<b>Carrying amount of trade receivables (net of impairment)</b>	121.34	314.42	188.93	61.93	19.16	12.91	-	718.70

**Year ended March 31, 2017:**

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	114.46	313.58	190.88	206.48	182.77	104.97	232.13	1,345.27
Expected loss rate	0%	4%	20%	35%	62%	72%	84%	
Expected credit losses (Loss allowance provision)	-	12.99	38.18	72.99	113.05	75.15	195.27	507.63
<b>Carrying amount of trade receivables (net of impairment)</b>	114.46	300.59	152.70	133.49	69.72	29.82	36.86	837.64

The gross carrying amount of trade receivables is Rs. 1,217.29 Lakhs (March 31, 2017 Rs 1,345.27 Lakhs).

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in Note 6(b).

*(ii) Expected credit loss for loans, security deposits and other financial assets.*

**As at March 31, 2018:**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Security deposits	5.16	0.00%	-	5.16

**As at March 31, 2017:**

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses.	Financial assets for which credit risk has not increased significantly since initial recognition.	Security deposits	10.45	0.00%	-	10.45

*(iii) Reconciliation of loss allowance provision : Trade receivables*

Reconciliation of loss allowance	Life-time expected credit
Loss allowance on April 1, 2016	344.10
Amounts written off	(64.90)
Changes in loss allowance	228.43
Loss allowance on March 31, 2017	507.63
Amounts written off	(170.58)
Changes in loss allowance	161.54
Loss allowance on March 31, 2018	498.59

**Significant estimates and judgments**

**Impairment of financial assets**

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the management. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet cash requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	<b>March 31, 2018</b>	March 31, 2017
Floating rate -Expiring within one year (bank overdraft and other facilities)	<b>2,000.00</b>	984.59
<b>Total</b>	<b>2,000.00</b>	984.59

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity of one year and are renewable at the end of term.

**(ii) Maturities of financial liabilities**

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>Contractual maturities of financial liabilities</b>	<b>Repayable on demand</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>between 1 and 2 year</b>	<b>between 2 and 5 year</b>	<b>Total</b>
<b>March 31, 2018</b>							
Borrowings	-	-	-	-	-	-	-
Trade payables	-	<b>1,168.89</b>	-	-	-	-	<b>1,168.89</b>
Other financial liabilities	<b>15.78</b>	-	-	-	-	-	<b>15.78</b>
<b>Total financial liabilities</b>	<b>15.78</b>	<b>1,168.89</b>	-	-	-	-	<b>1,184.67</b>

<b>Contractual maturities of financial liabilities</b>	<b>Repayable on demand</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>between 1 and 2 year</b>	<b>between 2 and 5 year</b>	<b>Total</b>
<b>March 31, 2017</b>							
Borrowings*	748.37	363.10	854.76	991.67	523.81	-	3,481.71
Trade payables	-	1,229.39	-	-	-	-	1,229.39
Other financial liabilities	12.20	-	-	-	-	-	12.20
<b>Total financial liabilities</b>	<b>760.57</b>	<b>1,592.49</b>	<b>854.76</b>	<b>991.67</b>	<b>523.81</b>	<b>-</b>	<b>4,723.30</b>

\* The loans have been repaid in full settlement in advance by the Company as at December 6, 2017 for Yes Bank Limited and December 8, 2017 for The Ratnakar Bank Limited.

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**(C) Market risk**

**(i) Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the GBP and USD. Foreign exchange risk arises from foreign commercial transactions that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

**(a) Foreign currency risk exposure:**

The Company exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	March 31, 2018		March 31, 2017	
	USD	GBP	USD	GBP
<b>Financial liabilities</b>				
Trade payable	126.06	-	0.30	8.20

**(b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 5%	(6.30)	(0.02)
INR/USD - Decrease by 5%	6.30	0.02
GBP Sensitivity		
INR/GBP - Increase by 5%	-	(0.41)
INR/GBP - Decrease by 5%	-	0.41

**(ii) Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term and long term debt obligations with floating interest rates.

**(a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2018	March 31, 2017
Variable rate borrowings	-	3,481.71
<b>Total borrowings</b>	-	3,481.71

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates:

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates - increase by 50 basis points	(10.33)	(18.25)
Interest rates - decrease by 50 basis points	10.33	18.74

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**Note 25: Capital management**

**Risk management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings (including current maturities) cash and cash net of cash and cash equivalents) divided by Total "equity" (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ratio within 30%. The gearing ratios were as follows:

	<b>March 31, 2018</b>	March 31, 2017
Net debt	<b>(142.71)</b>	3,440.40
Total equity	<b>707.55</b>	(2,159.34)
Net debt to equity ratio	<b>Nil</b>	-159%

The loans have been repaid in full settlement in advance by the Company as at December 6, 2017 for Yes Bank Limited and December 8, 2017 for The Ratnakar Bank Limited. Accordingly loan covenants disclosures have not been provided.

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**Note 26: Segment information**

**(a) Description of segments and principal activities**

The Company's Board of Directors and the manager for corporate planning, examines the Company's performance from a service line perspective and has identified two reportable segments of its business:

- Advertisement from newspapers
- Advertisement from events

The Company's board of directors and managers primarily uses a measure of adjusted earning before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, they also receives information about the segments revenue and assets on monthly basis.

**(b) Adjusted EBITDA**

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings.

Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company.

	March 31, 2018	March 31, 2017
Advertisement from newspapers	(971.41)	(570.21)
Advertisement from events	131.76	323.46
<b>Total adjusted EBITDA</b>	<b>(839.65)</b>	<b>(246.75)</b>

**Adjusted EBITDA reconciles to profit before income tax as follows:**

	Notes	March 31, 2018	March 31, 2017
Total adjusted EBITDA		(839.65)	(246.75)
Finance costs	21	(292.66)	(450.50)
Depreciation and amortisation expense	19	(15.25)	(36.74)
Interest income	16(a)	-	8.76
<b>(Loss) before income tax</b>		<b>(1,147.56)</b>	<b>(725.23)</b>

**(c) Segment revenue**

There is no inter segments transactions. The revenue is from external customers only. The segment revenue is measured in the same way as in the statement of profit or loss.

	March 31, 2018	March 31, 2017
Advertisement from newspapers	2,616.32	3,099.68
Advertisement from events	429.21	508.44
<b>Total segment revenue</b>	<b>3,045.53</b>	<b>3,608.12</b>

**(d) Segment assets**

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment:

	March 31, 2018		March 31, 2017	
	Segment Assets	Additions to non current assets*	Segment Assets	Additions to non current assets*
Advertisement from newspapers	1,399.61	-	1,957.21	-
Advertisement from events	68.73	-	180.81	-
<b>Total segment assets</b>	<b>1,468.34</b>	<b>-</b>	<b>2,138.02</b>	<b>-</b>
Unallocated:			-	-
Investment properties	549.97	-	643.75	3.90
Cash and cash equivalents	142.71	-	41.31	-
Tax asset	53.09	-	24.86	-
<b>Total assets as per the balance sheet</b>	<b>2,214.11</b>	<b>-</b>	<b>2,847.94</b>	<b>3.90</b>

\* Other than financial assets

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018****(e) Segment liabilities**

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. The Company's borrowings are not considered to be segment liabilities, but are managed by the treasury function.

	<b>March 31, 2018</b>	March 31, 2017
Advertisement from Newspapers	<b>1,438.78</b>	1,478.82
Advertisement from events	<b>67.78</b>	46.75
<b>Total segment liabilities</b>	<b>1,506.56</b>	1,525.57
<u>Unallocated:</u>		
Borrowings	-	1,302.88
Current maturities of long term debt	-	2,178.83
<b>Total liabilities as per the balance sheet</b>	<b>1,506.56</b>	5,007.28

*This space has intentionally been left blank*

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***Note 27: Related party transactions****(a) Parent entities**

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			March 31, 2018	March 31, 2017
India Today Online Private Limited	Parent company	India	51.01%	66.78%
T.V. Today Network Limited	Senior parent company	India	48.99%	33.22%
Living Media India Limited	Parent company of T.V. Today Network Limited	India	0.00%	0.00%

**(b) Key management personnel compensation****Transaction with Key Management Personnel**

	March 31, 2018	March 31, 2017
Short-term employee benefits	<b>139.01</b>	113.69
Long-term employee benefits	-	-
Post-employment benefits	-	-
<b>Total</b>	<b>139.01</b>	<b>113.69</b>

The gratuity, leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity, leave liability for Key management personnel can not be ascertained separately, except for the amount actually paid.

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**Mail Today Newspaper Private Limited**

**Notes forming part of the financial statements for the year ended March 31, 2018**

*(All amounts in Indian rupees in lakhs, unless otherwise stated)*

**(c) Transactions with related parties**

*The following transaction incurred with related parties*

	March 31, 2018	March 31, 2017
<i>Sale and purchase of services</i>		
Purchase of advertisement space / material:		
Living Media India Limited	749.89	384.87
T.V. Today Network Limited	54.15	-
Fellow subsidiaries	-	45.86
Enterprise having significant influence over the Company	0.50	0.48
Advertisement income		
Living Media India Limited	181.50	597.19
T.V. Today Network Limited	11.08	-
Fellow subsidiary	-	29.71
Subscriptions for new equity shares by parent entity		
T.V. Today Network Limited	4,051.70	-
India Today Online Private Limited	-	200.00
Printing and service charges		
Enterprise having significant influence over the Company	0.04	6.72
Printing and stationery		
Enterprise having significant influence over the Company	0.19	0.27
Rent charged by related parties for use of common facilities / utilities:		
T.V. Today Network Limited	31.65	1.51
Fellow subsidiary	-	30.62
Miscellaneous reimbursement of expenses to related parties:		
Living Media India Limited	17.11	62.98
T.V. Today Network Limited	29.35	1.34
Fellow subsidiaries	-	33.27
Enterprise having significant influence over the Company	1.02	1.21

**(d) Outstanding balances arising from sales/purchases of services.**

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

<b>Trade payables:</b>	March 31, 2018	March 31, 2017
Living Media India Limited	187.20	199.27
T.V. Today Network Limited	349.28	268.11
Enterprise having significant influence over the Company	1.73	8.19
<b>Total payables to related parties (note 12(c))</b>	<b>538.21</b>	<b>475.57</b>

<b>Trade receivables:</b>	March 31, 2018	March 31, 2017
Living Media India Limited	-	3.67
T.V. Today Network Limited	-	13.99
Enterprise having significant influence over the Company	-	0.42
<b>Total receivables from related parties (note 6(a))</b>	<b>-</b>	<b>18.08</b>

<b>Receivables against exchange of services</b>	March 31, 2018	March 31, 2017
Living Media India Limited	280.26	852.59
T.V. Today Network Limited	132.96	154.35
<b>Total receivables against exchange of services (note 8 and 10)</b>	<b>413.22</b>	<b>1,006.94</b>

**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)*

<b>Other current assets - advances</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Living Media India Limited	<b>0.26</b>	0.61
Enterprise having significant influence over the Company	-	0.01
<b>Total other current assets - advances</b>	<b>0.26</b>	0.62

<b>Advance from customers</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
T.V. Today Network Limited	-	2.93
<b>Total advances received</b>	-	2.93

**(e) Terms and conditions**

The sales to, purchases and other related party transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil). This assessments is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Commitment with related parties**

There have been no guarantees provided or received for any related party receivables or payables except for the unconditional and irrevocable corporate guarantee provided by T.V. Today Network Limited (Previous Year : Living Media India Limited) towards borrowings of the Company.

*This space has intentionally been left blank*

**Note 28: Earnings per share**

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
(a) Basic and diluted earnings per share attributable to the equity holders of the Company	<b>(0.56)</b>	(0.55)
(Loss) attributable to the equity holders of the Company used in calculating basic and diluted earnings per share	<b>(1,147.56)</b>	(725.23)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. of shares)	<b>1492,07,135</b>	1307,52,769

**Note 29:****Operating leases**

a) The Company has taken various offices premises under operating lease agreements. These are generally renewable at the option of the Company.

b) There are no properties under non cancellable leases, where the Company is carrying commercial operations.

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Lease rental payment for the year recognised in statement of profit and loss	<b>49.12</b>	98.94

**Note 30: Details of dues to Micro and Small Enterprises**

a) Based on the information available with the Company, there are no dues to Micro, Small & Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

b) there was neither any interest payable nor paid to any supplier under the aforesaid Act and similarly there is no such amount remaining unpaid.

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**Mail Today Newspaper Private Limited****Notes forming part of the financial statements for the year ended March 31, 2018***(All amounts in Indian rupees in lakhs, unless otherwise stated)***Note 31: Assets pledged as security**

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

	<b>Notes</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Current</b>			
<i>First charge</i>			
<b>Financial assets</b>			
Trade receivables	6(a)	<b>718.70</b>	837.64
Cash and cash equivalent	6(c)	<b>142.71</b>	41.31
Loans	6(b)	<b>5.16</b>	0.58
<b>Non-financial assets</b>			
Inventories	9	<b>168.39</b>	157.99
Tax assets	10	-	-
Other assets	10	<b>539.63</b>	565.37
<b>Total current assets pledged as security</b>		<b>1,574.59</b>	1,602.89
<b>Non-current</b>			
<i>First charge</i>			
Property, plant and equipment	3	<b>36.46</b>	45.73
<b>Total non-current assets pledged as security</b>		<b>89.55</b>	599.62
<b>Total assets pledged as security</b>		<b>1,664.14</b>	2,202.51

**Note 32: Contingent Liabilities**

The Company has contingent liabilities at March 31, 2018 in respect of:

	March 31, 2018	March 31, 2017
(i) Claims against the Company not acknowledged as debts	-	-
(ii) Other Matters	-	-
(iii) The Company has received legal notices of claims / lawsuits filed against it in respect of programs aired on its television channels. In the opinion of the management, no liability is likely to arise on account of such claims / lawsuits.		

**Note 33: Capital commitments**

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

	March 31, 2018	March 31, 2017
Property, plant and equipment	-	-
Intangible assets	-	-

**Note 34:** During the year, the Company has accounted for share issue expenses amounting to Rs. 39.69 Lakhs including Rs. 35.64 Lakhs towards shares issued in earlier years. The same has been adjusted from Securities Premium Account. Further, owing to delay in filing with the regulatory authorities, the Company has accounted for a penalty amounting to Rs. 35.64 Lakhs (included under Rates and Taxes in Note 21) on best estimate basis disclosed under Note 13 : Provisions.

**Note 35:** The Board of Directors of the Company at its meeting held on December 15, 2017 had approved the proposal for merger of Newspaper Publishing Business of the Company with T.V. Today Network Limited pursuant to a Composite Scheme of Arrangement and Amalgamation (" the Scheme"). The Scheme also provides for merger of India Today Online Private Limited with T.V. Today Network Limited. The appointed date for the demerger and merger under the Scheme is January 01, 2017. The Scheme is subject to various regulatory and other required approvals and is therefore not considered as highly probable transaction. Pending such approvals, no effect of the proposed Scheme has been given in the financial statements of the Company.

**Note 36:** The Company has accumulated Good and Services Tax input tax credit ("GST") aggregating to Rs. 48.26 Lakhs as at March 31, 2018 as appearing in Note 10 of Other Current Assets due to inverted duty structure. The management has derived mechanism/alternate mechanism for utilisation of the aforesaid accumulated GST credit as going concern basis over a reasonable period of time. Accordingly, no provision has been made by the Company on the accumulated GST credit balance.

Note 37: Previous year figures have been regrouped or restated wherever considered necessary.

For KM & CO  
Firm Registration Number : 024883N  
Chartered Accountants

For and on behalf of the Board of Directors of Mail Today  
Newspapers Private Limited

per Kapil Mittal  
Partner  
Membership No. 502221

Rajender Kumar Mangla  
Director  
DIN : 06699673

Aroon Purie  
Director  
DIN: 00002794

Manmohan Kandpal  
Company Secretary  
Membership No. 28183

Neeraj Soni  
Chief Financial Officer  
PAN: AWYPS9532K

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**G Anand & Associates**  
Chartered Accountants  
3523/16, Shri Balaji Market,  
Gali Hakim Baqa, Chawri Bazar,  
Delhi-110006.  
Ph. No. 9711464340

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF India Today Online Private Limited

### **Report on the Ind AS Separate Financial Statements**

We have audited the accompanying Ind AS Separate financial statements of India Today Online Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of profit and loss, including the Statement of other comprehensive income, the Cash flow statement and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Separate financial statements that give a true and fair view of the financial position, profit or loss (financial performance including other comprehensive income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended]. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Separate financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS Separate financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of these Ind AS Separate financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Separate financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind As Separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Separate financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Separate financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Separate financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of profit and loss including the Statement of other comprehensive income, the Cash flow statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
  - (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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position significantly;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For G Anand & Associates**  
Chartered Accountants  
Firm Registration Number: 021090N

Place: New Delhi  
Dated: 22/05/2018

**Gopal Krishan Anand**  
Proprietor  
Membership number: 092280



### **Annexure-A to the Independent Auditor's Report**

The Annexure referred in our Independent Auditor's Report to the members of the Company on the Separate financial statements for the year ended 31<sup>st</sup> March, 2018, we report that: -

- i) The Company does not have any tangible or intangible fixed assets therefore the provisions of clause I (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- ii) The company does not have any stock of finished goods, spare parts and raw material throughout the year therefore the provisions of clause ii of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) The Company has not given any loan to any of the directors or any other person in whom the director is interested or given any guarantee or security which requires the provisions of the section 185 and 186 of the Companies Act 2013 to comply with. In respect of Investments made, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted deposits from public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) As per information and explanation given to us by the management, the Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii) (a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance fund, Income Tax and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2018.  
  
(b) According to the information and explanations given to us and records of the company examined by us, in our opinion there are no dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute.
- viii) The Company has not obtained any loans or borrowing from any financial institution, bank or Government. Also the company does not have any debenture holder.
- ix) The Company has not raised any Initial Public Offer or further Public Offer and not obtained any term loan.

- x) Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the company or any fraud on the company by its offices or employees that have been noticed or reported during the year nor have we been informed of such a case by the management.
- xi) No Managerial remuneration has been paid or provided by the company.
- xii) The Company is not a Nidhi company.
- xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or partly or fully convertible debenture during the year under review.
- xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him as covered by section 192 of the Companies Act, 2013.
- xvi) The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

**For G Anand & Associates**  
Chartered Accountants  
Firm Registration Number: 021090N

Place: New Delhi  
Dated: 22/05/2018

**Gopal Krishan Anand**  
Proprietor  
Membership number: 092280

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

### **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 India Today Online Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Separate financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management 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 Internal Financial Controls Over Financial Reporting (**IFCOFR**) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 G Anand & Associates**  
Chartered Accountants  
Firm Registration Number: 021090N

Place: New Delhi  
Dated: 22/05/2018

**Gopal Krishan Anand**  
Proprietor  
Membership number: 092280

**India Today Online Private Limited**  
**Separate Balance sheet as at March 31, 2018**

	Notes	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investment in subsidiary	3	2,503.47	2,503.47
<b>Total non-current assets</b>		<b>2,503.47</b>	<b>2,503.47</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	4	0.71	0.87
Other current assets	5	254.99	18.70
<b>Total current assets</b>		<b>255.70</b>	<b>19.57</b>
<b>Total assets</b>		<b>2,759.17</b>	<b>2,523.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6(a)	9,480.74	9,480.74
<b>Other equity</b>			
Reserves and surplus	6(b)	(6,982.43)	(6,977.21)
<b>Total equity</b>		<b>2,498.31</b>	<b>2,503.53</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	7(a)	260.00	-
ii. Trade payables	7(b)	0.64	0.81
iii. Other financial liabilities	7(c)	0.20	-
Current tax liabilities	8	-	-
Other current liabilities	9	0.02	18.70
<b>Total current liabilities</b>		<b>260.86</b>	<b>19.51</b>
<b>Total liabilities</b>		<b>260.86</b>	<b>19.51</b>
<b>Total equity and liabilities</b>		<b>2,759.17</b>	<b>2,523.04</b>

The accompanying notes are an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

For G. Anand & Associates  
Firm Registration Number : 021090N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Rajender Kumar Mangla  
Director  
DIN: 06699673

Dinesh Kumar Sehgal  
Director  
DIN: 07331298

per Gopal Krishan Anand  
Proprietor  
Membership No. 092280  
Place : New Delhi  
Date : 22/05/2018

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Deepa Baneshi  
Company Secretary  
PAN No. AKIPB3762E

**India Today Online Private Limited**  
**Separate Statement of profit and loss for the year ended March 31, 2018**

	Notes	Year ended March 31, 2018 (Rs. in lacs)	Year ended March 31, 2017 (Rs. in lacs)
Revenue from operations		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Employee benefits expense	10	0.92	0.80
Other expenses	11	1.47	16.59
Finance costs	12	2.83	186.95
<b>Total expenses</b>		<b>5.22</b>	<b>204.34</b>
<b>Income/(Loss) before exceptional items and tax</b>		<b>(5.22)</b>	<b>(204.34)</b>
Exceptional items	13	-	348.08
<b>Income/(Loss) before tax</b>		<b>(5.22)</b>	<b>(552.42)</b>
Income tax expense	14		
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive Income/(Loss) for the year</b>		<b>(5.22)</b>	<b>(552.42)</b>
<b>Earning per equity share</b>			
Basic and diluted earning per share (in Rupees)	19	(0.01)	(0.74)

The accompanying notes are an integral part of these financial statements.  
This is the statement of profit and loss referred to in our report of even date.

For G. Anand & Associates  
Firm Registration Number : 021090N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Rajender Kumar Mangla  
Director  
DIN: 06699673

Dinesh Kumar Sehgal  
Director  
DIN: 07331298

per Gopal Krishan Anand  
Proprietor  
Membership No. 092280  
Place : New Delhi  
Date : 22/05/2018

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Deepa Baneshi  
Company Secretary  
PAN No. AKIPB3762E

**India Today Online Private Limited**

**Separate Statement of changes in equity for the year ended March 31, 2018**

**A Equity share capital**

Particulars	Notes	(Rs. in lacs)
As at March 31, 2017	6(a)	9,480.74
Changes in equity share capital		-
<b>As at March 31, 2018</b>		<b>9,480.74</b>

**B Other equity {refer note 6(b)}**

Particulars	Reserves and surplus		Total
	Securities premium reserve	Retained earnings	
<b>Balance at March 31, 2017</b>	<b>14,973.49</b>	<b>(21,950.70)</b>	<b>(6,977.21)</b>
Total comprehensive Income/(Loss) for the year	-	(5.22)	(5.22)
Less: Transactions costs arising on share issues	-	-	-
<b>Balance at March 31, 2018</b>	<b>14,973.49</b>	<b>(21,955.92)</b>	<b>(6,982.43)</b>

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

This is the statement of changes in equity referred to in our report of even date.

For G. Anand & Associates  
Firm Registration Number : 021090N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Rajender Kumar Mangla  
Director  
DIN: 06699673

Dinesh Kumar Sehgal  
Director  
DIN: 07331298

per Gopal Krishan Anand  
Proprietor  
Membership No. 092280  
Place : New Delhi  
Date : 22/05/2018

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Deepa Baneshi  
Company Secretary  
PAN No. AKIPB3762E

**India Today Online Private Limited**

**Separate Statement of cash flow for the year ended March 31, 2018**

	Notes	Year ended March 31, 2018 (Rs. in lacs)	Year ended March 31, 2017 (Rs. in lacs)
<b>Cash flow from operating activities</b>			
Income/(Loss) for the year		(5.22)	(552.42)
Adjustments for			
Impairment of investment in subsidiary	13	-	348.08
Finance cost	12	2.83	186.95
<b>Changes in operating assets and liabilities</b>			
(Decrease)/Increase in trade payables	7(b)	(0.17)	(99.84)
(Decrease)/Increase in other current liabilities	9	(18.68)	6.50
<b>Cash generated from operations</b>		<b>(21.24)</b>	<b>(110.73)</b>
Income tax paid	8	254.99	-
<b>Net cash inflow from operating activities</b>		<b>(276.23)</b>	<b>(110.73)</b>
<b>Cash flow from investing activities</b>			
Loans to related parties		18.70	(18.70)
Payment for investment in subsidiary	3	-	(200.00)
<b>Net cash (outflow) from investing activities</b>		<b>18.70</b>	<b>(218.70)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	7(a)	260.00	200.00
Repayment of borrowings		-	(1,521.82)
Proceeds from issue of shares (net of transactions costs)		-	1,990.01
Interest paid		(2.63)	(337.97)
<b>Net cash inflow from financing activities</b>		<b>257.37</b>	<b>330.22</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(0.16)</b>	<b>0.79</b>
Cash and cash equivalents at the beginning of the year		0.87	0.08
<b>Cash and cash equivalent at end of the year</b>		<b>0.71</b>	<b>0.87</b>

**Cash and cash equivalents as per above comprise (refer note 4):**

	March 31, 2018	March 31, 2017
Balances with banks		
- in current accounts	0.71	0.87
<b>Total</b>	<b>0.71</b>	<b>0.87</b>

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

This is the statement of cash flows referred to in our report of even date.

For G. Anand & Associates  
Firm Registration Number : 021090N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Rajender Kumar Mangla  
Director  
DIN: 06699673

Dinesh Kumar Sehgal  
Director  
DIN: 07331298

per Gopal Krishan Anand  
Proprietor  
Membership No. 092280  
Place : New Delhi  
Date : 22/05/2018

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Deepa Baneshi  
Company Secretary  
PAN No. AKIPB3762E



## India Today Online Private Limited

### Notes forming part of the Separate financial statements for the year ended March 31, 2018

#### Background

India Today Online Private Limited (hereinafter referred to as "the Company") is a company incorporated and domiciled in India as a private company in accordance with the provisions of the Companies Act, 2013. Its registered office is at F-26, First floor, Connaught Place, New Delhi - 110001, India. The principal activity of the Company is the holding and management of investments in companies.

#### Note 1: Significant accounting policies

##### (a) Basis of preparation

###### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

###### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

###### (iii) Separate financial statements

These financial statements are Separate financial statement of the Company. The Company has availed exemption from preparation of consolidated financial statements under Rule 6, "Manner of consolidation of account" of the Companies (Accounts) Amendment Rules, 2016 and para 4(a) of Ind AS 110, because the ultimate parent company namely Living Media India Limited (LMI), (incorporated and registered in India) files consolidated financial statements in accordance with Ind AS with the Registrar of Companies. A copy of the consolidated financial statements is available to the members at 9, K-Block, Connaught Circus, New Delhi - 110001, India.

##### (b) Investments and other financial assets

###### (i) Classification

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

###### (ii) Measurement

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

###### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

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

## India Today Online Private Limited

### Notes forming part of the Separate financial statements for the year ended March 31, 2018

#### (iii) *Impairment of financial assets*

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For all financial assets (other than trade receivables), expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

#### (iv) *Derecognition of financial assets*

A financial asset is derecognised only when:

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

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

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

#### (c) **Functional and presentation currency**

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

#### (d) **Segment reporting**

The purpose of the Company is the acquisition, disposal and holding of investment in companies. Entire operations has been considered as representing a single segment. The said treatment is in accordance with the guiding principles enunciated in the Ind AS 108 Operating segments.

#### (e) **Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Cash and cash equivalents**

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

**(g) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(i) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(j) Employee benefits**

*(i) Short-term obligations*

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*(ii) Long term and post employment obligations*

The Company has only one employee. The provisions of Employee Provident Fund Scheme 1952 and Payment of Gratuity Act, 1972 are not applicable to the Company being having total number of employees below the threshold number of employees required for applicability of provisions. Further, the Company does not have any long term benefit or post employment benefit plan as per policy of the Company, hence no liability is anticipated on account of long term and post employment obligations.

**(k) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(l) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

*(ii) Diluted earnings per share*

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

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

**Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates and judgements**

The areas involving critical estimates and judgements are:

- i) Estimation of current tax expense and payable - Note 14
- ii) Recognition of deferred tax assets for carried forward tax losses - Note 14

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have financial impact on the Company and that are believed to be reasonable under the circumstances.

**India Today Online Private Limited**

**Notes forming part of the Separate financial statements for the year ended March 31, 2018**

**Note 3: Investment in subsidiary**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Investment in equity instrument (fully paid up)</b>		
<b>Equity investments at FVTPL</b>		
<b>Subsidiary Companies (unquoted)</b>		
87,533,881 (March 31, 2017: 87,533,881 ) equity shares Mail Today Newspaper Private Limited of Rs. 10 each fully paid up	2,503.47	2,503.47
<b>Total</b>	<b>2,503.47</b>	<b>2,503.47</b>

The Company's interest in subsidiary are as follows:

Name of the subsidiary company	Principal place of business	March 31, 2018	March 31, 2017
Mail Today Newspaper Private Limited	India	51.01%	66.78%

**Note 4: Cash and cash equivalents**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Balances with banks:		
- in current accounts	0.71	0.87
<b>Total cash and cash equivalents</b>	<b>0.71</b>	<b>0.87</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior

**Note 5: Other current assets**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Advance to ultimate holding company	-	18.70
Advance Tax (refer note 22)	254.99	-
	<b>254.99</b>	<b>18.70</b>

*This space has intentionally been left blank*

India Today Online Private Limited  
Notes forming part of the Separate financial statements for the year ended March 31, 2018

**Note 6: Share capital and other equity**

**6 (a) Share capital**

**Authorised share capital**

	Equity shares		Preference shares	
	Number of shares	(Rs. in lacs)	Number of shares	(Rs. in lacs)
<b>As at March 31, 2017</b>	950,00,000	9,500.00	20,00,000	200.00
Increase during the year				
<b>As at March 31, 2018</b>	950,00,000	9,500.00	20,00,000	200.00

**(i) Movements in equity share capital**

	Number of shares (in nos.)	Equity share capital (Rs. in lacs)
<b>As at March 31, 2017</b>	948,07,389	9,480.74
Issued during the year	-	-
<b>As at March 31, 2018</b>	948,07,389	9,480.74

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**Terms and rights attached to preference shares**

The Company has one class of preference shares having a par value of Rs. 10 per share. The Company has not issued preference share to any shareholder.

**(ii) Shares of the Company held by holding/ultimate holding company**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Equity shares:</b>		
T.V. Today Network Limited (TVTN), the holding company with effect from March 15, 2017 (by virtue of gift deed dated March 15, 2017 and March 28, 2017, LMI has gifted its shareholding to TVTN at nil consideration)	9,480.74	9,480.74

**(iii) Details of shareholders holding more than 5% shares in the Company**

	March 31, 2018		March 31, 2017	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares:</b>				
T.V. Today Network Limited (TVTN), the holding company with effect from March 15, 2017 (by virtue of gift deed dated March 15, 2017 and March 28, 2017, LMI has gifted its shareholding to TVTN at nil consideration)	948,07,389	100.00%	948,07,389	100%
<b>Total</b>	<b>948,07,389</b>	<b>100.00%</b>	<b>948,07,389</b>	<b>100.00%</b>

\*As per records of the Company, including its register of shareholder/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**6 (b) Reserves and surplus**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Securities premium reserve *	14,973.49	14,973.49
Retained earnings	(21,955.92)	(21,950.70)
<b>Total reserves and surplus</b>	<b>(6,982.43)</b>	<b>(6,977.21)</b>

**(i) Securities premium reserve**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	14,973.49	14,975.48
Add: Received on issue of equity shares	-	-
Less: Transactions costs arising on share issues	-	(1.99)
<b>Closing balance</b>	<b>14,973.49</b>	<b>14,973.49</b>

**\*Securities premium reserve**

Securities premium reserve is used in last year to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

**(ii) Retained earnings**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	(21,950.70)	(21,398.28)
Total comprehensive Income/(Loss) for the year	(5.22)	(552.42)
<b>Closing balance</b>	<b>(21,955.92)</b>	<b>(21,950.70)</b>

**Note 7: Financial liabilities****7 (a) Current borrowings**

	Terms of repayments	Coupon/ Interest Rate	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Unsecured</b>				
<b>Loan from related party</b>				
T.V. Today Network Limited (TVTN), the holding company with effect from March 15, 2017 (by virtue of gift deed dated March 15, 2017 and March 28, 2017, LMI has gifted its shareholding to TVTN at nil consideration)	Repayable on demand	TVTN average borrowing rate +0.25%	260.20	Not Applicable
<b>Total current borrowings</b>			<b>260.20</b>	
Less: Interest accrued {include in note 7(c)}			0.20	-
<b>Current borrowings (as per balance sheet)</b>			<b>260.00</b>	<b>-</b>

**7 (b) Trade payables**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Current</b>		
Trade payables		
Outstanding due to Micro and Small Enterprises (note 22)	-	-
Outstanding due to others	0.64	0.81
Outstanding due to related parties (note 18)	-	-
<b>Total Trade payables</b>	<b>0.64</b>	<b>0.81</b>

**7 (c) Other financial liabilities**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Current</b>		
Interest accrued	0.20	-
<b>Total other financial liabilities</b>	<b>0.20</b>	<b>-</b>

**Note 8: Current tax liabilities**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	-	-
Add: Current tax payable for the year	-	-
Less: Tax paid	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**Note 9: Other current liabilities**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Statutory tax payables	333	18.70
<b>Total other current liabilities</b>	<b>0.02</b>	<b>18.70</b>

**Note 10: Employee benefits expense**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Salaries	0.92	0.80
<b>Total employee benefits expense</b>	<b>0.92</b>	<b>0.80</b>

**Note 11: Other expenses**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Rates and taxes	0.36	15.57
Legal and professional fees	0.79	0.81
Payment to auditors (Refer note 11(a) below)	0.30	0.20
Miscellaneous expenses	0.02	0.01
<b>Total other expenses</b>	<b>1.47</b>	<b>16.59</b>

**Note 11(a): Details of payments to auditors**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	0.30	0.15
Re-imburement of expenses	-	0.05
<b>Total payments to auditors</b>	<b>0.30</b>	<b>0.20</b>

**Note 12: Finance costs**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Interest and finance charges on financial liabilities not at fair value through profit or loss	2.83	186.95
<b>Finance cost expensed in profit and loss</b>	<b>2.83</b>	<b>186.95</b>

**Note 13: Exceptional items**

	Note	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Fair value loss on investment in subsidiaries at fair value through profit and loss	3(iii)	-	348.08
<b>Total exceptional items</b>		<b>-</b>	<b>348.08</b>

**Note 14: Income tax expense**

This note provides an analysis of the Company's income tax expense, how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>(a) Income tax expense</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>



**India Today Online Private Limited**

Notes forming part of the Separate financial statements for the year ended March 31, 2018

**(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rates:**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
(Loss) before income tax expenses	(5.22)	(552.42)
<b>Tax at the Indian tax rate of 25.75% (2016-2017 30.90%) *</b>	<b>(1.34)</b>	<b>(170.70)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Disallowance of expenses pertaining to exempt income	1.34	63.14
Tax effect of deductible temporary differences for which no deferred income tax was recognised	-	107.56
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**(c) Deductible temporary differences**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Unrecognised deductible temporary difference pertaining to fair valuation of investment in Mail Today for which no deferred tax asset has been recognised*	17,634.23	17,634.23
Potential tax benefit @ 20.60 %	3,632.65	3,632.65

\*The deductible tax differences includes loss on investment in Mail Today Newspapers Private Limited, since, the Company does not expect the same to reverse in the foreseeable future, hence deferred tax assets on such losses has not been recognised by the Company.

*This space has intentionally been left blank*

Note 15: Fair value measurements  
Financial instruments by category

	(Rs. in lacs)			
	March 31, 2018		March 31, 2017	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial assets</b>				
Investment in subsidiary	2,503.47	-	2,503.47	-
Cash and cash equivalents	-	0.71	-	0.87
	<b>2,503.47</b>	<b>0.71</b>	<b>2,503.47</b>	<b>0.87</b>
<b>Financial liabilities</b>				
Borrowings	-	260.00	-	-
Trade payables	-	0.64	-	0.81
Other financial liabilities	-	0.20	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>260.84</b>	<b>-</b>	<b>0.81</b>

(i) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities ;

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly ;

Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured at fair value - recurring fair value measurements	March 31, 2018	March 31, 2017
	(Rs. in lacs)	(Rs. in lacs)
	Level 3	Level 3
Financial assets		
Investment in subsidiary	2,503.47	2,503.47
<b>Total financial assets</b>	<b>2,503.47</b>	<b>2,503.47</b>

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	March 31, 2018	March 31, 2017
	(Rs. in lacs)	(Rs. in lacs)
	Level 3	Level 3
Financial liabilities		
Borrowings	260.00	Not Applicable
<b>Total financial liabilities</b>	<b>260.00</b>	<b>Not Applicable</b>

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2018 and March 31, 2017:

	Unquoted equity shares (Rs. in lacs)
<b>As at March 31, 2017</b>	<b>2,503.47</b>
Investment made during the year	-
(Losses) recognised in profit or loss	-
<b>As at March 31, 2018</b>	<b>2,503.47</b>
<b>Unrealised (losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period</b>	
March 31, 2018	-
March 31, 2017	(348.08)

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

As at March 31, 2018

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares*	2,503.47	Earnings growth rate	Growth rate - 4.45% Range 3.95% ~ 4.95%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 682.76 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 533.96 lacs.
		Risk adjusted discount rate	Rate used - 17.30% Range 16.30%~18.30%	

As at March 31, 2017

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	2,503.47	Earnings growth rate	Growth rate - 4.45% Range 3.95% ~ 4.95%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 682.76 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 533.96 lacs.
		Risk adjusted discount rate	Rate used - 17.30% Range 16.30%~18.30%	

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

(v) Valuation processes:

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values except for the valuations of unquoted equity shares and derivative financial assets are performed by external valuation experts. This team and valuation experts reports directly to the Board of directors. Discussion of valuation processes and results are held between the Board of Directors and Valuation team at least once in a year in line with the Company's reporting periods.

The main level 3 inputs for unquoted equity shares and derivative financial assets used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

- Risk free rate is computed based on the 3 year Indian Government Bond Yield.

- Earnings growth factor for unquoted equity shares are estimated based on market information for similar types of companies.

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

Particulars	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Financial liabilities		
Borrowings		
Carrying value	260.00	-
Fair value	260.00	Not Applicable

The carrying amounts of trade payable, loans and interest accrued (other financial liabilities) thereon are considered to be the same as their fair values, due to their short-term nature.

**Note 16: Financial risk management**

The Company's activities expose it to a variety of financial risks i.e. Credit risk, Liquidity risk and Market risk. The Board of Directors (BOD) along with Audit Committee (AC) of the Company oversees the management of these risks. BOD and AC is supported by a team of Internal Auditor that advises on financial risks and the appropriate financial risk governance framework of the Company. The Internal Audit team provides assurance to the BOD and AC that the Company's financial risks activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company's policy and risk objectives.

**(A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Currently, credit risks to the Company arises only from cash and cash equivalents. As a policy, the Company accepts only highly rated banks for transactions.

**(B) Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturing groups based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities March 31, 2018	Repayable on demand	Amount (Rs/L)	
		0-3 Months	Total
Borrowings	260.00	-	-
Trade payables	-	0.64	0.64
Other financial liabilities	0.20	-	-
<b>Total liabilities</b>	<b>260.20</b>	<b>0.64</b>	<b>0.64</b>

Contractual maturities of financial liabilities March 31, 2017	Repayable on demand	Amount (Rs/L)	
		0-3 Months	Total
Borrowings	-	-	-
Trade payables	-	0.81	0.81
Other financial liabilities	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>0.81</b>	<b>0.81</b>

Management does not have a formal policy for managing the liquidity risk. However, the Company ensures that there are adequate funds to meet all obligations in a timely and cost effective manner.

**(C) Market risk**

**(i) Interest rate risk**

**(a) Interest rate risk exposure**

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Company's financial instruments will fluctuate because of changes in market interest rates determined from time to time.

The Company has short term borrowing outstanding from TVTN which charged interest at the rate of 10.50%.

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates

	Impact on profit after tax	
	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Interest rate - increase by 50 basis points (previous year 50 basis points)	(0.01)	(7.28)
Interest rate - increase by 50 basis points (previous year 50 basis points)	0.01	7.28

**(ii) Price risk**

**Equity price risk**

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Company does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

**Note 17: Capital management**

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended March 31, 2018.

The Company's capital and net debt were made up as follows:

<b>Particulars</b>	<b>March 31, 2018 (Rs. in lacs)</b>	<b>March 31, 2017 (Rs. in lacs)</b>
Net debt	259.29	-
Total equity	2,498.31	2,503.53
Net debt to equity ratio	10%	0%

*This space has intentionally been left blank*

## Note 18: Related party transactions

## (a) Parent entities

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership Interest	
			March 31, 2018	March 31, 2017
T.V. Today Network Limited (with effect from March 15, 2017)	Parent company	India	100.00%	100.00%

## (b) Subsidiary

Name	Place of incorporation	Principal activities	Ownership Interest	
			March 31, 2018	March 31, 2017
Mail Today Newspapers Private Limited	India	Publication services	51.01%	66.78%

## (c) Key management personnel compensation

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Short-term employee benefits	0.92	0.80
<b>Total compensation</b>	<b>0.92</b>	<b>0.80</b>

## (d) Transactions with related parties

The following transaction incurred with related parties

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Other transactions</b>		
Advance received		
- Parent company	-	18.84
Reimbursement of expenses		
- Ultimate Parent company	0.39	13.22
- Fellow subsidiary	-	-

## (e) Outstanding balances

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

Trade payables	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
- Parent company	-	-
- Fellow subsidiary	-	-
<b>Total trade payables</b>	<b>-</b>	<b>-</b>

## Loan from parent entity (Rs. in lacs)

	31 March, 2018		31 March, 2017	
	Loan outstanding	Interest accrued	Loan outstanding	Interest accrued
Beginning of the year	-	-	-	-
Loan received	260.00	-	-	-
Loan repayments made	-	-	-	-
Interest charged	-	0.22	-	-
Interest paid	-	-	-	-
<b>End of the year</b>	<b>260.00</b>	<b>0.22</b>	<b>-</b>	<b>-</b>

## Loan from ultimate parent entity (Rs. in lacs)

	31 March, 2018		31 March, 2017	
	Loan outstanding	Interest accrued	Loan outstanding	Interest accrued
Beginning of the year	-	-	1,321.81	151.02
Loan received	50.00	-	200.00	-
Loan repayments made	(50.00)	-	-	-
Interest charged	-	2.60	-	186.95
Interest paid	-	(2.60)	-	(19.00)
Dues converted to equity	-	-	(1,521.81)	(318.97)
<b>End of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Advance to ultimate parent company (Rs. in lacs)

	Loan outstanding	
	31 March, 2018	31 March, 2017
Opening	-	-
Advance given	-	18.70
<b>End of the year</b>	<b>-</b>	<b>18.70</b>

## Investment made in subsidiary (Rs. in lacs)

	31 March, 2018	31 March, 2017
	Beginning of the year	20,137.69
Investment made during the year	-	200.00
<b>End of the year *</b>	<b>20,137.69</b>	<b>20,137.69</b>

\*excludes provision for impairment as assessed by the Company.

## Terms and conditions of transactions with related party

Outstanding trade payables at the year-end were unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. Short term borrowing from the parent company were unsecured and repayable on demand. Interest was charged @ 10.50%.

As at March 31, 2018, the Company has recorded impairment of investment in subsidiary company i.e. Mail Today Newspaper Private Limited amounting to Rs. Nil (March 31, 2017 : Rs. 17,634.23 lacs).

**India Today Online Private Limited****Notes forming part of the Separate financial statements for the year ended March 31, 2018****Note 19: Earnings per share**

Particulars	Year ended	
	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Basic and diluted earnings per share (in Rupees) attributable to the equity holders of the Company	(0.01)	(0.74)
(Loss) attributable to the equity holders of the Company used in calculating basic earnings per share	(5.22)	(552.42)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. of shares)	948,07,389	751,05,690

**Note 20: Dues to Micro and Small Enterprises**

Based on information available with the Company, there are no outstanding dues to micro and small enterprises as at March 31, 2018. No interest is paid /payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 21 :** The Board of Directors of the Company at its meeting held on December 15, 2017 had approved the proposal for merger of the Company with T.V. Today Network Limited pursuant to a Composite Scheme of Arrangement and Amalgamation (" the Scheme"). The Scheme also provides for merger of Newspaper Publishing Business of Mail Today Newspaper Private Limited with T.V. Today Network Limited. The appointed date for the demerger and merger under the Scheme is January 01, 2017. The Scheme is subject to various regulatory and other required approvals and is therefore not considered as highly probable transaction. Pending such approvals, no effect of the proposed Scheme has been given in the financial statements of the Company.

**Note 22 :** The company had received Income Tax Assessment Orders for Assessment Year 2013–14 and for Assessment Year 2014–15 wherein demand of Rs.507.85 Lacs and Rs.4592.03 Lacs had been raised for these respective years. Based on the legal opinions the company is of the view that the tax demands so raised are unjustified and untenable both in law and facts of the case and hence there is a high probability of the same being removed by the appellate authorities. Further, though as per CBDT circular tax demand is stayed till the decision of first appeal once 20% of demand is deposited yet based on the facts of the case tax authorities have asked the company to deposit only 10% of the demand and that too in two instalments and stayed the balance demand. First instalment of Rs 254.99 Lacs has already been deposited by the Company under protest.

**Note 23 :** Previous year figures have been regrouped or restated wherever considered necessary.

For G. Anand & Associates  
Firm Registration Number : 021090N  
Chartered Accountants

For and on behalf of the Board of Directors of  
India Today Online Private Limited

Rajender Kumar Mangla  
Director  
DIN: 06699673

Dinesh Kumar Sehgal  
Director  
DIN: 07331298

per Gopal Krishan Anand  
Proprietor  
Membership No. 092280  
Place : New Delhi  
Date : 22/05/2018

Neeraj Soni  
CFO  
PAN No. AWYPS9532K

Deepa Baneshi  
Company Secretary  
PAN No. AKIPB3762E

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of T.V. Today Network Limited

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of T.V. Today Network Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 26, 2017.

Further, as explained in note 34 of the financial statements, the comparative Ind AS financial information of the company for the year ended March 31, 2017 has been adjusted by including financial information of 'India Today Group Digital Division, reflecting total assets of Rs 2,029.90 lacs and total revenues of Rs 4,445.21 lacs for the year ended March 31, 2017, on the basis of accounts certified by management and audited by another Chartered Accountant.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (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, 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 standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Yogesh Midha**  
Partner  
Membership No.: 094941

Place: New Delhi  
Date: May 22, 2018



**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**

Re: T.V. Today Network Limited ('the company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company had granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the company's interest.
  - (b) The Company had granted loans that are re-payable on demand, to a Company covered in the register maintained under section 189 of the Companies Act, 2013, We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
  - (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) 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) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax and cess and other statutory dues were outstanding at year end, for a period of more than six months from the date they became payable.
  - (b) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Finance, Act 1994	Service Tax	Rs.124,528,888 (including interest of Rs. 65,753,000 and penalty of Rs. 28,072,911)	F.Y. 2006-07 to F.Y. 2011-12	Customs, Excise and Service Tax Appellate Tribunal

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**  
ICAI Firm Registration Number: 101049W/E300004  
Chartered Accountants

per **Yogesh Midha**  
Partner  
Membership Number: 94941

Place: New Delhi  
Date: May 22, 2018

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF T.V. TODAY NETWORK LIMITED**

### **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 T.V. Today Network Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management 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 Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of 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 With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018 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 **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**per Yogesh Midha**  
Partner  
Membership Number: 94941

Place: New Delhi  
Date: May 22, 2018

	Notes	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	16,106.25	16,969.91
Capital work-in-progress	3	55.76	311.13
Intangible assets	4	9,128.09	2,932.59
Intangible assets under development	4	171.32	97.34
<b>Financial assets</b>			
Investments	5(a)	6,771.11	3,418.41
Loans	5(e)	20.60	10.29
Other financial assets	5(f)	10,217.15	2,959.58
Deferred tax assets (net)	6	1,376.62	1,449.05
Other non-current assets	7	116.03	77.95
<b>Total non-current assets</b>		<b>43,962.93</b>	<b>28,226.25</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	5(b)	17,849.90	17,211.51
Cash and cash equivalents	5(c)	1,817.03	2,005.71
Other bank balances	5(d)	17,963.07	24,240.79
Loans	5(e)	265.98	56.30
Other financial assets	5(f)	464.14	192.16
Current tax assets (net)	8	3,319.72	3,668.79
Other current assets	9	2,801.51	1,995.05
<b>Total current assets</b>		<b>44,481.35</b>	<b>49,370.31</b>
<b>Total assets</b>		<b>88,444.28</b>	<b>77,596.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10(a)	2,982.68	2,982.68
<b>Other equity</b>			
Reserves and surplus	10(b)	69,235.24	60,678.71
<b>Total equity</b>		<b>72,217.92</b>	<b>63,661.39</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	11(a)	15.39	58.63
Long term provisions	12	700.97	674.92
Net employee defined benefit liabilities	13	464.26	324.60
Other non-current liabilities	14	-	0.55
<b>Total non-current liabilities</b>		<b>1,180.62</b>	<b>1,058.70</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	11(b)	7,853.02	8,167.96
Other financial liabilities	11(a)	3,097.25	2,493.57
Net employee defined benefit liabilities	13	786.98	666.89
Other current liabilities	14	3,308.49	1,548.05
<b>Total current liabilities</b>		<b>15,045.74</b>	<b>12,876.47</b>
<b>Total liabilities</b>		<b>16,226.36</b>	<b>13,935.17</b>
<b>Total equity and liabilities</b>		<b>88,444.28</b>	<b>77,596.56</b>

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
 Chartered Accountants  
 ICAI Firm registration No. 101049W / E300004

**For and on behalf of the board of directors of T.V. Today Network Limited**

per **Yogesh Midha**  
 Partner  
 Membership No. 094941

**Ashish Sabharwal**  
 Company Secretary  
 Membership No - F4991

**Ashok Kapur**  
 Director  
 DIN: 00003577

**Aroon Purie**  
 Chairman and  
 Whole Time Director  
 DIN: 00002794

Place : New Delhi  
 Date : May 22, 2018

Place : New Delhi  
 Date : May 22, 2018

**Dinesh Bhatia**  
 Chief Financial Officer  
 DIN: 01604681

**T.V. Today Network Limited**  
**Standalone Statement of profit and loss for the year ended March 31, 2018**

	Notes	Year ended March 31, 2018 (Rs. in lacs)	Year ended March 31, 2017 (Rs. in lacs)
Revenue from operations	15	69,116.45	61,696.62
Other income	16(a)	2,320.07	2,084.47
Other gains / (losses) - net	16(b)	22.94	(17.89)
<b>Total income</b>		<b>71,459.46</b>	<b>63,763.20</b>
<b>Expenses</b>			
Production cost	17	6,835.93	7,322.56
Employee benefits expense	18	19,251.36	16,995.26
Depreciation and amortisation expense	19	3,127.53	2,899.08
Other expenses	20	21,995.57	20,861.91
Finance costs	21	78.32	203.58
<b>Total expenses</b>		<b>51,288.71</b>	<b>48,282.39</b>
<b>Profit before exceptional items and tax</b>		<b>20,170.75</b>	<b>15,480.81</b>
Exceptional items	22	(1,378.48)	855.80
<b>Profit before tax</b>		<b>18,792.27</b>	<b>16,336.61</b>
Income tax expense	23		
- Current tax		6,352.89	5,383.13
- Deferred tax		92.37	30.43
<b>Income tax expense</b>		<b>6,445.26</b>	<b>5,413.56</b>
<b>Profit for the year</b>		<b>12,347.01</b>	<b>10,923.05</b>
<b>Other comprehensive income</b>			
Net other comprehensive income not to be re-classified to profit or loss in subsequent period			
Re-measurement gains/ (losses) on defined benefit plans	13	(57.62)	6.29
Income tax effect		19.94	0.99
<b>Other comprehensive income for the year, net of tax</b>		<b>(37.68)</b>	<b>7.28</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>12,309.33</b>	<b>10,930.33</b>
<b>Earnings per equity share [nominal value Rs. 5 ( March 31, 2017: Rs. 5)]</b>			
Basic earnings per share (in Rs.), computed on the basis of profit for the year attributable to equity holders of the Company	31	20.70	18.31
Diluted earnings per share (in Rs.), computed on the basis of profit for the year attributable to equity holders of the Company		20.70	18.31

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration No. 101049W / E300004

**For and on behalf of the board of directors of T.V. Today Network Limited**

per **Yogesh Midha**  
Partner  
Membership No. 094941

**Ashish Sabharwal**  
Company Secretary  
Membership No - F4991

**Ashok Kapur**  
Director  
DIN: 00003577

**Aroon Purie**  
Chairman and  
Whole Time Director  
DIN: 00002794

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**Dinesh Bhatia**  
Chief Financial Officer  
DIN: 01604681

**T.V. Today Network Limited**

**Standalone Statement of changes in equity for the year ended March 31, 2018**

**A Equity share capital**

	Notes	(Rs. in lacs)
<b>Equity shares of Rs. 5 each issued, subscribed and fully paid</b>		
As at April 1, 2016		2,982.68
Issue of share capital	10(a)	-
<b>As at March 31, 2017</b>		<b>2,982.68</b>
Issue of share capital	10(a)	-
<b>As at March 31, 2018</b>		<b>2,982.68</b>

**B Other equity**

	Notes	(Rs. in lacs)					Total	
		Capital contribution	Securities premium reserve	Reserves and surplus Retained earnings	Capital reserve	General reserve		Share options outstanding account
<b>As at April 1, 2016</b>		-	5,389.28	34,455.67	1,315.18	7,930.29	3.75	<b>49,094.17</b>
Profit for the year		-	-	10,923.05	-	-	-	10,923.05
Other comprehensive income		-	-	7.28	-	-	-	7.28
<b>Total comprehensive income for the year</b>		-	-	<b>10,930.33</b>	-	-	-	<b>10,930.33</b>
<b>Transactions with owners in their capacity as owners:</b>								
Capital contribution in the form of gifting of the shares	10(b)	2,275.38	-	-	-	-	-	2,275.38
Adjustments made in ITGD Division before acquisition on January 1, 2018	10(b)	-	-	-	(364.71)	-	-	(364.71)
Dividend paid	26	-	-	(1,043.94)	-	-	-	(1,043.94)
Dividend distribution tax paid on dividend	26	-	-	(212.52)	-	-	-	(212.52)
Option forfeited	30	-	-	-	-	1.50	(1.50)	-
<b>As at March 31, 2017</b>		<b>2,275.38</b>	<b>5,389.28</b>	<b>44,129.54</b>	<b>950.47</b>	<b>7,931.79</b>	<b>2.25</b>	<b>60,678.71</b>
Profit for the year		-	-	12,347.01	-	-	-	12,347.01
Other comprehensive income		-	-	(37.68)	-	-	-	(37.68)
<b>Total comprehensive income for the year</b>		-	-	<b>12,309.33</b>	-	-	-	<b>12,309.33</b>
Adjustments made in ITGD Division before acquisition on January 1, 2018	10(b)	-	-	-	(316.85)	-	-	(316.85)
Consideration paid to holding company for acquisition of ITGD Division	10(b)	-	-	-	(2,000.00)	-	-	(2,000.00)
Dividend paid	26	-	-	(1,193.07)	-	-	-	(1,193.07)
Dividend distribution tax paid on dividend	26	-	-	(242.88)	-	-	-	(242.88)
<b>As at March 31, 2018</b>		<b>2,275.38</b>	<b>5,389.28</b>	<b>55,002.92</b>	<b>(1,366.38)</b>	<b>7,931.79</b>	<b>2.25</b>	<b>69,235.24</b>

The accompanying notes are integral part of standalone financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants  
ICAI Firm registration No. 101049W / E300004

per Yogesh Midha  
Partner  
Membership No. 094941

Place : New Delhi  
Date : May 22, 2018

**For and on behalf of the board of directors of T.V. Today Network Limited**

Ashish Sabharwal  
Company Secretary  
Membership No - F4991

Ashok Kapur  
Director  
DIN: 00003577

Aroon Purie  
Chairman and  
Whole Time Director  
DIN: 00002794

Place : New Delhi  
Date : May 22, 2018

Dinesh Bhatia  
Chief Financial Officer  
DIN: 01604681

**T.V. Today Network Limited**  
**Standalone Statement of cash flows for the year ended March 31, 2018**

	Notes	Year ended March 31, 2018 (Rs. in lacs)	Year ended March 31, 2017 (Rs. in lacs)
<b>Cash flow from operating activities</b>			
Profit before income tax for the year		18,792.27	16,336.61
<b>Adjustments to reconcile profit before tax for the year to net cash flows:</b>			
Depreciation and amortisation expenses	19	3,127.53	2,899.08
Fixed assets written off	20	4.15	-
Interest on migration fee to Ministry of Information & Broadcasting	22	1,378.48	-
Allowance for doubtful debts- trade receivables	20	828.78	389.40
Allowances for doubtful debts- advances	20	-	66.51
Bad debts	20	4.31	-
Net loss on disposal of property, plant and equipment	20	14.80	0.85
Fair value gain on acquisition of interest in subsidiaries by way of gifting of shares	22	-	(855.80)
Fair value loss on investment in subsidiaries at fair value through profit and loss	20	700.00	53.60
Unwinding of discount on security deposits	16(a)	(19.21)	(20.58)
Interest income classified as investing cash flows	16(a)	(1,839.12)	(1,807.13)
Finance costs	21	78.32	203.58
Net exchange differences	20	(23.79)	27.97
<b>Working capital adjustments:</b>			
(Increase) in trade receivables	5(b)	(1,355.54)	(1,227.99)
Increase/ (decrease) in trade payables	11(b)	(315.71)	1,695.14
(Increase) in other financial assets and other bank balances	5(d) & 5(f)	(669.06)	(10,225.73)
(Increase) / decrease in other non current assets	7	(5.62)	118.45
(Increase) in other current assets	9	(883.64)	(71.54)
Increase/ (decrease) in other financial liabilities	11(a)	(142.77)	3.80
Increase in net employee defined benefit obligations	13	202.13	207.78
Increase in other current liabilities	14	1,760.45	72.39
(Decrease) in other non current liabilities	14	(0.55)	(1.49)
<b>Cash generated from operations</b>		<b>21,636.21</b>	<b>7,864.90</b>
Income tax paid (net of refunds)	8	(6,003.82)	(5,927.61)
<b>Net cash inflow from operating activities</b>		<b>15,632.39</b>	<b>1,937.29</b>
<b>Cash flows from investing activities</b>			
Payment for acquisition of property, plant and equipment and intangible assets	3	(1,126.96)	(1,561.42)
Payment for acquisition of intangible assets	4	(7,259.23)	(73.24)
Proceeds from sale of property, plant and equipment and intangible assets		19.79	78.07
Adjustment made by holding company from ITGD Division		(316.85)	(364.71)
Consideration paid to holding company for acquisition of ITGD Division	34	(2,000.00)	-
Payment for investment in subsidiary company		(4,052.70)	-
Loans (to)/ repayment from employees and related parties (net)	5(e)	(219.99)	2.11
Interest received	16(a)	1,265.13	1,751.40
<b>Net cash (outflow) from investing activities</b>		<b>(13,690.81)</b>	<b>(167.79)</b>
<b>Cash flows from financing activities</b>			
Interest and other borrowing costs paid	21	(1,429.83)	(170.41)
Dividend paid	10(b)	(1,195.41)	(1,041.60)
Dividend distribution tax paid	10(b)	(242.88)	(212.52)
<b>Net cash outflow from financing activities</b>		<b>(2,868.12)</b>	<b>(1,424.53)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
		<b>(926.54)</b>	<b>344.97</b>
Cash and cash equivalents at the beginning of the financial year	5(c)	2,005.71	1,673.41
Effect of exchange rate changes on cash and cash equivalents		0.88	(12.67)
<b>Cash and cash equivalents at the end of the year</b>		<b>1,080.05</b>	<b>2,005.71</b>
Non-cash investing activity			
- Acquisition of equity shares in Mail Today by way of a gift at fair values	10(b)	-	3,131.18
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>			
Cash and cash equivalents as per above comprise of the following			
Cash and cash equivalents	5(c)	1,817.03	2,005.71
Book overdraft	11(a)	(736.98)	-
<b>Balance as per statement of cash flows</b>		<b>1,080.05</b>	<b>2,005.71</b>

The accompanying notes are integral part of standalone financial statements.  
As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration No. 101049W / E300004

**For and on behalf of the board of directors of T.V. Today Network Limited**

per **Yogesh Midha**  
Partner  
Membership No. 094941

**Ashish Sabharwal**  
Company Secretary  
Membership No - F4991

**Ashok Kapur**  
Director  
DIN: 00003577

**Aroon Purie**  
Chairman and  
Whole Time Director  
DIN: 00002794

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**Dinesh Bhatia**  
Chief Financial Officer  
DIN: 01604681



**Background**

T.V. Today Network Limited (hereinafter referred to as the 'Company') is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India. The registered office of the Company is situated at F-26, First Floor, Connaught Circus, New Delhi - 110001, India. The principal place of the business of the Company is situated at FC-8, Sector 16A, Film City, Noida 201301, Uttar Pradesh.

The Company is primarily engaged in broadcasting television news channels and radio stations in India.

**Note 1: Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements of the Company. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

*(i) Compliance with Ind AS*

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter and other recognised accounting practices and policies, to the extent applicable.

These financial statements have been issued in addition to the consolidated financial statements of the Company and its subsidiaries.

List of subsidiaries:

Name	Place of business/ country of incorporation	Ownership interest held by the Group		Principal Activities
		March 31, 2018	March 31, 2017	
India Today Online Private Limited	India	100.00%	100.00%	Investment Company
Mail Today Newspapers Private Limited*	India	100.00%	100.00%	Newspaper Publishing
T.V. Today Network (Business) Limited	India	100.00%	100.00%	No operations
Vibgyor Broadcasting Private Limited	India	100.00%	-	No operations

\* As at March 31, 2018, 51.01% (As at March 31, 2017, 66.78%) ownership interest is held through India Today Online Private Limited.

*(ii) Historical cost convention*

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and
- share-based payments

**(b) Segment reporting**

Since, the Annual financial statements of the Company contains both the consolidated and separate financial statements of the Company in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter and other relevant provisions of the Act, hence as per Ind AS 108 - Operating segments, segment reporting is only included in the consolidated financial statements of the Company. Refer note 30 of the consolidated financial statements of the Company for segment reporting.

**(c) Foreign currency translation**

*(i) Functional and presentation currency*

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

*(ii) Transaction and balances*

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

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

**(d) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Revenue from services**

- (i) Advertisement income is recognized in the accounting period in which the services are rendered, i.e., when the advertisements are displayed / aired.*

The Company enters into arrangements for free / bonus spots, bundled with normal paid spots. The total consideration for advertising services is allocated to the paid and bonus spots based on their relative fair values. Revenues allocated to bonus spots is deferred and recognised as revenue when such spots are utilised by customers.

- (ii) Income from digital business is recognized in the period in which the services are rendered.
- (iii) Subscription income from direct-to-home satellite operators and other distributors for the right to distribute the channels is recognised when the service has been provided as per the terms of the contract.

**Other operating revenue**

Fee from training is recognized over the duration of the course offered by the media institute of the Company.

**Other income**

- (i) Rental income is recognised on an accrual basis, in accordance with the terms of the relevant agreements, as and when services are rendered.
- (ii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(e) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(f) Leases**

**As a lessee :**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor :**

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

**(g) Impairment of assets**

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

**(h) Cash and cash equivalents**

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

**(i) Trade receivables**

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

(j) **Investments and other financial assets**

(i) **Classification**

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

- those to be measured subsequently at fair value (through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investment in debt instrument, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) **Measurement**

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

*Debt instruments*

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

*Equity instruments*

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

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

(iii) **Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the group determines whether there has been a significant increase in credit risk.

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

(iv) **Derecognition of financial assets**

A financial asset is derecognised only when:

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

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

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

(v) **Income recognition**

*Interest Income*

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(k) Derivatives that are not designated as hedges**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

**(l) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(m) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

*Depreciation methods, estimated useful lives and residual value those stated above*

- (i) Leasehold land is depreciated over the period of the lease, on a straight line basis.
- (ii) Leasehold improvements are depreciated over the lease term or their useful life (based on technical evaluation), whichever is shorter, on a straight line basis.
- (iii) Continuous process plant and machinery are depreciated over the useful life of 9.67 to 15 years, based on technical evaluation, on a straight line basis.
- (iv) Vehicles are depreciated over the useful life of 5 years, based on technical evaluation, on a straight line basis.
- (v) Assets costing less than Rs. 5,000 are depreciated over a period of 12 months, on a straight line basis.
- (vi) Depreciation on property, plant and equipment (other than leasehold land, leasehold improvements, continuous process plant and machinery and vehicles) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed under Schedule II to the Companies Act, 2013, which approximate the useful lives of the assets estimated by the management.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

**(n) Intangible assets**

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

***Amortisation methods and periods***

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software: 3 years  
Production software: 3 years  
CTI sites BECIL: 10 years (license period)  
Digital rights of news channels: 10 years

**(o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(p) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

**(q) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during 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.

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.

Other borrowing costs are expensed in the period in which they are incurred.

**(r) Provisions**

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**(s) Employee benefits**

**(i) Short-term obligation**

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefits obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plan, i.e., gratuity
- (b) defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company pays provident fund and employee state insurance contributions to government administered Employee Provident Fund Organisation and Employee State Insurance Corporation respectively. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(iv) Share based payments**

Share-based compensation benefits are provided to employees via TV Today Network Limited Employee Stock Option Plan.

**Employee options**

The fair value of options granted under the TV Today Network Limited Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period) and
- including the impact of any non vesting conditions (e.g., the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment in equity.

**(v) Bonus plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or statutorily obliged or where there is a past practice that has created a constructive obligation.

**(t) Exceptional items**

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner.

**(u) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(v) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(w) Earnings per share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- (a) the profit attributable to owners of the Company.
- (b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**(ii) Diluted earnings per share**

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

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

**(x) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

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(y) **Recent accounting pronouncements**

Standards issued but not yet effective

(i) **Ind AS 115- Revenue from contracts with customers**

Ind AS 115 was issued on 29 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. This standard is applicable for accounting periods beginning on or after 1 April 2018. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS guidance. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the company's financial statements.

The new revenue recognition standard will supersede all current revenue recognition requirements under Ind AS.

The new standard permits two methods of adoption: (a) full retrospective method (retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors), or (b) Cumulative catch - up approach (retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application).

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The company is in the process of evaluating the impact of adoption of Ind AS 115 on its financial statement and is expected to be insignificant.

(ii) **Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entity may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all the assets, expenses and income in its scope that are initially recognized on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix,

The Appendix is effective for annual periods beginning on or after April 1, 2018.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

(z) **Common control business combinations (CCBC) transactions**

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts from the controlling parties' perspective.  
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(aa) **Rounding of amounts**

All amounts in Indian Rupees disclosed in the financial statements and notes thereof have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

**Note 2: Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical estimates**

The areas involving critical estimates are:

- i) Estimated fair value of unlisted securities - Note 5(a)
- ii) Estimation of defined benefit obligations - Note 13
- iii) Impairment of trade receivables - Note 24
- iv) Estimation of current tax expense and payable - Note 23

**Critical judgements**

The areas involving critical judgements are:

- i) Estimate useful life of property, plant and equipment and intangible assets - Notes 1(m), 1(n), 3 and 4
- ii) Estimation of provision for legal claim and contingent liabilities - Notes 12 and 28

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**T.V. Today Network Limited**

**Notes forming part of the standalone financial statements for the year ended March 31, 2018**

**Note 3: Property, plant and equipment**

	Leasehold land	Building	Leasehold improvements	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Vehicles	Total	(Rs. in lacs) Capital work-in-progress
<b>Cost or valuation</b>										
<b>At April 1, 2016 Other than ITGD Division</b>	1,038.71	8,523.27	21.69	7,639.40	1,004.22	743.59	1,073.65	452.76	20,497.29	183.35
<b>At April 1, 2016 ITGD Division</b>	-	-	-	4.09	93.91	8.16	-	-	106.16	-
Additions (including transfers from CWIP)	-	105.83	12.71	594.57	251.25	27.51	23.49	236.11	1,251.47	788.94
Additions of ITGD Division	-	-	-	1.09	-	6.28	-	-	7.37	-
Disposals	-	-	-	(41.64)	(0.58)	-	-	(71.05)	(113.27)	-
Transfers	-	-	-	-	-	-	-	-	-	(661.16)
<b>At March 31, 2017 Other than ITGD Division</b>	<b>1,038.71</b>	<b>8,629.10</b>	<b>34.40</b>	<b>8,192.33</b>	<b>1,254.89</b>	<b>771.10</b>	<b>1,097.14</b>	<b>617.82</b>	<b>21,635.49</b>	<b>311.13</b>
<b>At March 31, 2017 ITGD Division</b>	-	-	-	<b>5.18</b>	<b>93.91</b>	<b>14.44</b>	-	-	<b>113.53</b>	-
Additions (including transfers from CWIP)	-	31.32	-	765.82	94.69	36.21	24.65	264.89	1,217.58	-
Additions of ITGD Division	-	-	-	25.47	67.25	2.56	-	-	95.28	-
Disposals	-	-	-	(785.15)	(20.14)	(19.92)	(2.17)	(55.82)	(883.20)	-
Transfers	-	-	-	-	-	-	-	-	-	(255.37)
<b>At March 31, 2018 Other than ITGD Division</b>	<b>1,038.71</b>	<b>8,660.42</b>	<b>34.40</b>	<b>8,173.00</b>	<b>1,329.44</b>	<b>787.39</b>	<b>1,119.62</b>	<b>826.89</b>	<b>21,969.87</b>	<b>55.76</b>
<b>At March 31, 2018 ITGD Division</b>	-	-	-	<b>30.65</b>	<b>161.16</b>	<b>17.00</b>	-	-	<b>208.81</b>	-
<b>Depreciation and Impairment</b>										
<b>At April 1, 2016</b>	16.52	244.48	6.97	1,430.18	265.37	272.17	142.58	60.59	2,438.86	-
Depreciation charge during the year	16.52	251.22	7.04	1,267.14	322.63	284.21	145.69	80.15	2,374.60	-
Disposals	-	-	-	(8.28)	(0.58)	-	-	(25.49)	(34.35)	-
<b>At March 31, 2017</b>	<b>33.04</b>	<b>495.70</b>	<b>14.01</b>	<b>2,689.04</b>	<b>587.42</b>	<b>556.38</b>	<b>288.27</b>	<b>115.25</b>	<b>4,779.11</b>	-
Depreciation charge during the year	16.52	253.16	4.93	1,132.99	353.54	134.44	145.24	96.96	2,137.78	-
Disposals	-	-	-	(754.01)	(19.99)	(19.32)	(1.97)	(49.17)	(844.46)	-
<b>At March 31, 2018</b>	<b>49.56</b>	<b>748.86</b>	<b>18.94</b>	<b>3,068.02</b>	<b>920.97</b>	<b>671.50</b>	<b>431.54</b>	<b>163.04</b>	<b>6,072.43</b>	-
<b>Net book value</b>										
At March 31, 2018	<b>989.15</b>	<b>7,911.56</b>	<b>15.46</b>	<b>5,135.63</b>	<b>569.63</b>	<b>132.89</b>	<b>688.08</b>	<b>663.85</b>	<b>16,106.25</b>	<b>55.76</b>
At March 31, 2017	<b>1,005.67</b>	<b>8,133.40</b>	<b>20.39</b>	<b>5,508.47</b>	<b>761.38</b>	<b>229.16</b>	<b>808.87</b>	<b>502.57</b>	<b>16,969.91</b>	<b>311.13</b>
At April 1, 2016	<b>1,022.19</b>	<b>8,278.79</b>	<b>14.72</b>	<b>6,213.31</b>	<b>832.76</b>	<b>479.58</b>	<b>931.07</b>	<b>392.17</b>	<b>18,164.59</b>	<b>183.35</b>

*(i) Leased assets*

The Company has acquired a leasehold land from New Okhla Industrial Development Authority under finance lease. The lease term in respect of land acquired under finance lease is 73 years.

*(ii) Contractual obligations*

Refer to note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

*(iii) Capital work in progress*

Capital expenditure on assets largely comprises of vehicle and broadcast equipments not yet ready to use.



## Note 4: Intangible assets

	(Rs. in lacs)						
	Production software	Computer software	CTI site BECIL	Digital rights*	Licence fees	Total	Intangible assets under development
<b>Cost</b>							
At April 1, 2016 Other than ITGD Division	79.82	221.35	54.71	3,487.50	-	3,843.38	287.49
At April 1, 2016 ITGD Division	-	-	-	-	-	-	-
Additions	7.19	156.11	-	-	-	163.30	129.68
Disposals	-	-	-	-	-	-	(188.16)
Transfer	-	-	-	-	-	-	(131.67)
<b>At March 31, 2017 Other than ITGD Division</b>	<b>87.01</b>	<b>377.46</b>	<b>54.71</b>	<b>3,487.50</b>	<b>-</b>	<b>4,006.68</b>	<b>6.56</b>
<b>At March 31, 2017 ITGD Division</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90.78</b>
Additions	15.02	25.44	-	7.99	7,136.80	7,185.25	-
Additions of ITGD Division	-	-	-	-	-	-	80.54
Transfer	-	-	-	-	-	-	(6.56)
<b>At March 31, 2018 Other than ITGD Division</b>	<b>102.03</b>	<b>402.90</b>	<b>54.71</b>	<b>3,495.49</b>	<b>7,136.80</b>	<b>11,191.93</b>	<b>-</b>
<b>At March 31, 2018 ITGD Division</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>171.32</b>
<b>Amortisation and Impairment</b>							
At April 1, 2016	3.04	119.13	38.88	388.56	-	549.61	-
Amortisation for the year	10.93	112.54	13.64	387.37	-	524.48	-
<b>At March 31, 2017</b>	<b>13.97</b>	<b>231.67</b>	<b>52.52</b>	<b>775.93</b>	<b>-</b>	<b>1,074.09</b>	<b>-</b>
Amortisation for the year	12.30	111.53	2.19	388.04	475.69	989.75	-
<b>At March 31, 2018</b>	<b>26.27</b>	<b>343.20</b>	<b>54.71</b>	<b>1,163.97</b>	<b>475.69</b>	<b>2,063.84</b>	<b>-</b>
<b>Net book value</b>							
At March 31, 2018	<b>75.76</b>	<b>59.70</b>	<b>-</b>	<b>2,331.52</b>	<b>6,661.11</b>	<b>9,128.09</b>	<b>171.32</b>
At March 31, 2017	<b>73.04</b>	<b>145.79</b>	<b>2.19</b>	<b>2,711.57</b>	<b>-</b>	<b>2,932.59</b>	<b>97.34</b>
At April 1, 2016	<b>76.78</b>	<b>102.22</b>	<b>15.83</b>	<b>3,098.94</b>	<b>-</b>	<b>3,293.77</b>	<b>287.49</b>

\*Digital rights includes rights of the company's news channels acquired from its holding company, Living Media India Limited.

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**Note 5: Financial assets**

**5(a) Non-current investments**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instrument (unquoted)</b>		
<b>Subsidiary Companies</b>		
150,000 (March 31, 2017: 150,000) equity shares of Rs10 each fully paid up in T.V. Today Network (Business) Limited	15.00	15.00
94,807,389 (March 31, 2017: 94,807,389) equity shares of Rs10 each fully paid up in India Today Online Private Limited	1,918.31	2,275.38
72,153,135 (March 31, 2017: 43,553,135) equity shares of Rs10 each fully paid up in Mail Today Newspapers Private Limited	4,836.80	1,128.03
100,000 (March 31, 2017: Nil) equity shares of Rs10 each fully paid up in Vibgyor Broadcasting Private Limited	1.00	-
<b>Total non current investments</b>	<b>6,771.11</b>	<b>3,418.41</b>
Aggregate amount of unquoted investments	6,771.11	3,418.41
Aggregate amount of impairment in the value of investments	700.00	53.60

**5(b) Trade receivables**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Trade receivables	20,515.34	18,465.20
Receivables from related parties (refer note 27)	86.60	735.74
Less: Allowance for doubtful debts	(2,752.04)	(1,989.43)
<b>Total receivables</b>	<b>17,849.90</b>	<b>17,211.51</b>
Current portion	17,849.90	17,211.51
Non-current portion	-	-

**Break-up of security details**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Unsecured, considered good	17,849.90	15,658.11
Unsecured, considered doubtful	2,752.04	1,989.43
<b>Total</b>	<b>20,601.94</b>	<b>19,200.94</b>
Allowance for doubtful debts	(2,752.04)	(1,989.43)
<b>Total trade receivables</b>	<b>17,849.90</b>	<b>17,211.51</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days. For terms and conditions relating to related party receivables, refer note 27.

**5(c) Cash and cash equivalents**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Balances with banks		
- in current accounts	1,687.27	1,922.51
- in EEFC accounts	125.02	72.53
Cash on hand	4.74	10.67
<b>Total cash and cash equivalents</b>	<b>1,817.03</b>	<b>2,005.71</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**5(d) Other bank balances**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Long-term deposits with maturity more than 3 months but less than 12 months *	17,946.37	24,228.75
Unpaid dividend accounts	16.70	12.04
<b>Total other bank balances</b>	<b>17,963.07</b>	<b>24,240.79</b>

\*Rs. Nil (March 31, 2017: Rs 198.00 lacs) held as lien by bank against bank guarantees.

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## 5(e) Loans

	March 31, 2018		March 31, 2017	
	Current (Rs. in lacs)	Non Current (Rs. in lacs)	Current (Rs. in lacs)	Non Current (Rs. in lacs)
<b>Unsecured, considered good</b>				
Loan to related parties (refer note 27)	260.20	-	-	-
Loan to employees	5.78	20.60	56.30	10.29
<b>Total loans</b>	<b>265.98</b>	<b>20.60</b>	<b>56.30</b>	<b>10.29</b>

## 5(f) Other financial assets

	March 31, 2018		March 31, 2017	
	Current (Rs. in lacs)	Non Current (Rs. in lacs)	Current (Rs. in lacs)	Non Current (Rs. in lacs)
Long-term deposits with banks with remaining maturity period more than 12 months	310.21	9,727.75	-	2,623.68
Claims recoverable				
- Considered good	25.90	-	40.06	-
- Considered doubtful	15.09	-	-	-
Less: Allowance for doubtful claims recoverable	(15.09)	-	-	-
Advance recoverable				
- Considered good	-	-	7.54	-
- Considered doubtful	34.97	-	34.97	-
Less: Allowance for doubtful advance recoverable	(34.97)	-	(34.97)	-
Security deposits				
- Related parties	10.46	-	30.00	-
- Others				
- Considered good	117.57	489.40	114.56	335.90
- Considered doubtful	-	4.35	-	4.35
Less: Allowance for doubtful security deposits	-	(4.35)	-	(4.35)
<b>Total other financial assets</b>	<b>464.14</b>	<b>10,217.15</b>	<b>192.16</b>	<b>2,959.58</b>

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**Note 6: Deferred tax assets (net)**

The balance comprises temporary differences attributable to:

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Defined benefit obligations	316.32	235.37
Provision for bonus	32.29	66.71
	<b>348.61</b>	<b>302.08</b>
<i>Other Items</i>		
Allowance for doubtful debts and advances	1,119.46	863.29
Disallowances under section 40(a) of the Income Tax Act, 1961	1,001.13	1,088.56
Others	(14.85)	6.73
	<b>2,105.74</b>	<b>1,958.58</b>
<b>Total deferred tax assets</b>	<b>2,454.35</b>	<b>2,260.66</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions:</b>		
Property, plant and equipment and Intangibles	(1,077.73)	(811.61)
	<b>1,376.62</b>	<b>1,449.05</b>

**Movement in deferred tax assets**

	Defined benefit obligations	Provision for bonus	Allowance for doubtful debts and advances	Disallowances under section 40(a)	Deferred tax assets - Others	Property, plant and equipment and Intangibles	Total
<b>As at April 1, 2016</b>	<b>186.45</b>	<b>69.04</b>	<b>705.55</b>	<b>1,223.53</b>	<b>13.86</b>	<b>(719.93)</b>	<b>1,478.50</b>
(Charged)/credited:							
- to profit or loss	47.93	(2.33)	157.74	(134.97)	(1.81)	(97.00)	(30.44)
- to other comprehensive income	0.99	-	-	-	-	-	0.99
<b>As at March 31, 2017</b>	<b>235.37</b>	<b>66.71</b>	<b>863.29</b>	<b>1,088.56</b>	<b>12.05</b>	<b>(816.93)</b>	<b>1,449.05</b>
(Charged)/credited:							
- to profit or loss	61.01	(34.42)	256.17	(87.43)	(21.58)	(266.12)	(92.37)
- to other comprehensive income	19.94	-	-	-	-	-	19.94
<b>As at March 31, 2018</b>	<b>316.32</b>	<b>32.29</b>	<b>1,119.46</b>	<b>1,001.13</b>	<b>(9.53)</b>	<b>(1,083.05)</b>	<b>1,376.62</b>

**Note 7: Other non-current assets**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Capital advances		
- Considered good	58.04	25.58
- Considered doubtful	10.46	10.46
Less: Allowance for doubtful capital advances	(10.46)	(10.46)
Advance to vendors	14.50	14.50
Prepaid expenses	43.49	37.87
<b>Total other non-current assets</b>	<b>116.03</b>	<b>77.95</b>

**Note 8: Current tax assets (net)**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Advance income tax</b>		
Opening balance	3,657.99	3,113.51
Add: Taxes paid	6,003.82	5,927.61
Less: Current tax payable for the year	6,352.89	5,383.13
<b>Closing balance of advance tax</b>	<b>3,308.92</b>	<b>3,657.99</b>
<b>Advance fringe benefits tax</b>		
Opening balance	10.80	10.80
Add: Current tax paid for the year	-	-
Less: Tax payable	-	-
<b>Closing balance of advance fringe benefits tax</b>	<b>10.80</b>	<b>10.80</b>
<b>Total current tax assets (net)</b>	<b>3,319.72</b>	<b>3,668.79</b>

**Note 9: Other current assets**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Receivables against exchange of services		
- Related parties (note 27)	-	86.38
- Others		
- Considered good	290.22	97.99
- Considered doubtful	293.01	215.83
Less: Allowance for doubtful receivables against exchange of services	(293.01)	(215.83)
Unbilled Revenue	163.84	-
Prepaid expenses	378.92	922.39
Balance with government authorities	1,405.26	339.91
Advances		
- Related parties (note 27)	274.06	-
- Others		
- Considered good	289.21	548.38
- Considered doubtful	154.85	154.85
Less: Allowance for doubtful advances	(154.85)	(154.85)
<b>Total other current assets</b>	<b>2,801.51</b>	<b>1,995.05</b>

**Note 10: Equity share capital and other equity**

**10(a) Share capital**

**Authorised share capital**

	Equity shares		Preference shares	
	Number of shares	(Rs. in lacs)	Number of shares	(Rs. in lacs)
<b>As at March 31, 2016</b>	68,000,000	3,400.00	300,000	300.00
Increase during the year	-	-	-	-
<b>As at March 31, 2017</b>	<b>68,000,000</b>	<b>3,400.00</b>	<b>300,000</b>	<b>300.00</b>
Increase during the year	-	-	-	-
<b>As at March 31, 2018</b>	<b>68,000,000</b>	<b>3,400.00</b>	<b>300,000</b>	<b>300.00</b>

**(i) Issued equity capital**

	Notes	Number of shares (in nos.)	Share capital (par value) (Rs. In lacs)
<b>Equity shares of Rs. 5 each issued, subscribed and fully paid</b>			
As at March 31, 2016		59,653,615	2,982.68
Issue of share capital	29	-	-
<b>As at March 31, 2017</b>		<b>59,653,615</b>	<b>2,982.68</b>
Issue of share capital	29	-	-
<b>As at March 31, 2018</b>		<b>59,653,615</b>	<b>2,982.68</b>

**Terms and rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Shares reserved for issue under options**

Information relating to T.V. Today Network Limited Employee Stock Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 30.

**(ii) Shares of the Company held by holding company**

	March 31, 2018 (No. of shares)	March 31, 2017 (No. of shares)
Equity shares: Living Media India Limited, the holding company	33,954,333	33,954,333

**(iii) Details of shareholders holding more than 5% shares in the Company**

	March 31, 2018		March 31, 2017	
	Number of shares	% holding	Number of shares	% holding
Equity shares: Living Media India Limited, the holding company	33,954,333	56.92%	33,954,333	56.92%
Steinberg India Emerging Opportunities Fund Limited	3,275,000	5.49%	2,400,000	4.02%

**(iv) Aggregate number of shares issued for consideration other than cash**

	As at March 31,				
	2018 Number of shares	2017 Number of shares	2016 Number of shares	2015 Number of shares	2014 Number of shares
Equity shares issued under the Employee Stock Option Plan as consideration for services rendered by employees (refer note 30)	-	-	5,000	160,500	31,500

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**10(b) Reserves and surplus**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Securities premium reserve	5,389.28	5,389.28
Capital contribution in the form of gifting of shares	2,275.38	2,275.38
Capital reserve	(1,366.38)	950.47
General reserve	7,931.79	7,931.79
Share options outstanding account	2.25	2.25
Retained earnings	55,002.92	44,129.54
<b>Total reserves and surplus</b>	<b>69,235.24</b>	<b>60,678.71</b>

**(i) Securities premium reserve**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	5,389.28	5,389.28
Add: Received on issue of equity shares	-	-
<b>Closing balance</b>	<b>5,389.28</b>	<b>5,389.28</b>

**(ii) Capital contribution in the form of gifting of shares**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	2,275.38	-
Add: Share of gift received from holding company	-	2,275.38
<b>Closing balance</b>	<b>2,275.38</b>	<b>2,275.38</b>

**(iii) Capital reserve**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	950.47	1,315.18
Less: Adjustments made in ITGD Division before acquisition on January 1, 2018	(316.85)	(364.71)
Less: Consideration paid to holding company for acquisition of ITGD Division (note 34)	(2,000.00)	-
<b>Closing balance</b>	<b>(1,366.38)</b>	<b>950.47</b>

**(iv) General reserve**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	7,931.79	7,930.29
Add: Options forfeited during the year	-	1.50
<b>Closing balance</b>	<b>7,931.79</b>	<b>7,931.79</b>

**(v) Share options outstanding account**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	2.25	3.75
Less: Options forfeited/adjusted during the year	-	(1.50)
<b>Closing balance</b>	<b>2.25</b>	<b>2.25</b>

**(vi) Retained earnings**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Opening balance	44,129.54	34,455.67
Net profit for the year	12,347.01	10,923.05
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(37.68)	7.28
Dividend on equity shares for previous year	(1,193.07)	(1,043.94)
Dividend distribution tax on dividend for previous year	(242.88)	(212.52)
<b>Closing balance</b>	<b>55,002.92</b>	<b>44,129.54</b>

**Nature and purpose of reserves and surplus****Securities premium reserve**

Securities Premium Reserve represents the amount received in excess of par value of securities (equity shares and preference shares). Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

**Capital contribution in the form of gifting of shares**

During the previous year, the Company received 100% equity shares of India Today Online Private Limited ("ITOPL"), which holds 66.78% of ownership interest in Mail Today Newspaper Private Limited (MTNPL), by way of a gift (involving no monetary consideration) from Living Media India Limited, the holding company. The gift received by the Company has been recognised at fair value with corresponding credit to capital contribution considering the parent-subsidiary relationship and the economic substance of the transaction.

**Capital reserve**

Capital reserve balance as on April 1, 2016, represents the balance payable to Holding Company equivalent to net assets in the financial statements of ITGD Division which was offset with the adjustments made by the holding Company from ITGD Division before the date of acquisition (i.e. January 1, 2018) and the actual payment made as consideration for acquiring ITGD Division. Refer note 34 for details.

**General reserve**

General reserve represents the statutory reserve, this is in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

**Share options outstanding account**

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under TV Today Network Limited Employee Stock Option Plan.

**Retained earnings**

Retained earnings represent the undistributed profits of the Company.

**Note 11: Financial liabilities**

**11(a) Other financial liabilities**

	<b>March 31, 2018</b> <b>(Rs. in lacs)</b>	<b>March 31, 2017</b> <b>(Rs. in lacs)</b>
<b>Non-current</b>		
Security deposits	15.39	58.63
<b>Total other non-current financial liabilities</b>	<b>15.39</b>	<b>58.63</b>
<b>Current</b>		
Book overdraft with bank	736.98	-
Unpaid dividends	16.70	14.38
Employee benefits payable		
- Key Management Personnel (note 27)	1,000.77	846.76
- Others	1,175.26	1,457.71
Capital creditors	99.89	136.90
Security deposits	67.65	37.82
<b>Total other current financial liabilities</b>	<b>3,097.25</b>	<b>2,493.57</b>

**11(b) Trade payables**

	<b>March 31, 2018</b> <b>(Rs. in lacs)</b>	<b>March 31, 2017</b> <b>(Rs. in lacs)</b>
<b>Current</b>		
<b>Trade payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises (note 38)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,232.72	8,160.42
(c) Trade payables to related parties (note 27)	620.30	7.54
<b>Total trade payables</b>	<b>7,853.02</b>	<b>8,167.96</b>

Trade payables as mentioned above are non-interest bearing and are normally settled on 60-days terms.

**Note 12: Long term provisions**

	<b>March 31, 2018</b> <b>(Rs. in lacs)</b>	<b>March 31, 2017</b> <b>(Rs. in lacs)</b>
Legal claim	700.97	674.92
<b>Total</b>	<b>700.97</b>	<b>674.92</b>

**(i) Information about individual provisions and significant estimates**

**Legal claim**

**Claim from Prasar Bharti towards uplinking charges:** A provision has been recognised on an estimated basis amounting to Rs.700.97 lacs (March 31, 2017: Rs. 674.92 lacs). In the opinion of the management, based on its understanding of the case and consideration of the opinion received from its counsel, the provision made in the books is considered to be adequate.

**(ii) Movement in provisions**

Movements in each class of provision during the financial year, are set out below:

	<b>Total</b> <b>Legal claims</b>
<b>As at March 31, 2016</b>	<b>648.88</b>
Charged to profit or loss	
-accrual of penal interest	26.04
Amounts paid during the year	-
<b>As at March 31, 2017</b>	<b>674.92</b>
Charged to profit or loss	
-accrual of penal interest	26.05
Amounts paid during the year	-
<b>As at March 31, 2018</b>	<b>700.97</b>

*(This space has intentionally been left blank)*

**Note 13: Employee defined benefit liabilities**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Non-current</b>		
Gratuity (ii)	464.26	324.60
<b>Total non-current employee benefit liabilities</b>	<b>464.26</b>	<b>324.60</b>
<b>Current</b>		
Leave obligations (i)	786.98	666.89
<b>Total current employee benefit liabilities</b>	<b>786.98</b>	<b>666.89</b>

**(i) Leave obligations**

The leave obligations cover the Company's liability of earned leave.

The amount of the provision of Rs. 786.98 lacs (March 31, 2017 Rs. 666.89 lacs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Current leave obligations not expected to be settled within the next 12 months	685.31	577.20

**(ii) Post-employment obligations**

**a) Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 day's salary multiplied with the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. As the estimated payout in next 12 months, from the balance sheet date, for the defined benefit obligation is less than the fair value of plan assets, hence, the net liability has been considered as non-current.

**(iii) Defined contribution plans**

The Company also has certain defined contribution plans. Contributions are made to provident fund, employee pension scheme and employee's state insurance scheme for employees as per regulations. The contributions are made to registered funds administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 715.83 lacs (March 31, 2017 Rs. 644.45 lacs).

**Balance sheet amounts - Gratuity**

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

	Present value of obligation (Rs. in lacs)	Fair value of plan assets (Rs. in lacs)	Net amount (Rs. in lacs)
<b>April 1, 2016</b>	<b>987.85</b>	<b>(807.79)</b>	<b>180.06</b>
Current service cost	192.66	-	192.66
Interest expense/ (income)	104.39	(60.58)	43.81
<b>Total amount recognised in profit or loss</b>	<b>297.05</b>	<b>(60.58)</b>	<b>236.47</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(8.44)	(8.44)
(Gain)/loss from change in demographic assumptions	-	-	-
Loss from change in financial assumptions	35.57	-	35.57
Experience gains	(33.42)	-	(33.42)
<b>Total amount recognised in other comprehensive income</b>	<b>2.15</b>	<b>(8.44)</b>	<b>(6.29)</b>
Employer contributions	-	(74.25)	(74.25)
Benefit payments	(94.33)	82.94	(11.39)
<b>March 31, 2017</b>	<b>1,192.72</b>	<b>(868.12)</b>	<b>324.60</b>
<b>March 31, 2017</b>	<b>1,192.72</b>	<b>(868.12)</b>	<b>324.60</b>
Current service cost	196.61	-	196.61
Interest expense/(income)	86.38	(62.51)	23.87
<b>Total amount recognised in profit or loss</b>	<b>282.99</b>	<b>(62.51)</b>	<b>220.48</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(7.00)	(7.00)
Loss from change in demographic assumptions	11.90	-	11.90
Gain from change in financial assumptions	(10.98)	-	(10.98)
Experience (gains)/losses	54.94	-	54.94
Past service cost, including losses on curtailments	8.76	-	8.76
<b>Total amount recognised in other comprehensive income</b>	<b>64.62</b>	<b>(7.00)</b>	<b>57.62</b>
Employer contributions	(10.19)	(128.25)	(138.44)
Benefit payments	(81.33)	81.33	-
<b>March 31, 2018</b>	<b>1,448.81</b>	<b>(984.55)</b>	<b>464.26</b>

The net liability disclosed above relates to funded plan as follows:

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Present value of funded obligation	1,448.81	1,192.72
Fair value of plan assets	(984.55)	(868.12)
<b>Deficit of funded plan</b>	<b>464.26</b>	<b>324.60</b>

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contributions or additional one of contributions. The Company intends to continue to contribute the defined benefit plans in line with the actuary's latest recommendations.

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017
Discount rate	7.40%	7.20%
Salary growth rate	6.50%	6.50%
Expected rate of return on plan assets	7.50%	7.20%
Mortality rate		

Indian Assured Lives Mortality (2006-08) ultimate table



**(v) Sensitivity analysis**

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

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**I. Changes in defined benefit obligation due to 1% increase/decrease in discount rate, if all other assumptions remain constant.**

Particulars	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
a) Defined benefit obligation	1,448.81	1,192.72
b) Defined benefit obligation at 1% increase in discount rate	1,360.44	1,119.35
c) Defined benefit obligation at 1% decrease in discount rate	1,547.81	1,274.83
d) Decrease in defined benefit obligation due to 1% increase in discount rate. (a-b)	88.40	60.55
e) Increase in defined benefit obligation due to 1% decrease in discount rate. (c-a)	98.97	82.09

**II. Changes in defined benefit obligation due to 1% increase/decrease in expected rate of salary growth rate, if all other assumptions remain constant.**

Particulars	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
a) Defined benefit obligation	1,448.81	1,192.72
b) Defined benefit obligation at 1% increase in expected salary growth rate	1,538.07	1,265.04
c) Defined benefit obligation at 1% decrease in expected salary growth rate	1,366.80	1,125.47
d) Increase in defined benefit obligation due to 1% increase in expected salary growth rate. (b-a)	89.23	72.31
e) Decrease in defined benefit obligation due to 1% decrease in expected salary growth rate. (a-c)	82.03	54.16

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

**(vi) The major categories of plan assets are as follows:**

	March 31, 2018 Unquoted (Rs. in		March 31, 2017 Unquoted (Rs. in	
<b>Equity Instruments</b>				
Plan assets with recognised gratuity trust which has taken a gratuity policy with the Life Insurance Corporation of India (LIC)	984.55	100%	868.12	100%
<b>Total</b>	<b>984.55</b>	<b>100%</b>	<b>868.12</b>	<b>100%</b>

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to yield on government bonds. If plan liability is funded and return on plan assets is lower than yield on the government bonds, it will create a plan deficit.

**Interest risk (discount rate risk)**

A decrease in the bond interest rate (discount rate) will increase the plan liability.

The Company ensures that investment positions are managed within an asset/liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the Gratuity obligations by investing in Plan assets with recognised gratuity trust which has taken a gratuity policy with the Life Insurance Corporation of India (LIC) with maturities that match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes to manage its risk from previous periods.

The Company believes the LIC policy offers reasonable returns over the long-term with an acceptable level of risk.

The plan asset mix is in compliance with the requirements of the local regulations.

**(viii) Defined benefit liability and employer contributions**

The Company has agreed that it will aim to eliminate the deficit in defined benefit gratuity plan over the coming years. Funding levels are monitored on an annual basis and the current agreed contribution rate as advised by the LIC. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the coming years and that regular contributions, which are based on service costs, will not increase significantly.

Expected contribution to post-employment benefit plan for the year ending March 31, 2019 is Rs. 297.93 lacs.

The weighted average duration of the defined benefit obligation as at March 31, 2018 is 10.03 years (March 31, 2017 10.03 years). The expected maturity analysis of gratuity is as follows:

	(Rs. in lacs)				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2018</b>					
Defined benefit obligation	146.95	134.60	371.79	795.49	1,448.83
<b>Total</b>	<b>146.95</b>	<b>134.60</b>	<b>371.79</b>	<b>795.49</b>	<b>1,448.83</b>
<b>March 31, 2017</b>					
Defined benefit obligation	159.09	107.92	280.77	644.95	1,192.73
<b>Total</b>	<b>159.09</b>	<b>107.92</b>	<b>280.77</b>	<b>644.95</b>	<b>1,192.73</b>

**Note 14: Other liabilities**

	March 31, 2018		March 31, 2017	
	Current (Rs. in lacs)	Non current (Rs. in lacs)	Current (Rs. in lacs)	Non current (Rs. in lacs)
Trade payables against exchange of services				
- Related parties (note 27)		132.96	-	-
- Others		33.38	16.24	-
Deferred revenue	1,057.35	-	857.11	0.55
Statutory dues payables (including provident fund and tax deducted at source)	1,868.86	-	427.51	-
Advances from customers	211.20	-	227.34	-
Others liabilities	4.74	-	19.85	-
<b>Total other liabilities</b>	<b>3,308.49</b>	<b>-</b>	<b>1,548.05</b>	<b>0.55</b>

**Note 15: Revenue from operations**

The Company derives the following types of revenue:

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Revenue from operations:</b>		
Sale of services :		
- Advertisement income	60,220.19	54,682.33
- Subscription income	2,254.00	2,052.27
- Income from digital business	6,046.42	4,512.21
Revenue from exchange of services - Advertisement income	355.41	232.81
<b>Other operating revenue :</b>		
- Fees from training	240.43	195.87
- Income from sale of animations	-	21.13
<b>Total revenue from continuing operations</b>	<b>69,116.45</b>	<b>61,696.62</b>

**Note 16: Other income and other gains/(losses)**

**(a) Other income**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Rental income	226.19	180.03
Interest income from financial assets at amortised cost	1,839.12	1,807.13
Unwinding of discount on security deposits	19.21	20.58
Miscellaneous income	235.55	76.73
<b>Total other income</b>	<b>2,320.07</b>	<b>2,084.47</b>

**(b) Other gains/(losses)**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Net foreign exchange gains/(losses)	22.94	(17.89)
<b>Total other gains/(losses)</b>	<b>22.94</b>	<b>(17.89)</b>

**Note 17: Production costs**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Reporting expenses	1,086.72	1,020.76
Up-linking charges	231.29	254.01
Assignment charges	91.28	157.18
Subscription charges	356.63	367.59
Transponder lease rentals	1,081.70	1,063.10
Programme procurement expenses	17.07	25.40
Royalty fee	558.21	523.13
Equipment Hire charges	224.39	208.94
Freelancer fee	567.83	556.82
Outdoor Broadcasting van operational expenses	321.78	295.28
Licence fee	824.93	842.06
Content fee	75.05	79.49
Others	1,399.05	1,928.80
<b>Total production costs</b>	<b>6,835.93</b>	<b>7,322.56</b>

**Note 18: Employee benefits expense**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Salaries, wages and bonus	18,068.93	15,637.82
Contribution to provident and other funds	715.83	644.45
Gratuity (note 13)	220.49	236.46
Leave compensation (note 13)	192.05	145.31
Staff welfare expenses	54.06	331.22
<b>Total employee benefits expense</b>	<b>19,251.36</b>	<b>16,995.26</b>

**Note 19: Depreciation and amortisation expense**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Depreciation of property, plant and equipment (note 3)	2,137.78	2,374.60
Amortisation of intangible assets (note 4)	989.75	524.48
<b>Total depreciation and amortisation expense</b>	<b>3,127.53</b>	<b>2,899.08</b>

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**Note 20: Other expenses**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Advertising, distribution and sales promotion	11,622.56	11,321.92
Water and electricity charges	768.23	794.55
Rental charges	816.24	807.25
Repair and maintenance :		
Building	116.33	30.89
Plant and machinery	642.86	627.80
Others	163.02	315.65
Insurance	169.67	172.57
Rates and taxes	111.64	193.59
Travelling and conveyance	1,903.38	2,018.67
Payments to auditors (refer note 20(a))	50.59	96.24
Corporate social responsibility expenditure (refer note 20(b))	283.63	246.45
Legal and professional fees	733.30	571.79
Printing and stationery	43.29	42.92
Telephone and communication charges	428.64	434.80
Car hire charges	805.77	763.52
Housekeeping expenses	681.48	676.76
Vehicle running and maintenance	57.47	52.52
Freight and courier	27.38	24.85
Guard services expenses	276.54	253.67
Newspapers and periodicals	12.46	11.59
Business promotion	509.27	640.57
Software expenses	79.04	38.19
Fixed assets written off	4.15	-
Allowances for doubtful debts- trade receivables	828.78	389.40
Allowances for doubtful debts- advances	-	66.51
Bad debts	4.31	-
Fair value loss on investment in subsidiaries at fair value through profit and loss	700.00	53.60
Net (loss)/gain on disposal of property, plant and equipment	14.80	0.85
Miscellaneous expenses	140.74	214.79
<b>Total other expenses</b>	<b>21,995.57</b>	<b>20,861.91</b>

**Note 20(a): Details of payments to auditors**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Payments to auditors</b>		
<b>As auditor:</b>		
Statutory audit fee	17.00	60.00
Tax audit fee	2.00	5.65
Limited Review	23.00	21.00
<b>In other capacities:</b>		
Other Service	5.50	2.31
Re-imburement of expenses	3.09	7.28
<b>Total payments to auditors</b>	<b>50.59</b>	<b>96.24</b>

**Note 20(b): Corporate social responsibility expenditure**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Contribution to Care Today Fund	283.63	-
Contribution to Education Today	-	246.45
<b>Total</b>	<b>283.63</b>	<b>246.45</b>
Amount required to be spent as per Section 135 of the Act	266.16	246.45

Amount spent during the year on:

(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	283.63	246.45

**Note 21: Finance costs**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Interest and finance charges on financial liabilities not at fair value through profit or loss	0.92	7.13
Accrual of interest on legal claim (refer note 12)	26.05	26.04
Other borrowing costs	23.09	168.15
Interest on shortfall of advance tax	28.26	2.26
<b>Total finance costs</b>	<b>78.32</b>	<b>203.58</b>

**Note 22: Exceptional items**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Fair value gain on acquisition of interest in subsidiaries by way of gifting of shares	-	855.80
Interest on migration fee to Ministry of Information & Broadcasting (note 39)	(1,378.48)	-
<b>Total exceptional items</b>	<b>(1,378.48)</b>	<b>855.80</b>

**Note 23: Income tax expense**

This note provides an analysis of the Company's income tax expense and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	6,352.89	5,383.13
<b>Total current tax expense</b>	<b>6,352.89</b>	<b>5,383.13</b>
<i>Deferred tax</i>		
Increase in deferred tax liabilities	286.79	98.13
Increase in deferred tax assets	(194.42)	(67.70)
<b>Total deferred tax expense</b>	<b>92.37</b>	<b>30.43</b>
<b>Income tax expense</b>	<b>6,445.26</b>	<b>5,413.56</b>

**(c) Reconciliation of tax expenses and the accounting profit multiplied by stipulated tax rates:**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Profit before income tax expense	18,792.27	16,336.61
Less: Profit from ITGD Division before the acquisition date	(608.53)	(134.98)
<b>Net profit to be considered for computing tax expense</b>	<b>18,183.74</b>	<b>16,201.63</b>
<b>Tax at the Indian tax rate of 34.61% (March 31, 2017: 34.61%)</b>	<b>6,293.03</b>	<b>5,607.06</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	49.19	42.92
Other items:		
Interest on delayed deposit of tax deducted at source	10.64	0.78
Fair value gain on acquisition of interest in subsidiary by way of gifting of shares	-	(277.63)
Amortisation expense pertaining to leasehold land	5.72	5.72
Fair value loss on investment in subsidiaries at fair value through profit and loss	242.26	-
Others	(155.58)	34.71
<b>Income tax expense</b>	<b>6,445.26</b>	<b>5,413.56</b>

**(d) Unrecognised temporary differences**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Unrecognised deductible temporary difference pertaining to fair valuation of investment in MTNPL for which no deferred tax asset has been recognised*	37,908.35	37,208.35
Unrecognised deferred tax asset relating to the above temporary differences @ 23.072%	8,746.21	8,584.71

**(e) Tax losses**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Unused capital tax losses for which no deferred tax asset has been recognised**	50.93	50.93
Potential tax benefit @ 23.072%	11.75	11.75

\*Represents temporary fair value loss on investment in Mail Today Newspapers Private Limited and amortisation expense pertaining to leasehold land, but no deferred tax asset has been recognised on such temporary differences as the Company does not expect the same to be deductible in determining taxable profit of future periods.

\*\*The unused tax losses represents long term capital losses for which no deferred tax asset has been recognised as it is not probable that future taxable income (capital gains) will be available against which such tax losses can be utilised. These losses can be carried forward for eight assessment years subsequent to the year in which such losses are incurred by the Company i.e. FY - 2019-2020.

As at March 31, 2018, the Dividend distribution tax on dividends recommended by Directors amounting to Rs. 275.92 lacs (March 31, 2017 Rs. 242.88 lacs) has not been recognised as liability, pending approval of shareholders in the ensuing annual general meeting.

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Note 24: Fair value measurements

Financial instruments by category

	(Rs. in lacs)			
	March 31, 2018		March 31, 2017	
	FVPL	Amortised Cost	FVPL	Amortised Cost
<b>Financial assets</b>				
Investments - equity instruments	6,771.11	-	3,418.41	-
Trade receivables	-	17,849.90	-	17,211.51
Loans to related parties	-	260.20	-	-
Loans to employees	-	26.38	-	66.59
Security deposits	-	617.43	-	480.46
Cash and cash equivalents	-	1,817.03	-	2,005.71
Other bank balances	-	17,963.07	-	24,240.79
Long-term deposits with banks with remaining maturity period more than 12 months	-	10,037.96	-	2,623.68
Advance recoverable	-	-	-	7.54
Claims recoverable	-	25.90	-	40.06
<b>Total financial assets</b>	<b>6,771.11</b>	<b>48,597.87</b>	<b>3,418.41</b>	<b>46,676.34</b>
<b>Financial liabilities</b>				
Trade payables	-	7,853.02	-	8,167.96
Security deposits	-	1,190.65	-	1,516.34
Book overdraft	-	736.98	-	-
Unpaid dividends	-	16.70	-	14.38
Employee benefits payable	-	2,176.03	-	2,304.47
Capital creditors	-	1,000.77	-	846.76
<b>Total financial liabilities</b>	<b>-</b>	<b>12,974.15</b>	<b>-</b>	<b>12,849.91</b>

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	Notes	(Rs. in lacs)			
		Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>					
<b>At March 31, 2018</b>					
<b>Financial assets</b>					
<i>Financial Investments at FVPL</i>					
Unquoted equity investments	5(a)	-	-	6,771.11	6,771.11
<b>Total financial assets</b>		-	-	<b>6,771.11</b>	<b>6,771.11</b>
<b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b>					
<b>At March 31, 2018</b>					
<b>Financial assets</b>					
Loans to related parties	5(e)	-	-	260.20	260.20
Loans to employees	5(e)	-	-	26.38	26.38
Security deposits	5(e)	-	-	622.77	622.77
Long-term deposits with banks with remaining maturity period more than 12 months	5(f)	-	-	10,037.96	10,037.96
<b>Total financial assets</b>		-	-	<b>10,947.31</b>	<b>10,947.31</b>
<b>Financial Liabilities</b>					
Security deposits	11(a)	-	-	1,190.65	1,190.65
<b>Total financial liabilities</b>		-	-	<b>1,190.65</b>	<b>1,190.65</b>
<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>					
<b>At March 31, 2017</b>					
<b>Financial assets</b>					
<i>Financial Investments at FVPL</i>					
Unquoted equity investments	5(a)	-	-	3,418.41	3,418.41
<b>Total financial assets</b>		-	-	<b>3,418.41</b>	<b>3,418.41</b>
<b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed</b>					
<b>At March 31, 2017</b>					
<b>Financial assets</b>					
Loans to employees	5(e)	-	-	66.59	66.59
Security deposits	5(f)	-	-	480.46	480.46
Long-term deposits with banks with remaining maturity period more than 12 months	5(f)	-	-	2,623.68	2,623.68
<b>Total financial assets</b>		-	-	<b>3,170.73</b>	<b>3,170.73</b>
<b>Financial liabilities</b>					
Security deposits	11(b)	-	-	96.45	96.45
<b>Total financial liabilities</b>		-	-	<b>96.45</b>	<b>96.45</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (for example listed equity instruments, traded bonds and mutual funds that have quoted price).

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities and derivative financial asset - guarantee are included in level 3.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the years ended March 31, 2018 and March 31, 2017:

	<b>Unquoted equity shares (Rs. in lacs)</b>
<b>As at March 31, 2016</b>	<b>340.83</b>
Acquisitions at fair values by way of gifts, credited to profit or loss	855.80
Acquisitions at fair values by way of gifts from the parent company, credited to capital contributions	2,275.38
Losses recognised in profit or loss	(53.60)
<b>As at March 31, 2017</b>	<b>3,418.41</b>
Acquisitions during the year	4,052.70
Impairment of investments during the year	(700.00)
<b>As at March 31, 2018</b>	<b>6,771.11</b>
<b>Unrealised gains/(losses) recognised in statement of profit and loss related to assets and liabilities held at the end of the reporting period</b>	
March 31, 2018	(700.00)
March 31, 2017	(53.60)

**(iv) Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

**As at March 31, 2018**

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	6,771.11	Earnings growth rate	Growth rate - 5% Range 4.5% ~ 5.5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs 765 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 663 lacs.
		Risk adjusted discount rate	Rate used - 17.4% Range 16.4%~18.4%	

**As at March 31, 2017**

Particulars	Fair value (Rs. in lacs)	Significant unobservable inputs*	Probability weighted range	Sensitivity
Unquoted equity shares	3,418.41	Earnings growth rate	Growth rate - 5% Range 4.5% ~ 5.5%	Increase in earning growth factor (+ 50 basis points) and lower discount rate (- 100 basis points) would increase fair value by Rs. 1,000 lacs; lower growth factor (- 50 basis points) and higher discount rate (+100 basis points) would decrease fair value by Rs. 570 lacs.
		Risk adjusted discount rate	Rate used - 15% Range 14%~16%	

\*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

**(v) Valuation processes**

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the finance team at least once in every three months, in line with the Company's quarterly reporting periods.

The main level 3 inputs for the unquoted equity shares used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model.
- Risk free rate is computed based on the 10 year Indian Government Bond yield.
- Earnings growth factor for unquoted equity shares are estimated based on market information for similar types of companies.
- Volatility rate is computed based on monthly stock prices sourced from Capital IQ Database.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the finance team. As part of this discussion, the team presents a report that explains the reason for the fair value movements.

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

	(Rs. in lacs)			
	March 31, 2018		March 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Loan to related parties	260.20	260.20	-	-
Loans to employees	26.38	26.38	66.59	66.59
Security deposits	617.43	622.77	480.46	480.46
Long-term deposits with banks with remaining maturity period more than 12 months	10,037.96	10,037.96	2,623.68	2,623.68
<b>Total financial assets</b>	<b>10,681.77</b>	<b>10,687.11</b>	<b>3,170.73</b>	<b>3,170.73</b>
<b>Financial liabilities</b>				
Security deposits	1,190.65	1,190.65	1,516.34	96.45
<b>Total financial liabilities</b>	<b>1,190.65</b>	<b>1,190.65</b>	<b>1,516.34</b>	<b>96.45</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, advance recoverable, claims recoverable, current borrowings, trade payables, employee benefits payables, interest accrued, book overdraft, unpaid dividends, capital creditors and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans to employees, security deposits and long - term deposits with banks with remaining maturity period more than 12 months were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

The fair values of security deposits received were calculated based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Significant estimates**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see (ii) and (iv) above.

**Note 25: Financial risk management**

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages such risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured	Ageing analysis Credit ratios	Diversification of bank deposits and credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and	Cash flow forecasting	Cash flow forecasting
Market risk - interest rate	Short-term borrowings at variable rates	Sensitivity analysis	Periodic monitoring of interest rates
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The senior management of the Company oversees the management of these risks. The Company's senior management is supported by a financial risk team that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**(A) Credit risk**

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

**(i) Credit risk management**

For banks and financial institutions, only high rated banks/institutions are accepted.

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

- VL 1 : High-quality assets, negligible credit risk
- VL 2 : Quality assets, low credit risk
- VL 3 : Standard assets, moderate credit risk
- VL 4 : Substandard assets, relatively high credit risk
- VL 5 : Low quality assets, very high credit risk
- VL 6 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 180 days past due for non-government customers and 365 days for government customers.

A default on a financial asset is when the counterparty fails to make contractual payments within 1 year of when they fall due for non-government customers and 2 years for government customers. This definition of default is determined by considering the business environment in which the Company operates and other macro-economic factors.

(ii) Provision for expected credit losses

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

Internal Rating	Category	Description of category	Basis for recognition of expected credit loss provision	
			Loans, deposits and advances	Trade receivables
VL 1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12-month expected credit losses	Life-time expected credit losses (Simplified approach)
VL 2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.		
VL 3	Standard assets, moderate credit risk	Assets where the probability of default is considered moderate, counter-party's capacity to meet the obligations is not strong.		
VL 4	Substandard assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition. Assets where the payments are more than 30 days past due.	Life-time expected credit losses	
VL 5	Low quality assets, very high credit risk	Assets where there is a high probability of default. In general, assets where contractual payments are more than 180 days past due for non-government customers and 365 days for government customers are categorised as low quality assets. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180/365 days past due.		
VL 6	Doubtful assets, credit-impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 1 year when they fall due for non-government customers and 2 years for government customers past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.		

Year ended March 31, 2018:

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

Particulars	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Loans to related parties	VL 1	260.20	0.00%	-	260.20
	Loans to employees	VL 1	26.38	0.00%	-	26.38
	Security deposits	VL 2	611.32	0.71%	(4.35)	606.97
	Claims recoverable	VL 2	40.99	36.81%	(15.09)	25.90
Loss allowance measured at life-time expected credit losses	Advance recoverable	VL5	34.97	100.00%	(34.97)	-

Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	12,566.70	3,883.15	673.44	587.47	939.90	317.48	1,633.80	20,601.94
Expected loss rate	0.75%	6.32%	9.24%	20.19%	45.69%	74.46%	95.84%	13.36%
Expected credit losses (Loss allowance provision)	94.04	245.51	62.21	118.60	429.43	236.40	1,565.85	2,752.04
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>12,472.66</b>	<b>3,637.64</b>	<b>611.23</b>	<b>468.87</b>	<b>510.47</b>	<b>81.08</b>	<b>67.95</b>	<b>17,849.90</b>

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Year ended March 31, 2017:

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

Particulars	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected losses	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Loans to employees	VL 1	66.59	0.00%	-	-	66.59
	Security deposits	VL 2	454.81	0.96%	(4.35)	-	450.46
	Claims recoverable	VL 1	40.06	0.00%	-	-	40.06
Loss allowance measured at life-time expected credit losses	Advance recoverable	VL5	42.51	82.26%	(34.97)	-	7.54

## Expected credit loss for trade receivables under simplified approach

Ageing	Not due	0-90 days	91-180 days	181- 365 days	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount	11,310.47	3,268.30	1,350.07	1,276.23	539.96	230.65	1,225.27	19,200.94
Expected loss rate	0.85%	1.92%	5.94%	10.05%	43.03%	75.15%	99.23%	10.36%
Expected credit losses (Loss allowance provision)	96.61	62.73	80.22	128.32	232.36	173.33	1,215.86	1,989.43
Carrying amount of trade receivables (net of impairment)	11,213.86	3,205.57	1,269.85	1,147.91	307.59	57.32	9.41	17,211.51

During the year, the Company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection cash flows previously written off.

## (iii) Reconciliation of loss allowance provision - Loans, deposits and advances.

## Reconciliation of loss allowance

## Loss allowance on April 1, 2016

Add/(Less): Changes in loss allowances

## Loss allowance on March 31, 2017

Add/(Less): Changes in loss allowances

## Loss allowance on March 31, 2018

# The change in the loss allowance is due to changes in the probability of default used to calculate 12-month expected credit loss.

Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses
4.35	34.97
-	-
4.35	34.97
15.09	-
19.44	34.97

## (iv) Reconciliation of loss allowance provision - Trade receivables

## Reconciliation of loss allowance

## Loss allowance on April 1, 2016

Changes in loss allowance

## Loss allowance on March 31, 2017

Write offs

Changes in loss allowance

## Loss allowance on March 31, 2018

Life-time expected credit losses (simplified approach)
1,594.00
395.43
1,989.43
(4.01)
766.62
2,752.04

## Significant estimates and judgments

## Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet cash requirements, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

## Floating rate

-Expiring within one year (cash credit facility and non-fund based facilities)

March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
4,598.97	5,077.54
4,598.97	5,077.54

The cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facility may be drawn at any time in INR and have an average maturity of 1 year (March 31, 2017: 1 year).

## (ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities March 31, 2018							(Rs. in lacs)
	Repayable on demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 year	Total
Trade payables	-	7,853.02	-	-	-	-	7,853.02
Other financial liabilities	16.70	3,080.55	-	-	15.39	-	3,112.64
<b>Total financial liabilities</b>	<b>16.70</b>	<b>10,933.57</b>	<b>-</b>	<b>-</b>	<b>15.39</b>	<b>-</b>	<b>10,965.66</b>

Contractual maturities of financial liabilities March 31, 2017							(Rs. in lacs)
	Repayable on demand	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 year	Total
Trade payables	-	8,167.96	-	-	-	-	8,167.96
Other financial liabilities	24.66	2,464.76	-	4.15	58.63	-	2,552.20
<b>Total financial liabilities</b>	<b>24.66</b>	<b>10,632.72</b>	<b>-</b>	<b>4.15</b>	<b>58.63</b>	<b>-</b>	<b>10,720.16</b>

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**(C) Market risk****(i) Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the GBP and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

**(a) Foreign currency risk exposure:**

The Company exposure to foreign currency risk at the end of the reporting period, is as follows:

	(Rs. in lacs)										
	March 31, 2018										
	GBP	EURO	AED	AUD	CAD	KWD	MYR	SAR	SGD	THB	USD
<b>Financial assets</b>											
Trade receivables	95.59	0.20	1.02	-	60.94	-	-	-	0.70	-	416.48
Bank balance in EEFC accounts	-	-	-	-	-	-	-	-	-	-	126.23
<b>Net exposure to foreign currency risk (assets)</b>	<b>95.59</b>	<b>0.20</b>	<b>1.02</b>	<b>-</b>	<b>60.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>-</b>	<b>542.71</b>
<b>Financial liabilities</b>											
Trade payables	-	2.26	-	-	-	-	-	-	-	-	135.22
Other financial liabilities	4.61	-	-	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>4.61</b>	<b>2.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135.22</b>

	(FC in lacs)										
	March 31, 2018										
	GBP	EURO	AED	AUD	CAD	KWD	MYR	SAR	SGD	THB	USD
<b>Financial assets</b>											
Trade receivables	1.04	-	0.06	-	1.21	-	-	-	0.01	-	6.40
Bank balance in EEFC accounts	-	-	-	-	-	-	-	-	-	-	1.94
<b>Net exposure to foreign currency risk (assets)</b>	<b>1.04</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>1.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>8.34</b>
<b>Financial liabilities</b>											
Trade payables	-	0.03	-	-	-	-	-	-	-	-	2.08
Other financial liabilities	0.05	-	-	-	-	-	-	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.05</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.08</b>

	(Rs. in lacs)										
	March 31, 2017										
	GBP	EURO	AED	AUD	CAD	KWD	MYR	SAR	SGD	THB	USD
<b>Financial assets</b>											
Trade receivables	151.20	3.01	7.20	7.31	79.41	14.27	0.26	3.11	1.71	4.87	1,040.06
Bank balance in EEFC accounts	-	-	-	-	-	-	-	-	-	-	72.53
<b>Net exposure to foreign currency risk (assets)</b>	<b>151.20</b>	<b>3.01</b>	<b>7.20</b>	<b>7.31</b>	<b>79.41</b>	<b>14.27</b>	<b>0.26</b>	<b>3.11</b>	<b>1.71</b>	<b>4.87</b>	<b>1,112.59</b>
<b>Financial liabilities</b>											
Trade payables	20.99	12.02	-	-	-	-	-	-	-	-	175.79
Other financial liabilities	4.04	-	-	-	-	-	-	-	-	-	-
Advance from customer	2.49	0.21	0.12	-	1.45	-	-	-	-	-	360.38
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>27.52</b>	<b>12.23</b>	<b>0.12</b>	<b>-</b>	<b>1.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>536.17</b>

	(FC in lacs)										
	March 31, 2017										
	GBP	EURO	AED	AUD	CAD	KWD	MYR	SAR	SGD	THB	USD
<b>Financial assets</b>											
Trade receivables	1.87	0.04	0.41	0.15	1.64	0.07	0.02	0.18	0.04	2.59	16.07
Bank balance in EEFC accounts	-	-	-	-	-	-	-	-	-	-	1.11
<b>Net exposure to foreign currency risk (assets)</b>	<b>1.87</b>	<b>0.04</b>	<b>0.41</b>	<b>0.15</b>	<b>1.64</b>	<b>0.07</b>	<b>0.02</b>	<b>0.18</b>	<b>0.04</b>	<b>2.59</b>	<b>17.18</b>
<b>Financial liabilities</b>											
Trade payables	0.26	0.19	-	-	-	-	-	-	-	-	2.72
Other financial liabilities	0.05	-	-	-	-	-	-	-	-	-	-
Advance from customer	-	-	0.01	-	0.03	-	-	-	-	-	5.57
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>0.31</b>	<b>0.19</b>	<b>0.01</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.29</b>

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**(b) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated

	Impact on profit after tax	
	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>GBP sensitivity</b>		
INR/GBP - Increase by 5%*	4.55	6.18
INR/GBP - Decrease by 5%*	(4.55)	(6.18)
<b>EURO sensitivity</b>		
INR/EURO - Increase by 5%*	(0.10)	(0.46)
INR/EURO - Decrease by 5%*	0.10	0.46
<b>AED sensitivity</b>		
INR/AED - Increase by 5%*	0.05	0.35
INR/AED - Decrease by 5%*	(0.05)	(0.35)
<b>AUD sensitivity</b>		
INR/AUD - Increase by 5%*	-	0.37
INR/AUD - Decrease by 5%*	-	(0.37)
<b>CAD sensitivity</b>		
INR/CAD - Increase by 5%*	3.05	3.90
INR/CAD - Decrease by 5%*	(3.05)	(3.90)
<b>KWD sensitivity</b>		
INR/KWD - Increase by 5%*	-	0.71
INR/KWD - Decrease by 5%*	-	(0.71)
<b>MYR sensitivity</b>		
INR/MYR - Increase by 5%*	-	0.01
INR/MYR - Decrease by 5%*	-	(0.01)
<b>SAR sensitivity</b>		
INR/SAR - Increase by 5%*	-	0.16
INR/SAR - Decrease by 5%*	-	(0.16)
<b>SGD sensitivity</b>		
INR/SGD - Increase by 5%*	0.04	0.09
INR/SGD - Decrease by 5%*	(0.04)	(0.09)
<b>THB sensitivity</b>		
INR/THB - Increase by 5%*	-	0.24
INR/THB - Decrease by 5%*	-	(0.24)
<b>USD sensitivity</b>		
INR/USD - Increase by 5%*	20.37	25.19
INR/USD - Decrease by 5%*	(20.37)	(25.19)

\* Holding all other variables constant.

**(ii) Price risk****(a) Exposure**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through profit or loss.

The Company's unquoted equity shares are susceptible to market price risk arising from uncertainties about future value of the investment securities. The Company's investment in unquoted equity shares are of strategic importance to the Company.

**(b) Sensitivity**

Sensitivity analyses of these investments have been provided in Note 24(iv).

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**Note 26: Capital management**

**(a) Risk management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**(b) Dividends**

**(i) Equity shares**

Final dividend for the year ended March 31, 2017 of INR 2 (March 31, 2016: Rs. 1.75) per fully paid share

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
--	---------------------------------	---------------------------------

1,193.07 1,043.94

**(ii) Dividends not recognised at the end of the reporting period**

In addition to the above dividend, since year end, the directors have recommended the payment of a final dividend of INR 2.25 per fully paid equity share (March 31, 2017: Rs. 2 per equity share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

1,342.21 1,193.07

**Note 27: Related party transactions**

**(a) Parent entities**

The Company is controlled by following entities:

**Name**

	Type	Place of incorporation	Ownership interest	
			March 31, 2018	March 31, 2017

Living Media India Limited

Parent entity India 56.92% 56.92%

**(b) Subsidiaries**

**Name**

	Type	Place of incorporation	Ownership interest	
			March 31, 2018	March 31, 2017

India Today Online Private Limited (From March 15, 2017)

Subsidiary India 100.00% 100.00%

Mail Today Newspapers Private Limited (From March 15, 2017)

Subsidiary India 100.00% 100.00%

T.V. Today Network (Business) Limited

Subsidiary India 100.00% 100.00%

Vibgyor Broadcasting Private Limited (From August 1, 2017)

Subsidiary India 100.00% 0.00%

**(c) Other related parties**

**Type**

**Name**

**Place of incorporation**

Fellow subsidiaries

Mail Today Newspapers Private Limited (upto March 14, 2017)  
Today Merchandise Private Limited (upto February 28, 2017)  
Universal Learn Today Private Limited  
Today Retail Network Private Limited (upto February 28, 2017)  
India Today Online Private Limited (upto March 14, 2017)  
UPHIL Media Private Limited (Formerly known as ITAS Media Private Limited)

India  
India  
India  
India  
India  
India

Associates of parent entity

Integrated Databases India Limited  
Today Magazines Lifestyle Private Limited  
Today Retail Network Private Limited (from March 01, 2017)

India  
India  
India

Entities over which Key Management Personnel exercise significant influence

Care Today Fund  
Vasant Valley School  
Education Today  
TV Today Gratuity Trust  
World Media Private Limited  
Thomson Press (India) Limited  
Radio Today Broadcasting Limited

India  
India  
India  
India  
India  
India  
India

Key Management Personnel

Mr. Aron Purie (Chairman & Whole-time director)  
Ms. Kalli Purie Bhandal (Vice Chairperson and Managing Director)  
Mr. Ashish Kumar Bagga (CEO of Company upto July 31, 2017)  
Mr. Dinesh Bhatia (CFO of Company)  
Mr. Ashish Sabharwal (Company Secretary of Company) (from March 1, 2017)  
Dr. Puneet Jain (Company Secretary of Company till February 28, 2017,  
Group Chief Corporate Affairs Officer and Group Chief Law & Compliance Officer thereafter)

**(c) Key Management Personnel (KMP) compensation**

Short-term employee benefits\*

Post-employment benefits

Long-term employee benefits

**Total compensation**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
--	---------------------------------	---------------------------------

1,452.19 1,230.58

20.80 9.62

35.35 28.26

**1,508.35 1,268.46**

In addition to the above, the Company received key management personnel services from the parent entity, for which a management fee of Rs 714.33 lacs (March 31, 2017:Rs. 648.68 lacs) was charged and paid, being an appropriate allocation of costs incurred by the parent entity.

\* Short-term employee benefits for Mr. Aron Purie is remuneration by way of commission paid @ 5% of net profits of the Company.

The remuneration of Key Management Personnel is determined by the Board / Nomination and Remuneration Committee having regard to the performance of individual and market trends.

**(d) Transactions with related parties**

The following transaction occurred with related parties:

Particulars	Notes	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>Sales and purchases of goods and services</b>			
Purchase of advertisement space / material:			
- parent entity		333.50	158.44
- subsidiaries		11.08	3.93
- fellow subsidiaries		-	25.78
Advertisement income			
- parent entity		521.42	128.84
- subsidiaries		58.58	2.31
- fellow subsidiaries		-	40.00
Income from digital business received from parent entity		-	67.00
Proportionate share of revenue from Composite contract paid to parent entity		60.00	-
Proportionate share of revenue from Composite contract received from parent entity		44.10	-
Management fee paid to parent entity		720.34	654.71
Management fee received from parent entity		102.45	91.97
Income from sale of online T.V. Today Media Institute prospectus through parent entity		5.16	4.56
Rent charged by related parties for use of common facilities / utilities:			
- parent entity		176.15	264.68
- fellow subsidiaries		-	-
- entity over which the KMP exercise significant influence		4.38	4.39
Rent charged to related parties for use of common facilities / utilities			
- parent entity		383.67	349.88
- subsidiaries		59.03	6.40
- fellow subsidiaries		-	50.57
Miscellaneous inter-company services received from related parties and other charges paid to:			
- parent entity		718.39	8.70
- entity over which the KMP exercise significant influence		26.03	23.44
- associates of parent entity		0.04	0.50
Miscellaneous inter-company services rendered to related parties and other charges received from:			
- parent entity		74.86	86.33
- fellow subsidiaries		0.03	1.42
- entity over which the KMP exercise significant influence		0.09	0.04
- associates of parent entity		-	0.01
Gift of shares of India Today Online Private Limited by parent entity		-	2,275.38
Purchase shares of Mail Today Newspapers Private Limited		4,051.70	-
Contribution to post-employment benefit plan (gratuity trust)		129.66	74.25
Expenditure towards Corporate Social Responsibility activities and other donations to entities over which KMP exercise significant influence		284.26	247.03
Royalty fee charged by parent entity		419.40	399.45
Content fee charged by parent entity		75.05	79.49
Reimbursement of expenses by parent entity		-	190.87
Expenses paid on behalf of subsidiary		0.89	0.83
Acquisition of Digital Business of parent entity		2,000.00	-
Loan given to subsidiary		260.00	-
Interest on loan given to subsidiary		0.22	-
Security deposit paid to subsidiary		2.00	-
Refund of security deposit from subsidiary		2.00	-
Dividend paid			
- parent entity		679.09	594.20
- entity over which the KMP exercise significant influence		0.03	0.03
- KMP		5.88	5.15

*(This space has been intentionally left blank)*

**(e) Outstanding balances arising from sales/purchases of goods and services and other transactions**

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

		March 31, 2018 (Rs. In lacs)	March 31, 2017 (Rs. In lacs)
<b>Trade payables (purchases of goods and services)</b>	11(b)		
- parent entity		613.41	-
- entity over which the KMP exercise significant influence		6.88	7.50
- associate of parent entity		0.01	0.04
<b>Total payables to related parties</b>		<b>620.30</b>	<b>7.54</b>
<b>Trade receivables (sale of goods and services)</b>	5(b)		
- parent entity		-	621.06
- subsidiaries		76.35	104.42
- associate of parent entity		4.24	4.24
- entity over which the KMP exercise significant influence		6.01	6.02
<b>Total receivables from related parties</b>		<b>86.60</b>	<b>735.74</b>
<b>Payables against exchange of services</b>			
- subsidiaries		132.96	-
<b>Total payables against exchange of services</b>		<b>132.96</b>	<b>-</b>
<b>Receivables against exchange of services</b>			
- parent entity	9	-	86.38
<b>Total receivables against exchange of services</b>		<b>-</b>	<b>86.38</b>
<b>Advances</b>			
- subsidiaries	9	274.06	-
<b>Total receivables against exchange of services</b>		<b>274.06</b>	<b>-</b>
<b>Loan given</b>			
- subsidiaries		260.00	-
<b>Total loan given</b>		<b>260.00</b>	<b>-</b>
<b>Interest accrued on loan given</b>			
- subsidiaries		0.20	-
<b>Total interest accrued on loan</b>		<b>0.20</b>	<b>-</b>
<b>Security deposit</b>			
- parent entity	5(f)	10.46	30.00
<b>Total security deposit</b>		<b>10.46</b>	<b>30.00</b>
<b>Employee benefits payables</b>			
- key management personnel	11(a)	1,000.77	846.76

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

**(f) Terms and conditions**

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Goods and services were sold to the related parties during the year based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties. Management services were bought from the immediate parent entity on cost basis.

Contribution to gratuity trust and expenditure towards Corporate Social Responsibility activities were in accordance with the applicable laws and regulations.

All other transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and settled in cash, except barter transactions, as mentioned above, which are settled on receipt or provision of service by the parties.

*(This space has been intentionally left blank)*

**Note 28: Contingent liabilities**

The Company had contingent liabilities as at March 31, 2018 in respect of:

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
<b>(a) Claims against the Company not acknowledged as debts:</b>		
<b>(i) Income tax matters:</b>		
The Company has received demand notices from the Income Tax Department, which the Company has contested / disputed. In the opinion of the management, no liability is likely to arise on account of such demand notices.	48.46	116.94
<b>(ii) Service tax matters:</b>		
The Company has received demand notice from the Service Tax Department, which the Company has contested / disputed. In the opinion of the management, based on its understanding of the case and as advised by the counsel, no liability is likely to arise on account of such demand notice.	1,245.29	1,140.16
<b>(iii) Other matters:</b>		
(1) Claim from Prasar Bharti towards uplinking charges: Provision amounts to Rs. 700.97 lacs (March 31, 2017: Rs. 674.92 lacs) (refer note 12). In the opinion of the management, based on its understanding of the case and consideration of the opinion received from the counsel, the provision made is considered adequate.	241.97	228.95
(2) Claim from Phonographic Performance Limited (PPL) towards royalty for use of PPL's sound recordings over Company's radio stations: Liability recorded amounts to Rs. 67.44 lacs (March 31, 2017: Rs. 50.71 lacs). In the opinion of the management, based on its understanding of the case and as advised by the counsel, the liability recorded in the books is considered to be adequate.	345.08	320.56
(3) The Company has received legal notices of claims / lawsuits filed against it in respect of programme aired on its television channels. In the opinion of the management, no liability is likely to arise on account of such claims / lawsuits.	-	-
<b>(b) Guarantees:</b>		
(i) Bank guarantees	801.03	299.93
(ii) Corporate guarantee	1,800.00	300.00

**Note 29: Commitments**

**(a) Capital commitments**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Property, plant and equipment	274.56	81.05
Intangible assets	97.86	169.83
	<b>372.42</b>	<b>250.88</b>

(ii) The 3 radio stations of the Company in Delhi, Mumbai and Kolkata got migrated to Phase III for a period of 15 years w.e.f 1 April 2015. Accordingly, as per Grant of Permission Agreement (GOPA) for the said migration executed on 23 May 2017, the Company is obliged to pay a 4% of Gross Revenue or 2.5% of the Non-refundable one time fee (NOTEF) for the respective city, whichever is higher.

Detail of Minimum License fee to be paid

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Within one year	741.54	741.54
Later than one year but not later than five years	2,966.15	2,966.15
Later than five years	5,190.76	5,932.30
	<b>8,898.45</b>	<b>9,639.99</b>

**(b) Operating leases**

**As a lessee:**

The Company has cancellable and non-cancellable operating leases mainly for office premises and company leased accommodation for employees. The leases range for a period between 11 months and 10 years. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. The commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Within one year	336.05	1.76
Later than one year but not later than five years	500.72	-
Later than five years	-	-
	<b>836.77</b>	<b>1.76</b>

**Rental expense relating to operating leases**

	March 31, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)
Minimum lease payments	11,622.56	11,321.92
<b>Total rental expense relating to operating leases</b>	<b>11,622.56</b>	<b>11,321.92</b>

**As a lessor:**

The Company has given a part of Noida office building on cancellable operating lease to two related parties. These lease arrangements have been entered for a period of ten years from March 1, 2014. The lease arrangements are renewable for further period on mutually agreeable terms and also include escalation clauses.



**Note 30: Share-based payments**

**(a) Employee stock option plan**

The Company instituted the Employee Stock Option Plan (TVTN ESOP 2006) to grant equity - based incentives to its eligible employees. The TVTN ESOP 2006 was approved by the board of directors in their meeting held on August 21, 2006 and by shareholders in their meeting held on September 28, 2006, for grant of 2,900,000 options, representing one share for each option upon exercise by the employees of the Company, at an exercise price determined by the Board / Remuneration Committee. The equity shares covered under the scheme shall vest over a period of four years; vesting shall vary based on the meeting of the performance criteria. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The Optionees may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of ten years from the grant date. Options are granted under the plan for no consideration and carry no dividend or voting rights. The exercise price is based on the market value of the underlying equity shares on the date of grant.

Set out below is a summary of options granted under the plan:

	March 31, 2018		March 31, 2017	
	Average exercise price per share option (Rs.)	Number of options	Average exercise price per share option (Rs.)	Number of options
Opening balance	83.00	15,000	97.74	25,000
Granted during the year*	-	-	-	-
Exercised during the year *	-	-	-	-
Expired during the year	-	-	119.85	10,000
<b>Closing balance</b>	<b>83.00</b>	<b>15,000</b>	<b>83.00</b>	<b>15,000</b>
Vested and exercisable		15,000		15,000

\*No options were exercised/ granted during the year ended March 31, 2017 and March 31, 2018.

No options were forfeited during the periods covered in the above table.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price (Rs.)	Share options	Share options
			March 31, 2018	March 31, 2017
June 24, 2008	June 23, 2018	93.15	3,750	3,750
June 24, 2008	June 23, 2018	63.15	3,750	3,750
May 20, 2010	May 19, 2020	102.85	3,750	3,750
May 20, 2010	May 19, 2020	72.85	3,750	3,750
<b>Total</b>			<b>15,000</b>	<b>15,000</b>

Weighted average remaining contractual life of options outstanding at the end of the period

1.18 years

2.18 years

**Fair value of options granted**

No option was granted during the year ended March 31, 2018 and March 31, 2017.

**(b) Expense arising from share-based payment transactions**

There was no expense during the current year as well as previous year as all outstanding options have already been vested fully during the previous periods. Accordingly, there was no impact on basic EPS and diluted EPS in current year as well as previous year on account of expense arising from share based payment transactions.

**Note 31: Earnings per share**

**Particulars**

**(a) Basic earnings per share**

**Year ended**

March 31, 2018	March 31, 2017
Amount (Rs)	Amount (Rs)

20.70

18.31

**(b) Diluted earnings per share**

20.70

18.31

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

**Particulars**

**Year ended**

March 31, 2018	March 31, 2017
(Rs. in lacs)	(Rs. in lacs)

Basic / Diluted earnings per share

Profit attributable to the equity holders of the Company used in calculating basic / diluted earnings per share:

12,347.01

10,923.05

**12,347.01**

**10,923.05**

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

Weighted average number of equity shares used as the denominator in calculating basic earnings per share

Adjustments for calculation of diluted earnings per share:

Stock options

59,653,615

59,653,615

2,302

2,302

**Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share\***

**59,655,917**

**59,655,917**

\* The weighted average number of shares takes into account the weighted average effect of stock options outstanding as at the balance sheet date.

**(e) Information concerning the classification of securities**

Stock options

Options granted to employees under the Employee Stock Option Plan are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

**Note 32: Offsetting financial assets and financial liabilities**

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2018 and March 31, 2017. The column 'net amount' shows the impact on the Company's balance sheet of all set-off rights were exercised.

	Effects of offsetting on the balance sheet			(Rs. in lacs)
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Net amount
<b>March 31, 2018</b>				
<b>Financial assets</b>				
Trade receivables (i)	20,920.43	(3,070.53)	17,849.90	17,849.90
<b>Total</b>	<b>20,920.43</b>	<b>(3,070.53)</b>	<b>17,849.90</b>	<b>17,849.90</b>
<b>Financial liabilities</b>				
Trade payables (i)	11,238.49	(3,070.53)	8,167.96	8,167.96
<b>Total</b>	<b>11,238.49</b>	<b>(3,070.53)</b>	<b>8,167.96</b>	<b>8,167.96</b>
<b>March 31, 2017</b>				
<b>Financial assets</b>				
Trade receivables (i)	20,341.43	(3,129.92)	17,211.51	17,211.51
<b>Total</b>	<b>23,759.84</b>	<b>(3,129.92)</b>	<b>20,629.92</b>	<b>20,629.92</b>
<b>Financial liabilities</b>				
Trade payables (i)	9,228.27	(3,129.92)	6,098.35	6,098.35
<b>Total</b>	<b>9,228.27</b>	<b>(3,129.92)</b>	<b>6,098.35</b>	<b>6,098.35</b>

**(i) Offsetting arrangements**

Trade receivables and trade payables

(a) The Company gives volume based incentives to advertisement agencies. Under the terms of the agreements, the amounts payable by the Company are offset against receivables from the agencies and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet.

(b) The Company enter into various transactions for purchase and sale of goods and services with the related parties which are settled in net. The relevant amounts have therefore been presented net in the balance sheet.

**Note 33: Assets pledged as security**

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

	Notes	March 31, 2018	March 31, 2017
		(Rs. in lacs)	(Rs. in lacs)
<b>Current</b>			
<b>Financial assets</b>			
<i>First charge</i>			
Trade receivables *	5(b)	17,849.90	17,211.51
Long-term Deposits with maturity more than 3 months but less than 12 months *	5(d)	-	198.80
<b>Total assets pledged as security</b>		<b>17,849.90</b>	<b>17,410.31</b>

\* Pledged against cash credit facility and guarantees issued by bank (note 28)

(This space has been intentionally left blank)

**Note 34: Common Control Business Combination**

The Board of Directors of the Company at its meeting held on November 9, 2017 approved the proposal to acquire the "Business constituting operations of Digital business" ("Digital Business", "ITGD Division") from Living Media India Limited ("Holding Company", "LMIL") as a going concern on slump sale basis to the Company by way of execution of Business Transfer Agreement. Accordingly, on January 1, 2018 the Company acquired digital business for Rs. 2,000 lacs.

The above acquisition of ITGD Division has been considered as common control business combination as it involves entities (i.e. ITGD Division and T.V. Today Network Limited) which are ultimately controlled by the same party (i.e. Living Media India Limited, the parent entity) both before and after the business combination and such control is not transitory.

Accordingly, this business combination has been recorded applying the pooling of interest method whereby:

- (i) The assets and liabilities of ITGD Division are reflected at their carrying amounts.
- (ii) No adjustments have been made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information of ITGD Division in the Standalone financial statements in respect of prior periods have been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements (i.e. April 1, 2016).
- (iv) The balance payable to holding Company equivalent to net assets in the financial statements of ITGD Division as on April 1, 2016 has been recorded as Capital Reserve in the standalone financial statements of the Company and offset with the actual payment made as consideration for acquiring ITGD Division during year ended March 31, 2018.

The details of the ITGD Division and the amount of difference between the consideration and the value of net identifiable assets acquired (which has been transferred to Capital Reserve) are as follows:

Combining entity	General nature of business	Date on which control is obtained	Number of shares and % ownership acquired	Consideration (Rs. in lacs)
ITGD Division	Operating and maintenance of digital business	January 1, 2018	Nil*	2,000

\*Since, the transaction involved acquisition of business undertaking only (i.e. ITGD Division) from holding Company, there was no transfer of shares involved.

Details of net identifiable assets/ (liabilities) acquired (at carrying amount):

	March 31, 2018 (Rs. in lacs)	January 1, 2018 (Rs. in lacs)	March 31, 2017 (Rs. in lacs)	April 1, 2016 (Rs. in lacs)
Property, plant and equipment	122.59	133.11	74.85	106.16
Intangible under development	171.32	171.32	90.78	-
Non current assets	2.16	2.16	-	-
Trade Receivables	1,790.64	1,729.77	1,770.55	2,088.06
Loans	-	11.15	43.10	40.20
Other current assets	257.43	211.36	50.63	-
Current tax assets	0.04	-	-	-
Employee benefit obligation	(279.06)	(202.95)	(177.11)	(116.99)
Trade Payable	(149.70)	(511.88)	(580.75)	(375.59)
Employee benefit payable	(17.98)	(105.44)	(158.93)	(55.82)
Capital creditors	-	(19.39)	-	-
Advance from customers	-	(14.30)	-	(357.53)
Statutory dues payable	(239.29)	(16.55)	(18.51)	(13.31)
	<b>1,658.15</b>	<b>1,388.36</b>	<b>1,094.61</b>	<b>1,315.18</b>

**Note 35: Composite scheme of arrangement and amalgamation of Mail Today and India Today Online India Private Limited**

With a view to restructure, amalgamate and consolidate the newspaper business of Mail Today with the television programming and broadcasting business of the Company and for generating editorial and business synergies, the Board of Directors of the Company, at its meeting held on December 15, 2017 approved the proposal of the newspaper undertaking of Mail Today be demerged and vested into and with the Company. It was also proposed to merge India Today Online Private Limited (the wholly owned subsidiary of the Company and holding company of Mail Today) with the Company.

The appointed date for these arrangements under the Composite Scheme is January 1, 2017. This Composite Scheme of Amalgamation and Arrangement is subject to various statutory and regulatory approvals including those from Shareholders and Creditors of the respective entities and the sanction of the jurisdictional National Company Law Tribunal.

**Note 36: Non-binding agreement for sale of radio business**

The Board of Directors of the Company at its meeting held on March 16, 2018 granted an in principle approval for the sale of radio business of the Company comprising of 3 radio stations in Delhi, Mumbai and Kolkata to Entertainment Network (India) Limited (ENIL) as a going concern, by way of a slump sale in accordance with a non-binding memorandum of understanding between ENIL and the Company. The said transaction is subject to approval of the Board (for inter alia approving the definitive agreements including the business transfer agreements between ENIL and the Company), Shareholders of the Company, MIB and such other approvals, consents, permissions and sanctions as may be deemed necessary to be obtained from appropriate authorities for the said sale of radio business. Considering the transaction is subject to various statutory and regulatory approvals, it has not been classified as Non-current assets held for sale and discontinued operations as per Ind-AS 105 "Non Current Assets Held for Sale and Discontinued Operations."

On March 26, 2018, the Company filed an application to MIB for permission in this regard to sell the aforesaid business.

**T.V. Today Network Limited**  
**Notes forming part of the standalone financial statements for the year ended March 31, 2018**

**Note 37: Disclosure required under Section 186(4) of the Companies Act, 2013**

**(a) Particulars of Loan given:**

Name of the recipient	Loan given during the year ended		Interest accrued (Net of Tax deducted at source)		Closing balance	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
India Today Online Private Limited	260.00	-	0.20	-	260.20	-

India Today Online Private Limited was given loan of Rs. 260 lacs during the year ended March 31, 2018 (Nil, March 31, 2017) to meet its working capital requirement.

**(b) Particulars of guarantee given:**

Name of the recipient	Guarantee given during the year ended		Closing balance	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
Yes Bank Limited	1,800.00	-	1,800.00	300.00

Corporate guarantee has been given in connection with the loan to be taken by Mail Today Newspapers Private Limited (Previous year to BARC (Broadcast Audience Research Council of India)) from Yes Bank Limited.

**(c) Particulars of investments made:**

Name of the investee	Investment made during the year ended		Closing balance	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
India Today Online Media Private Limited	-	2,275.38	1918.31	2,275.38
Mail Today Newspapers Private Limited	4051.70	855.80	4836.80	1,128.03
TV. Today Network (Business) Limited	-	-	15.00	15.00
Radio Today Broadcasting Limited	-	-	-	-
Vibgyor Broadcasting Private Limited	1.00	-	1.00	-
	<b>4,052.70</b>	<b>3,131.18</b>	<b>6,771.11</b>	<b>3,418.41</b>

**Note 38: Dues to Micro and Small Enterprises**

Based on information available with the Company, there are no outstanding dues to micro and small enterprises as at March 31, 2018. No interest has been paid / is payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 39: Interest on migration fee to MIB**

The Company received an offer from the MIB in April, 2017 for migration of three FM radio stations located at Delhi, Mumbai and Kolkata, from Phase II policy regime to Phase III policy regime applicable to private radio broadcasters, subject to, inter-alia, the execution of Grant of Permission agreement (GOPA) and payment of migration fee and other charges including interest. The Company paid the said migration fee and interest, amounting to Rs. 7,136.80 lacs and Rs. 1,378.48 lacs (disclosed as an exceptional item) respectively and executed the GOPA on May 23, 2017. Consequently, the three FM radio stations of the Company stand migrated to Phase III policy regime.

The migration fee has been capitalised as an intangible asset and the management, based on an independent valuation, has considered the carrying amount of net assets of the radio business as appropriate.

**Note 40: Liabilities no longer required written back**

Under Ind AS, where the original provision was charged as an expense, any subsequent reversal should be credited to the same line in the statement of profit and loss in accordance with the principle of consistency. Accordingly, the aforesaid provisions / liabilities written back to the extent no longer required have been credited to the respective expense line in the statement of profit and loss. There is no impact on the total equity and profit.

**Note 41: Previous year figures have been re-grouped/ reclassified, where necessary, to conform to this year's classification.**

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration No. 101049W / E300004

**For and on behalf of the board of directors of T.V. Today Network Limited**

per **Yogesh Midha**  
Partner  
Membership No. 094941

**Ashish Sabharwal**  
Company Secretary  
Membership No - F4991

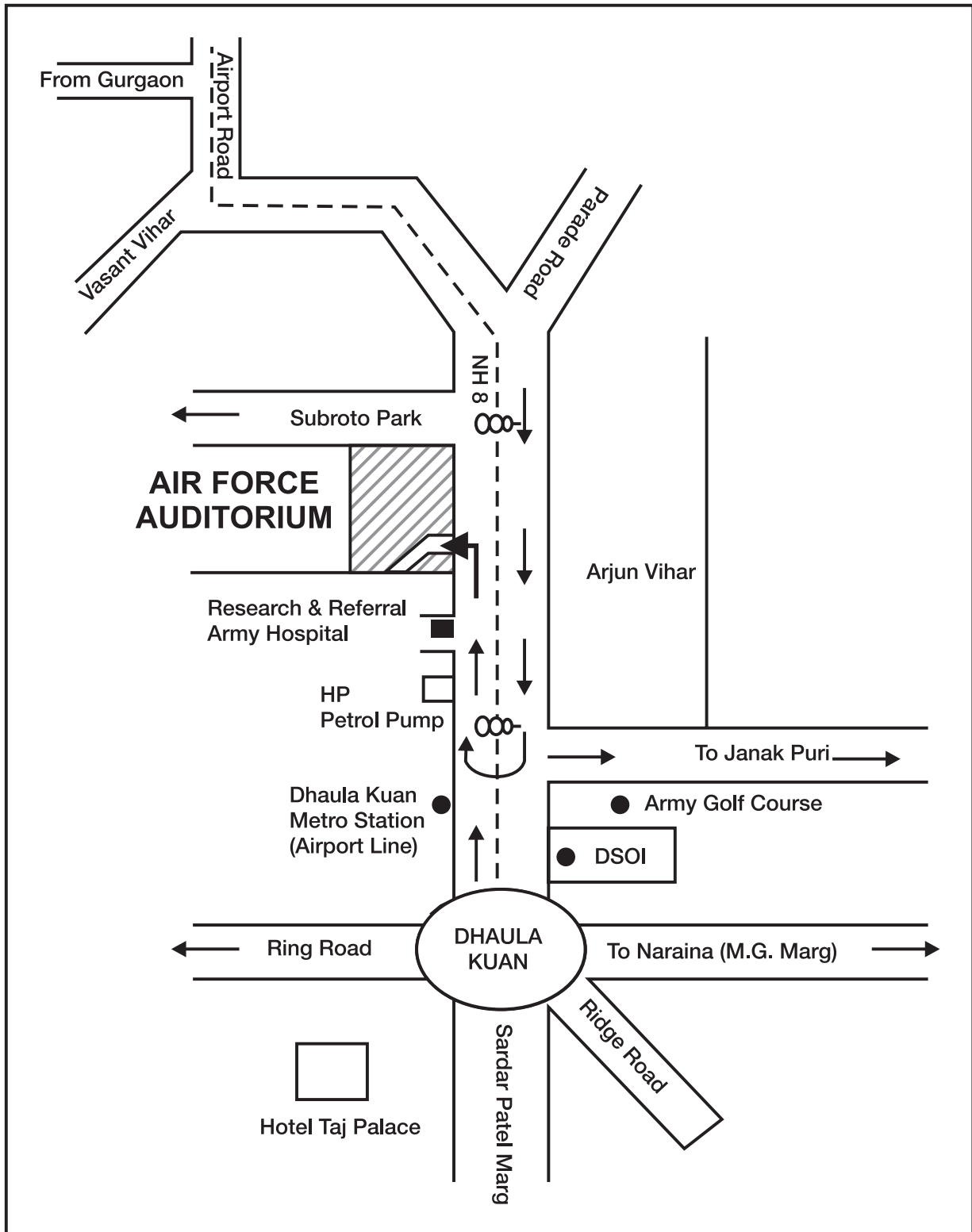
**Ashok Kapur**  
Director  
DIN: 00003577

**Aroon Purie**  
Chairman and  
Whole Time Director  
DIN: 00002794

Place : New Delhi  
Date : May 22, 2018

Place : New Delhi  
Date : May 22, 2018

**Dinesh Bhatia**  
Chief Financial Officer  
DIN: 01604681



Venue: Air Force Auditorium, Subroto Park, New Delhi – 110 010

Landmark: Adjacent to Research & Referral, Army Hospital