સંદેશ

September 25, 2017

**E-FILING**

To,

1. Corporate Relationship Dept.,
**BSE LIMITED,**
Phiroze Jeejeebhoy Towers,
Dalal Street,
**MUMBAI – 400 001**

**SCRIPT CODE : 526725**

2. The Manager, Listing Department,
**NATIONAL STOCK EXCHANGE OF INDIA LIMITED,**
"Exchange Plaza", C-1, Block–G,
Bandra-Kurla Complex, Bandra (E),
**MUMBAI – 400 051**

**NSE SYMBOL : SANDESH (EQ.)**

**RE: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017 OF THE COMPANY UNDER REGULATION 34(1) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Dear Sir/Madam,

We enclose herewith the soft copy of Annual Report for the Financial Year ended March 31, 2017 in respect of an Annual General Meeting scheduled to be held on **Friday, the 22nd September , 2017** at 10:00 A.M. at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat -India).

Kindly take above on your records for the same.

Thanking you,

Yours faithfully,
**For, THE SANDESH LIMITED**

**DHAVAL PANDYA**
**COMPLIANCE OFFICER**

THE SANDESH LTD. AHMEDABAD સંદેશ

***Encl.: As Above***

**THE SANDESH LIMITED** (CIN : L22121GJ1943PLC000183)
REGD. OFFICE : SANDESH BHAVAN, LAD SOCIETY ROAD, B/H. VASTRAPUR GAM, P.O. BODAKDEV, AHMEDABAD-380 054.
PHONE : (079) 40004319, 40004175, FAX NO. 91-079-40004242. E-mail : secretarial@sandesh.com, cs@sandesh.com
VISIT US : WWW.SANDESH.COM

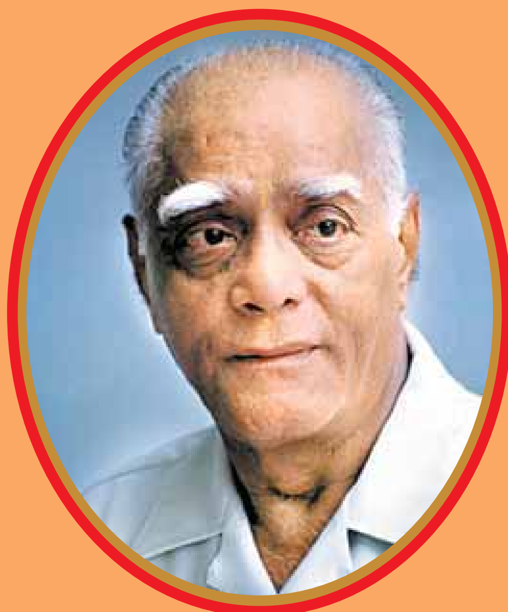
# THE SANDESH LIMITED

NEWS PAPER | TV CHANNEL
DIGITAL | OUTDOOR

Sandesh
shaping tomorrow

# Annual Report
2016 | 2017

**Late Shri Chimanbhai Patel**
**(1918 - 1995)**



વિહાય કામાન્યઃ સર્વાન્પુમાંશ્ચરતિ નિસ્પૃહઃ।
નિર્મમો નિરહંકારઃ સ શાંતિમધિગચ્છતિ।।

**શ્રીમદ્ ભગવદ્ગીતા (૨-૭૧)**

**He who abandons all desires
and acts free from longing, without
any sense of mineness or
egotism he attains peace.**

Dr. Radhakrishnan

Sandesh
shaping tomorrow

# About Us

The best way to predict change is to create it. For over 90 years the Sandesh Group has been creating change with powerful ideas.

Staring its journey in 1923, today Sandesh is Gujarat's largest and most influential media house. It has been redefining journalism with equanimity and courage and has been plotting the path for others to follow. Today this heritage and expertise represents the irrepressible spirit and definitive voice of journalism. The Sandesh Limited has been ushering change with its powerful presence across the media spectrum including print, broadcast, digital, activations and outdoor solutions.

**A strong foothold across the Media landscape:**

**Sandesh Newspaper:**
Published from Gujarat & Maharashtra, Sandesh is the largest Gujarati media company with 7 editions across Gujarat and Mumbai. Every day Sandesh delivers a tradition that is a unique synthesis of views, information and upright journalism. Every story is infused with unparalleled authenticity and neutrality, empowering readers with the most knowledgeable and analytical news coverage.

**Sandesh Television:**
The region's fastest growing 24x7 Gujarati News Channel, Sandesh News reaches out to the most affluent and powerful Gujarati Audience. As news breakers we identify facts, get after the truth and deliver the inside stories from events, wherever they occur. Armed with a team of over 100 reporters across the country and state-of-the-art technology, we are a fiercely independent media house, who dives in, goes that extra mile and gets results.

**Sandesh Digital:**
The powerful ethos of Sandesh in the Print & TV landscape, is now creating ripples in the digital domain. Harnessing its power as the future of communication, we are leaping ahead by expanding and connecting our digital community to information in real time. We are among the first to launch a Gujarati news App in India, and have an expanding digital presence of over 5 million followers across all platforms.

**Sandesh Magazine and Weekly Publication:**
Sandesh has been enriching the lives of its readers with supplements that directly address the issues related to them. "Agro Sandesh" and "Stree" are stellar examples being published and circulated across Gujarat. They respectively provide relevant and enriching content to the farmers and women in Gujarat so that they can take informed decisions for themselves and lead more empowered lives.

**Out Of Home (OOH) media solutions:**
Sandesh's Out Of Home (OOH) media solutions in the name of "Spotlight", focuses on innovatively and effectively enhancing the brand message by going beyond just grabbing eyeballs, and creating a lasting buzz around the brand.

સંદેશ | સંદેશ news | સંદેશ Spotlight | સંદેશ MOBILE APP | Sandesh.com | એગ્રો સંદેશ

સંદેશ

# 74th ANNUAL REPORT (FINANCIAL YEAR 2016-2017)

**BOARD OF DIRECTORS:**

| | |
|---|---|
| Shri Falgunbhai C. Patel | (Chairman & Managing Director) |
| Shri Parthiv F. Patel | (Managing Director) |
| Smt. Pannaben F. Patel | (Director) |
| Shri Yogeshbhai Jani | (Whole Time Director) |
| Shri Mukeshbhai Patel | (Independent Director) |
| Shri Sudhirbhai Nanavati | (Independent Director) |
| Shri Shreyasbhai Pandya | (Independent Director) |
| Shri Sandeepbhai Singhi | (Independent Director) |

**CHIEF FINANCIAL OFFICER:**
Mr. Sanjay Kumar Tandon

**COMPANY SECRETARY:**
Mr. Dhaval Pandya

**CORPORATE IDENTIFICATION NUMBER:**
CIN: L22121GJ1943PLC000183

**WEBSITE OF THE COMPANY:**
www.sandesh.com

**STATUTORY AUDITORS:**
Manubhai & Shah LLP, Chartered Accountants
(Formerly known as Manubhai & Shah)

**SECRETARIAL AUDITORS:**
M/s. Jignesh A. Maniar & Associates,
Practicing Company Secretaries

**REGISTERED OFFICE OF THE COMPANY:**
THE SANDESH LIMITED
'Sandesh Bhavan', Lad Society Road,
B/h. Vastrapur Gam, P.O. Bodakdev,
Ahmedabad-380054 (Gujarat-India)
Telephone No. (079) 40004000
Fax No.: (079) 40004242
Email ID: investorsgrievance@sandesh.com

**REGISTRAR & TRANSFER AGENT:**
MCS Share Transfer Agent Limited
having its regional office at
201, Shatdal Complex, 2nd Floor,
Ashram Road, Ahmedabad–380009 (Gujarat-India)
Telephone No. (079) 26580461/62/63 Fax No. (079) 26581296
Email ID: mcssta@rediffmail.com, mcsahmd@gmail.com

**BANKERS:**
Yes Bank Limited

**74th ANNUAL GENERAL MEETING**

**: Date :**
Friday, the 22nd day of September, 2017

**: Venue :**
Gujarat Law Society Auditorium, G.L.S. College Campus,
Opp. Law Garden, Ellisbridge, Ahmedabad –380006 (Gujarat).

**: Time :**
10:00 a.m.

## TABLE OF CONTENTS

# NOTICE

NOTICE is hereby given that the **74th ANNUAL GENERAL MEETING** of the Members of "**THE SANDESH LIMITED**" (CIN: L22121GJ1943PLC000183) will be held on **Friday**, the **22nd** day of **September, 2017** at **10:00 A.M.** at **Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006** (Gujarat-India) to transact the following businesses:

**ORDINARY BUSINESS:**

**1.** To receive, consider, approve and adopt:

a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Reports of Directors and Auditors thereon.

b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2017, together with the Reports of Auditors thereon.

**2.** To confirm the Interim Dividend of ₹ 5/- per equity share of ₹ 10/- each paid on Equity Shares of the Company as a Final Dividend for the Financial Year 2016-2017.

**3.** To appoint a Director in place of Shri Yogesh Jani (DIN 06495782) who retires by rotation and being eligible, offers himself for re-appointment.

**4.** To ratify the appointment of the Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Manubhai & Shah LLP(LLPIN: AAG-0878) (Formerly known as Manubhai & Shah.), (Firm Registration No.106041W/W100136) Chartered Accountants, Ahmedabad, the retiring Statutory Auditors of the Company, who hold office up to the date of this Annual General Meeting and have confirmed their eligibility to be appointed as Auditors in terms of the provisions of section 141 of the Act and the relevant Rules and offered themselves for re-appointment, the Company hereby ratifies and confirms the appointment as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration, out-of-pocket, travelling expenses, etc. as may be incurred by them for the purpose of Audit, as may be decided by the Board of Directors of the Company and the said Auditors;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and/or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

**SPECIAL BUSINESS:**

**5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

Re-appointment of Shri Parthiv F. Patel (DIN 00050211), as the Managing Director of the Company:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 read with Schedule V thereto and also read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, provisions of the Article 86 of the Articles of Association of the Company and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof) and in terms of the approval by the Nomination and Remuneration Committee of the Board of Directors of the Company, the reappointment of Shri Parthiv F. Patel be and is hereby approved as the Managing Director of the Company for a further period of five years with effect from 1st August, 2018 on the following terms as to the remuneration and other conditions as set out in the draft Agreement laid before the Meeting and initialed by the Chairman of the meeting for the purpose of the identification:

1) Salary of ₹ 5,00,000/- (Rupees Five Lacs only) per month.

2) Perquisites to be allowed in addition to salary and commission as under:

(A) i) The Company shall provide equipments, appliances, furniture, fixtures and furnishing at residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of Gas, Electricity, Water, etc.

ii) Medical expenses for self and family including insurance premia under hospitalization insurance scheme shall be reimbursed by the Company.

iii) The Company shall reimburse Leave Travel Fare for the Managing Director and his family in accordance with the rules of the Company.

iv) The Company shall pay personal accident insurance premia. These perquisites shall be subject to a ceiling of an amount equal to the annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modifications or reenactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Parthiv F. Patel shall also be given the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013.

(B) i) The Company shall contribute to the Provident Fund such percentage as may be specified from time to time.

ii) The Company shall contribute towards Pension/Superannuation Fund/ Annuity Fund provided that such contribution together with contribution to Provident Fund shall not exceed the limit laid down under the Income-Tax Act or any statutory modification thereof.

iii) The Contribution to the Provident Fund, Pension/Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent this either singly or put together are not taxable under the Income tax Act, 1961.

iv) The Company shall pay Gratuity as per rules of the Company and encashment of leave as per Company's Policy and the same shall not be included in the computation of limits for the remuneration or perquisites.

(C) i) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. Use of car for private purpose shall be billed by the Company.

ii) The Company shall provide telephone at the residence of Managing Director at the entire cost of the Company. Personal long distance calls shall be billed by the Company.

iii) The Managing Director shall be entitled to privilege leave in accordance with the Policy of the Company. The Managing Director shall be entitled to en-cash the un-availed leave at the end of his tenure.

3) **COMMISSION** :

The Managing Director shall be paid commission in addition to the salary and perquisites mentioned above in a manner that the total remuneration including commission shall be 10% of the Net profit of the Company computed in the manner laid down in section 197 of the Companies Act, 2013.

The remuneration referred to above is subject to the limit of 10% of the Net profit of the Company for the Managing Director and subject further to the overall limit of 11% of the net profit of the Company for all the Directors including Managing Director and whole-time Director of the Company taken together.

4) In case of absence or inadequacy of profits in the financial years during the tenure of Shri Parthiv F. Patel, the Company will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in Section 197 read with Section II of Part II of the Schedule V of the Companies Act, 2013, are payable.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to enhance, enlarge, alter or vary the scope and quantum or remuneration, allowances and perquisites and other terms & conditions of the Appointment of Shri Parthiv F. Patel, as the Board in its absolute discretion deem fit and is acceptable to Shri Parthiv F. Patel, within the limits specified in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments, modifications, re-enactments made thereof from time to time by the Company in this behalf;

**RESOLVED FURTHER THAT** after obtaining the approval of the Members of the Company at ensuing General Meeting of the Company for the said re-appointment, the Company do execute an Agreement with Shri Parthiv F. Patel for his re-appointment as a Managing Director of the Company on the above terms and that any one of the Directors of the Company do execute the said Agreement on behalf of the Company and that the Common Seal of the Company if required be affixed to the engrossment of the Agreement in presence of the said Director of the Company and be countersigned by the Company Secretary of the Company;

**RESOLVED FURTHER THAT** any of the Directors of the company and the Company Secretary of the Company, be and are hereby severally authorised to do all incidental and consequential tasks in order to give effect to the above resolution and to file necessary form with the Registrar of the Companies."

By Order of the Board of Directors,
**For, THE SANDESH LIMITED**

Registered Office:
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : May 27, 2017
Place : Ahmedabad

**Dhaval Pandya**
COMPANY SECRETARY

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies / bodies corporate, etc., must be supported by an appropriate resolution / authority together with specimen signature, as applicable.
3. As per the provisions of section 105 of the Companies Act, 2013 and relevant Rules made thereunder, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital

of the Company carrying voting rights. Further, a member holding more than **ten percent (10%)** of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

**4.** During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three (3) days of notice in writing is given to the Company.

**5.** Corporate Members intending to authorize its representatives to attend the Annual General Meeting are requested to submit the Company at its Registered Office, a certified true copy of the Board Resolution or authorization document authorizing its representative to attend and vote on their behalf at the Annual General Meeting.

**6.** The businesses set out in the Notice of this Annual General Meeting will be transacted through electronic voting system. The Company is providing facility for voting by electronic means. Instructions and other information regarding e-voting are given in this Notice under Note No. 26. The Company will also send communication relating to e-voting which inter alia will contain details about User ID and password along with a copy of this Notice to the Members of the Company, separately.

**7.** Additional information pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting is furnished and forms part of this Notice. The said Directors have furnished necessary consents / declarations for their appointment / re-appointment.

**8.** The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business under Item No. 5 to be transacted at the Annual General Meeting is annexed hereto.

**9.** Copies of all documents referred to in the Notice are available for inspection at the Registered Office of the Company during normal business hours on all working days upto and including the date of the Annual General Meeting of the Company.

**10.** The Register of Members and the Share Transfer Book of the Company will remain closed from Friday, 15.09.2017 to Friday, 22.09.2017 (both days inclusive).

**11.** The Ministry of Corporate Affairs has notified the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid and Unclaimed Amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said website and write to the Company or the Registrar & Transfer Agent before the same is due for transfer to the Investor Education and Protection Fund.

**12.** The Company has transferred the unpaid or unclaimed dividends declared up to Financial Year 2008-2009, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2016 (date of last Annual General Meeting) on the website of the Company (www.sandesh.com), as also on the website of the Ministry of Corporate Affairs.

**13.** Members seeking any information with regard to the accounts are requested to write to the Company Secretary at least ten (10) days in advance of the Annual General Meeting, to enable the Company to keep the information ready.

**14.** Members are requested to (a) Bring their attendance slip along with copy of the Annual Report for the meeting, (b) Send to their depository participant, ECS bank mandate form, to ensure safe and prompt receipt of dividend, if any. This is to avoid fraudulent encashment of dividend warrants, (c) Note that all correspondence relating to share transfers, transmission, change of address, duplicate share certificate and related matters may be addressed to the Registrar and Transfer Agents of the Company, viz. MCS Share Transfer Agent Limited, having its regional office at 201, Shatdal Complex, 2nd Floor, Ashram Road, Ahmedabad–380009 (Gujarat). Telephone No. (079) 26580461/ 26580462 / 26580463, Fax No. (079) 26581296, Email ID: mcssta@rediffmail.com & mcsahmd@gmail.com, and (d) Quote their DP ID No. /Client ID No. or folio number in all their correspondence.

**15.** In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

**16.** Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.sandesh.com.

**17.** Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent of the Company, for consolidation into a single folio.

**18.** Annual Report for Financial Year 2016-2017 along with the Notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants/ Registrar and Share Transfer Agent unless any Member has requested for the physical copy. Members who have not registered their email ids, physical copies of the Annual Report 2016-2017 along with the Notice of Annual General Meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.sandesh.com and at www.cdslindia.com for download. Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the business hours on the working days. For any communication, the Members may also send requests to the email address of the Company viz. investorsgrievance@sandesh.com .

**19.** Pursuant to section 101 of the Companies Act, 2013 and the Rules made thereunder, the Company is allowed to send communication to the Members electronically. We, thus, request you to kindly register / update your Email ID with your respective depository participant and the Company's Registrar and Share Transfer Agent (in case of physical shares) and make this initiative a success.

**20.** Members holding shares in physical form are requested to consider converting their holdings into dematerialized form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's Registrar and Share Transfer Agent in this regard.

**21.** The Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the Registrar and Share Transfer Agent for physical shares.

**22.** The Register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.

**23.** The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent / the Company.

**24.** Members who have not registered their e-mail addresses so far, are requested to register their e- mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. However, the Members are entitled to receive such communication in physical form, upon making a request for the same, by post at free of cost.

**25.** The Members may note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium / venue.

**26. VOTING THROUGH ELECTRONIC MEANS:**

The business as set out in the Notice of the Annual General Meeting may be transacted through electronic voting system. In compliance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and amendments thereof, Standard 2 of the Secretarial Standards on General Meetings and in compliance with Regulation 44 of the Listing Regulations, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically.

The Company has made necessary arrangements with Central Depository Services (India) Limited (CDSL) to facilitate the Members to cast their votes from a place other than venue of the Annual General Meeting (Remote e-voting). The facility for voting shall be made available at the Annual General Meeting through polling paper and the Members attending the Annual General Meeting who have not casted their vote by e-voting shall be able to exercise their right at the Annual General Meeting. Please note that the voting through electronic means is optional for the Members of the Company.

A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories, as on the cut-off date (stated hereinafter), shall be entitled to avail the facility of e-voting or voting at the Annual General Meeting. Persons who are not the Members of the Company as on the cut-off date should treat this Notice for information purpose only.

The Notice will be displayed on the website of the Company www.sandesh.com and on the website of CDSL.

The Members who have casted their vote by e-voting prior to the Annual General Meeting may also attend the Annual General Meeting, but shall not be entitled to cast their vote again.

The Members whose names appear in the Register of Members or in the List of Beneficial Owners prior to commencement of the Book Closure Date are entitled to vote on the Resolutions set forth in the Notice of the Annual General Meeting. Eligible Members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date may approach the Company for issuance of the USER ID and Password for exercising their right to vote by electronic means.

**The Members of the Company are requested to follow the instructions below to cast their votes through e-voting:**

(i) The e-voting period begins at 09:00 A.M. on Tuesday, September 19, 2017 and ends at 05:00 P.M. on Thursday, September 21, 2017. During this period, the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 15, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for "THE SANDESH LIMITED" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**Contact details:**
Name: Mr. Mehboob Lakhani
Designation: Assistant Manager
Address: Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001
Email id: helpdesk.evoting@cdslindia.com , Phone number: 18002005533

A Member can opt for only one mode of voting i.e. either through e-voting or voting at the Annual General Meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail.

The Company has appointed M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad (C.P. No.: 6996 & F.C.S. No.: 3468), to act as the Scrutinizer for conducting the voting and e-voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than three (3) days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny. The result of the voting on the Resolutions at the Meeting shall be announced by the Chairman or any other person authorised by him immediately after the results are declared.

The results declared along with the Scrutinizer's report, will be posted on the website of the Company www.sandesh.com and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the result by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting, i.e. Friday, September 22, 2017.

By Order of the Board of Directors,
**For, THE SANDESH LIMITED**

Registered Office:
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : May 27, 2017
Place : Ahmedabad

**Dhaval Pandya**
COMPANY SECRETARY

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

The following Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting:

**ITEM NO. 5:**

Shri Parthiv F. Patel is a Managing Director of the Company. His present five years term as the Managing Director of the Company expires on July 31, 2018. Shri Parthiv F. Patel and his family are the Promoters of the Company. He has been associated with the Company for the more than fifteen years. He has a vast experience in the field of management of the newspapers, journals, magazines besides investments, finance, treasury and general administrative functions of the Company. Under his dynamic leadership and industries nature, the Company is the proud owner of latest technology in printing with zero error.

The shareholders of the Company at 70th Annual General Meeting of the members of Company held on September 05, 2013 approved the re-appointment of Shri Parthiv F. Patel as Managing Director of the Company for a period of five years with effect from August 1, 2013 till 31st July, 2018.

It is therefore proposed to re-appoint Shri Parthiv F. Patel as the Managing Director of the Company for a further period of five (5) years with effect from August 1, 2018 on the following terms and conditions, including payment of remuneration, as may be determined by the Board of Directors, which shall be within the limits prescribed under the provisions of the Companies Act, 2013 read with Schedule V as set out in the resolution and draft Agreement. Shri Parthiv F. Patel satisfies all the conditions as set out in Part – I of Schedule V to the Companies Act, 2013 as also the conditions set out under sub-section (3) of section 196 of the Companies Act, 2013 for being eligible for his appointment. The remuneration payable to Shri Pathiv F. Patel is within the permissible limits specified by the Companies Act, 2013 and is also commensurate with his expertise, experience and exposure in the field of print media, electronic media, finance, treasury and the responsibilities being shouldered to him as well as his association with the Company. He is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. The Managing Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013. Shri Parthiv F. Patel shall be liable to retire by rotation. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company. The Board of Directors of the Company, at their meeting held on May 27, 2017 has, while considering his expertise, long lasting experience and exposure in the field of media and the responsibilities being shouldered by him as well as his association with the Company and also the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Members of the Company in the Annual General Meeting, re-appointed Shri Parthiv F. Patel as the Managing Director of the Company for a period of five (5) years from August 01, 2018 to July 31, 2023 on the following terms and conditions :-

1) Salary of ₹ 5,00,000/- (Rupees Five Lacs only) per month.
2) Perquisites to be allowed in addition to salary and commission as under:
   (A) (i) The Company shall provide equipments, appliances, furniture, fixtures and furnishing at residence of the Managing Director at the cost of the Company. The Company shall reimburse expenses of Gas, Electricity, Water, etc.
   (ii) Medical expenses for self and family including insurance premia under hospitalization insurance scheme shall be reimbursed by the Company.

(iii) The Company shall reimburse Leave Travel Fare for the Managing Director and his family in accordance with the rules of the Company.

(iv) The Company shall pay personal accident insurance premia. These perquisites shall be subject to a ceiling of an amount equal to the annual salary.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income Tax Act, 1961 or any rules thereunder or any statutory modifications or reenactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Parthiv F. Patel shall also be given the following perquisites, which shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Companies Act, 2013.

(B) (i) The Company shall contribute to the Provident Fund such percentage as may be specified from time to time.

(ii) The Company shall contribute towards Pension/Superannuation Fund/ Annuity Fund provided that such contribution together with contribution to Provident Fund shall not exceed the limit laid down under the Income-Tax Act or any statutory modification thereof.

(iii) The Contribution to the Provident Fund, Pension/Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent this either singly or put together are not taxable under the Income tax Act, 1961.

(iv) The Company shall pay Gratuity as per rules of the Company and encashment of leave as per Company's Policy and the same shall not be included in the computation of limits for the remuneration or perquisites.

(C) (i) The Company shall provide a car with driver at the entire cost of the Company for personal use and office work. Use of car for private purpose shall be billed by the Company.

(ii) The Company shall provide telephone at the residence of Managing Director at the entire cost of the Company. Personal long distance calls shall be billed by the Company.

(iii) The Managing Director shall be entitled to privilege leave in accordance with the Policy of the Company. The Managing Director shall be entitled to en-cash the un-availed leave at the end of his tenure.

3) **COMMISSION** :

The Managing Director shall be paid commission in addition to the salary and perquisites mentioned above in a manner that the total remuneration including commission shall be 10% of the Net profit of the Company computed in the manner laid down in section 197 of the Companies Act, 2013.

The remuneration referred to above is subject to the limit of 10% of the Net profit of the Company for the Managing Director and subject further to the overall limit of 11% of the net profit of the Company for all the Directors including Managing Director and whole-time Director of the Company taken together.

4) In case of absence or inadequacy of profits in the financial years during the tenure of Shri Parthiv F. Patel, the Company will be entitled to salary, perquisites and other allowances as the minimum remuneration subject to the limits prescribed in Section 197 read with Section II of Part II of the Schedule V of the Companies Act, 2013, are payable.

The particulars set out hereinabove may be treated as an abstract of the terms of Agreement between the Company and Shri Parthiv F. Patel, Managing Director pursuant to the provisions of the Companies Act, 2013.

In compliance with the provisions of sections 196 and 197 read with Schedule V to the Companies Act, 2013 the re-appointment of Shri Parthiv F. Patel as the Managing Director is being placed before the Members of the Company for their approval. A brief resume of Shri Parthiv F. Patel, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst the Directors inter-se as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided herein below.

The copies of the relevant resolution and the draft Agreement referred to herein above, containing, inter alia, the principal terms & conditions of the re-appointment is available for inspection by the members of the Company between 11:00 a.m. to 01:00 p.m. on any working day at the Registered Office of the Company

None of the Directors or Key Managerial Personnel of the Company or their relatives except Shri Parthiv F. Patel, his father Shri Falgunbhai C. Patel, his mother Smt. Pannaben F. Patel and their relatives, is concerned or interested, financial or otherwise, in the passing of the resolution mentioned in Item No. 5. The Board recommends the resolution for the approval by the Members of the Company.

By Order of the Board of Directors,
**For, THE SANDESH LIMITED**

Registered Office:
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : May 27, 2017
Place : Ahmedabad

**Dhaval Pandya**
COMPANY SECRETARY

**PARTICULARS OF THE DIRECTOR/S SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

**(A) A brief resume of Shri Yogesh Jani being re-appointed at the ensuing Annual General Meeting:**

| **Name** | **Shri Yogesh Jani** |
|---|---|
| Director Identification No. | (DIN 06495782) |
| Date of Birth | 18/09/1950 |
| Age | 66 Years |
| Date of Appointment | 11/08/2015 |
| Brief resume, qualification, experience and nature of expertise in specific functional areas | He has vast experience of over three decades in the field of media industry which includes rich experience in the matters of administration, human resource, production, machinery erection, land acquisition, establishment of printing press facilities and its up gradation, purchase, stores and circulation. |
| Educational Qualification | B.Com |
| Name of the listed entities along with Other Companies in which the person holds the directorship and the membership of Committees of the Board | Directorship in Listed Entities: NIL<br>Directorship in other companies: NIL |
| Membership / Chairperson of Board Committees | Member- Executive Committee |
| Disclosure of relation-ships between directors inter-se | None of the other Directors, Manager or Key Managerial Personnel is related to Shri Yogesh Jani. |
| Shareholding in the company | 438 Equity Shares of ₹ 10/- each (0.01%) |
| Last salary drawn | ₹ 6.48 Lacs per annum |
| The number of Meetings of the Board attended during the year | 4 (Four) |

**(B) A brief resume of Shri Parthiv F. Patel being re-appointed at the ensuing Annual General Meeting:**

| **Name** | **Shri Parthiv F. Patel** |
|---|---|
| Director Identification No. | DIN 00050211 |
| Date of Birth | 26/07/1982 |
| Age | 35 Years |
| Date of appointment | 14/03/2002 |
| Brief resume, qualification, experience and nature of expertise in specific functional areas | Shri Parthiv F. Patel is the Managing Director of the Company. He has been associated with the Company for more than fifteen years. He was appointed as Director of the Company in the year 2002 and has been handling the management and control of the organization, remarkably since then. He has gained a rich experience in the field of management of print media and electronic media besides investments, finance and general administrative functions of the Company. He shoulders the whole gamut of new projects & up-gradation of all departments of the Company under his dynamic leadership and industrious nature. |
| Educational Qualification | B.A. with Business Finance from United Kingdom |
| Name of the listed entities along with Other Companies in which the person holds the directorship | Directorship in Listed Entities: NIL<br>Directorship in other companies:<br>**1.** Autumnleaf Estates Private Limited (CIN: U45201GJ2008PTC052953)<br>**2.** Satlon Enterprise Private Limited (CIN: U51101GJ1981PTC004642)<br>**3.** Sandesh Digital Private Limited (CIN: U22100GJ2015PTC083461)<br>**4.** Suramya Chemicals Private Limited (CIN: U24200GJ2015PTC083767)<br>**5.** Sarvatra Chemicals Private Limited (CIN: U24233GJ2015PTC083895)<br>**6.** Satyesh Brinechem Private Limited (CIN: U24100GJ2014PTC078780) |
| Membership / Chairmanship of Committees of other Boards | Member - Executive Committee |
| Disclosure of relation-ships between directors inter-se | Shri Parthiv F. Patel is the son of Shri Falgunbhai C. Patel (Chairman and Managing Director of the Company) and Smt. Pannaben F. Patel (Director). Except the aforesaid, none of the other Directors, Manager or Key Managerial Personnel is related to Shri Parthiv F. Patel. |
| Shareholding in the company | 9,95,400 Equity Shares of ₹ 10/- each (13.15%) |
| Last salary drawn | ₹ 60 Lacs per annum |
| Number of Meetings of the Board attended during the year | 6 (Six) |

By Order of the Board of Directors,
**For, THE SANDESH LIMITED**

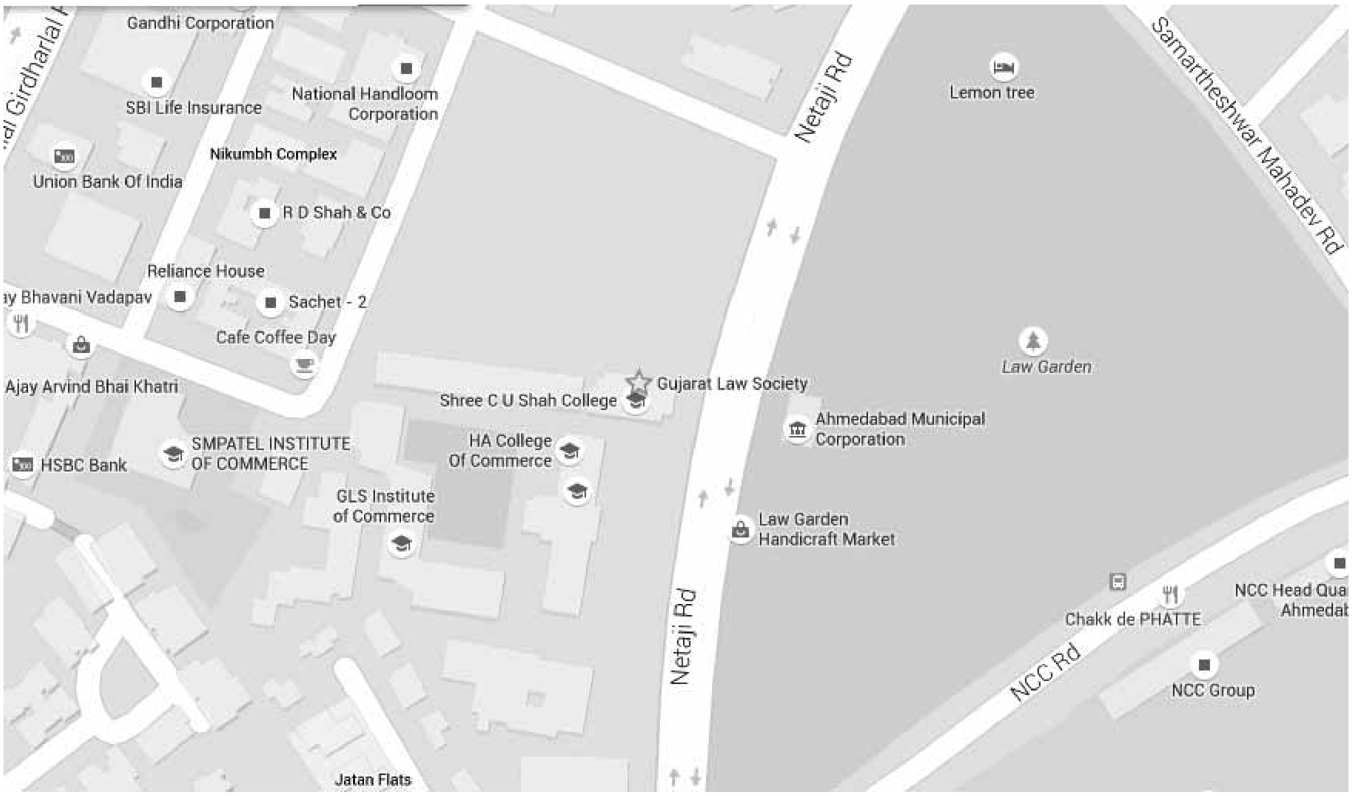
Registered Office:
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P. O. Bodakdev,
Ahmedabad–380054
Date : May 27, 2017
Place : Ahmedabad

**Dhaval Pandya**
COMPANY SECRETARY

**ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING:**

**Venue of AGM :** Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India)

**Land Mark :** Opposite 'Law Garden'



# BOARD'S REPORT

To the Members,
**The Sandesh Limited**

Your Directors have pleasure in presenting the **74th** Annual Report and the Audited Financial Statement for the Financial Year ended **March 31, 2017**. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

**1. Financial Highlights:** (₹ In Lacs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2016-2017 | 2015-2016 | 2016-2017 | 2015-2016 |
| Revenue from operations | 36235.95 | 37400.97 | 36425.93 | 37520.18 |
| Other Income | 499.82 | 425.83 | 500.67 | 425.83 |
| Total Revenue | 36735.77 | 37826.80 | 36926.60 | 37946.01 |
| Operating Expenditure | 24817.75 | 24599.07 | 24920.59 | 24681.30 |
| EBIDTA | 11918.02 | 13227.73 | 12006.00 | 13264.71 |
| EBIDTA Margin | 32.44% | 34.97% | 32.51% | 34.96% |
| Finance Cost | 105.59 | 177.37 | 109.67 | 178.35 |
| Depreciation & Amortisation | 774.30 | 771.11 | 774.30 | 771.11 |
| Total Expenditure | 25697.64 | 25547.55 | 25804.56 | 25630.76 |
| Exceptional Item | 41.07 | 0.52 | 41.07 | 0.52 |
| Profit Before Tax | 11079.20 | 12279.77 | 11296.41 | 12315.77 |
| Provision for Current Tax, Deferred Tax & Other Tax Expenses | 3990.23 | 4313.31 | 4015.90 | 4326.08 |
| Profit After Tax | 7088.97 | 7966.45 | 7280.51 | 7989.69 |
| PAT Margin | 19.29% | 21.60% | 19.71% | 21.05% |
| Dividend as % of Paid-up Share Capital | 50% | 50% | NA | NA |

**2. Review of Operations and the state of the Company's affairs:**

During the year under review on Standalone basis, the income from operations has been ₹ 36235.95 Lacs as compared to ₹ 37400.97 Lacs during the previous Financial Year. The Company has prepared the Financial Statement in Accordance with accounting standard (Ind-AS) notified under section 133 of the Companies Act, 2013. Previous year numbers in the Financial Statements have been restated as per Ind-AS. Income from operation of previous year as per Accounting Standard has been ₹ 37126.39 lacs. During the year Circulation income has slightly decreased from ₹ 9893.03 Lacs to ₹ 9689.74 Lacs. Advertisement Revenue increased by ₹ 223.68 Lacs during the year from ₹ 23316.70 Lacs to ₹ 23540.38 Lacs.

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company. The state of affairs of the Company is presented as part of 'Management Discussion and Analysis Report' forming part of this Report.

**3. Interim Dividend & transfer to Reserve:**

Your Directors, in their meeting held on March 16, 2017, declared an Interim Dividend of 50% (₹ 5.00 per Equity Share of ₹10/-each), during the Financial Year ended March 31, 2017. (In previous Financial Year, the dividend was declared @ 50% i.e. ₹ 5.00 per equity share of ₹ 10/- each). The interim dividend payment had an outflow of ₹ 455.52 Lacs including Dividend Tax. Your Directors did not recommend a final dividend.

**4. Transfer of Amounts to Investor Education and Protection Fund:**

Dividend for the Financial Year 2008-09 became due and was transferred to the Investor Education and Protection Fund. The unpaid / unclaimed dividend for the financial year 2009-10 will be due for transfer to the "Investor Education & Protection Fund" as required under the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

**5. Directors' Responsibility Statement:**

Your Company's Directors make the following statement pursuant to Section 134(3)(c) and in terms of sub-section (5) of Section 134 of the Companies Act, 2013 (hereinafter referred to as "the Act") , which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed to the extent applicable to the Company and there are no material departures in the adoption of the applicable Accounting Standards;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis; and

e) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively

f) The Board of Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**6. Board independence:**

The provisions of section 149(6) of the Act, 2013 and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") provide the definition of 'independent director' and based on the confirmations received from the Independent Directors of the Company under the provisions of section 149(7) of the Act and on evaluation of the relationships disclosed, the following Non-Executive Directors are considered as Independent Directors:

a) Shri Mukeshbhai Patel (DIN 00053892)

b) Shri Sandeepbhai Singhi (DIN 01211070)

c) Shri Shreyasbhai Pandya (DIN 00050244)

d) Shri Sudhirbhai Nanavati (DIN 00050236)

**7. Board Meetings, Board of Directors, Key Managerial Personnel & Committees of Directors:**

**a) Board meetings:**

The Board of Directors of the Company met six (6) times during the Financial Year 2016-17 and the gap intervening between two (2) meetings of the Board of Directors is as prescribed in the applicable provisions of the Act. The 'Corporate Governance Report' contains the details of the Board Meetings held during the Financial Year under review.

**b) Appointment & Re-appointment:**

Pursuant to provisions of section 152(6) of the Act and the Articles of Association of the Company, Shri Yogesh Jani (DIN 06495782) retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company.

Your Directors recommend that the resolutions relating to the appointment of Shri Yogesh Jani (who is liable to retire by rotation), as Director and re-appointment of Shri Parthiv F. Patel (DIN 00050211) as Managing Director eligible for re-appointment be passed. Pursuant to the Regulation 36(3) of Listing Regulations, brief resumes of both the said Directors are furnished along with the Explanatory Statement to the Notice to the Annual General Meeting of the Company.

**c) Declarations from Independent Directors:**

The Company has received necessary declaration from each Independent Director of the Company under the provisions of section 149(7) of the Act, that they meet the criteria of independence as laid down in section 149(6) of the Act and applicable provisions of Listing Regulations.

**d) Familiarization Program for Independent Directors:**

In compliance with the requirements of Listing Regulations, the Independent Directors have been familiarized on the Board of the Company by the functional heads of various departments of the Company which includes detailed presentations on the vision and mission of the Company, its operations, business plans, technologies and also future outlook of the entire industry. Details of familiarization programs extended to the Non-executive & Independent Directors are also disclosed on the Company website from time to time at: http://sandesh.com/ir/Details%20of%20familiarization%20programmes.pdf.

**e) Resignation, Cessations and Changes in Directors and Key Managerial Personnel:**

None of the Directors and Key Managerial Personnel of the Company has resigned during the financial year under review. There was re-appointment of Shri Falgunbhai C. Patel (DIN 00050174), with effect from April 01, 2017 as Chairman & Managing Director of the Company during the financial year under review.

**f) Details of remuneration to directors:**

The information relating to remuneration of the Directors as required under the provisions of section 197(12) of the Act, is given in **Annexure D**.

**g) Board Committees:**

The Company has constituted the following Committees of the Board of Directors:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Corporate Social Responsibility Committee;
4. Nomination and Remuneration Committee; and
5. Executive Committee

The Report of Corporate Governance contains the details of the composition of each of the above Committees, their respective role and responsibilities.

**h) Nomination and Remuneration Policy:**

In terms of the sub-section (3) and (4) of section 178 of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, the Board of your Company has, on recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of directors, senior management and their remuneration. The contents of the said policy are provided in the Report of Corporate Governance.

**i) Annual Performance evaluation by the Board:**

Pursuant to the provisions of the Act read with Rules made thereunder and as provided in Schedule IV to the Act and applicable regulations of Listing Regulations, the Nomination and Remuneration Committee and the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its Committees and the findings were shared individually with the Board Members as well as the Chairman of the Company. Further, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors have also evaluated the performance of the Chairman and other non-independent Directors. Your Directors express their satisfaction with the evaluation process and the manner in which the evaluation was carried out has been explained in the Corporate Governance Report forming part of this Report.

**j) Subsidiary Company, joint ventures and associate companies:**

The Company has one (1) wholly-owned subsidiary and one (1) associate company as on March 31, 2017. There are no joint venture companies during the Financial Year under review. During the Financial Year, M/s. Applewoods Estate Private Limited (CIN: U45201GJ2007PTC052343) has become an associate company of the Company. The said company is engaged in the real estate development. There has been no material change in the nature of the business of the Subsidiary and the Associate Company. Pursuant to provisions of section 129(3) of the Act, read with applicable rules of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Subsidiary and Associate Company in Form AOC-1 as Annexure F is attached to the Financial Statements of the Company. Further, pursuant to the provisions of section 136(1) of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary and associate company, are available on the website of the Company. The separate audited financial statements in respect of the subsidiary and associate company shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The Company has framed a policy for determining material subsidiaries, which has been posted on the Company's website www.sandesh.com.

**Highlights of performance of subsidiary and associate company and their contribution to the overall performance of the Company during the period under report:**

The performance and business highlights of the subsidiary and associate company of the Company during the Financial Year 2016-17 are as mentioned hereunder:

**Sandesh Digital Private Limited ('SDPL', Wholly-owned Subsidiary company):**

SDPL is into the digital media business and recorded a total income of ₹ 211.91 Lacs and EBIDTA Profit of ₹ 83.36 Lacs for the Financial Year under review. This subsidiary is engaged in providing news on multiple digital platforms, mobile advertisements and to aggregate and provide news and videos on the multiple digital platforms.

**Applewoods Estate Private Limited ('AEPL', Associate Company):**

AEPL is into the real estate development business and recorded a total income of ₹ 22458.12 Lacs and EBIDTA Profit of ₹ 8561.39 Lacs for the Financial Year under review. Its core business is development of real estate projects and it is developing Applewoods Township situate at Ahmedabad which consists of residential apartments, villas, and commercial shops and offices.

**8. Consolidated Financial Statements:**

The Consolidated Financial Statements of the Company prepared in accordance with the applicable Accounting Standards form part of this Annual Report. The financial statements of a Subsidiary Company and Associate Company of the Company are not attached along with the financial statements of the Company. The separate audited financial statement of the Subsidiary Company (M/s. Sandesh Digital Pvt. Ltd.) and also the audited financial statement of the Associate Company (M/s. Applewoods Estate Private Limited) of the Company are also placed on the website of the Company at weblink:

http://sandesh.com/ir/AUDITED-FINANCIAL-STATEMENT-OF-SUBSIDIARY-COMPANY.pdf

http://sandesh.com/ir/AUDITED-FINANCIAL-STATEMENT-OF-ASSOCIATE-COMPANY.pdf

The Company Secretary will make these documents available upon receipt of a request from any Member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company during working hours up to the date of ensuing Annual General Meeting.

**9. Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs has notified on February 16, 2015 that Indian Accounting Standards (Ind AS) are applicable to specified classes of companies from April 01, 2016 with a transition date of April 01, 2015. The Company has adopted Indian Accounting Standards (Ind AS) from April 01, 2016 with a transition date of April 01, 2015. The Financial Results for FY 2016-17 have been prepared in accordance with Ind AS, as prescribed under the provisions of section 133 of the Companies Act, 2013 read with the applicable Rules issued thereunder and the other applicable and recognized accounting practices and policies. The Financial Results for FY 2016-17 have been prepared in accordance with the applicable Ind AS.

**10. Corporate Governance:**

A Report on Corporate Governance along with a certificate regarding the compliance of conditions of corporate governance as stipulated under Schedule V of the Listing Regulations forms a part of this Annual Report. Your Company has been practicing the principles of good corporate governance. A detailed report on corporate governance is available as a separate section in this Annual Report. The certificate of M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad, regarding compliance with the conditions stipulated under Listing Regulations is provided separately under this Annual Report.

**11. Audit Committee and its Recommendations:**

The Audit Committee has been constituted in accordance with the provisions of the Act and the Rules made thereunder and also in compliance with the provisions of Listing Regulations and more details on the Committee are provided in the Report on Corporate Governance. During the financial year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company. The Composition of the Audit Committee is as described in the Report on Corporate Governance.

**12. Auditors and Audit Reports:**

**a) Statutory Auditors:**

The Company's statutory auditors M/s. Manubhai & Shah LLP (LLPIN: AAG-0878) (Formerly known as Manubhai & Shah) (Firm Registration No.106041W/W100136) Chartered Accountants, Ahmedabad were appointed at 71st Annual General Meeting held on 26th day of September, 2014 to hold the office up to the conclusion of the fourth consecutive Annual General Meeting subject to ratification at every Annual General Meeting. The statutory auditors who retire at the ensuing Annual General Meeting, have confirmed their eligibility and willingness to accept office, if their appointment is ratified. The Company has received a certificate from M/s. Manubhai & Shah LLP, the Statutory Auditors to the effect that their appointment, if made, would be in accordance within the limits specified under the Act, and that, they meet the criteria of independence. The proposal for ratification of their appointment is included in the Notice of Annual General Meeting sent herewith. The Audit Committee and the Board of Directors recommend the appointment of M/s. Manubhai & Shah LLP, the Statutory Auditors, subject to annual ratification by the Shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee.

**b) Auditors' Report:**

The notes of the financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report for the Financial Year 2016-17 does not contain any qualification, reservation or adverse remarks. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the Financial Year under review. Further, your Directors have reviewed the Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

**c) Secretarial Auditors & Secretarial Audit Report:**

Pursuant to the provisions of section 204 of the Act and applicable rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit has been carried out by M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad. The Report of the Secretarial Audit in Form MR-3 for the Financial Year ended March 31, 2017 is annexed as Annexure A to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial

Auditor in his report. The Board has reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the said Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

**13. Human resource initiatives and industrial relations:**

We treat our employees as most valuable assets. Your Company aims to align human resource practices with business goals. Performance Management system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. Your Company takes pride of its highly motivated and committed team of employees. The employees performed to their full potential and contributed to the growth and development of the Company.

**14. Particulars of Employees:**

The information required pursuant to the provisions of section 197 (12) of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure D to this Report.

**15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow:**

The particulars as prescribed under section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in Annexure C.

**16. Management Discussion and Analysis Report & Cautionary Statement:**

A detailed chapter on 'Management Discussion and Analysis' pursuant to the Regulation 34 of Listing Regulations, is annexed and forms part of this Annual Report. The statements in this Annual Report, especially those with respect to Management Discussion and Analysis, describing the objectives of the Company, expectations, estimates and projections, may constitute 'forward looking statements' within the meaning of applicable law. Actual results might differ though the expectations, estimates and projections are based on reasonable assumptions.

**17. Material changes and commitments affecting the financial position of the Company:**

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

**18. Corporate Social Responsibility Initiatives:**

Your Company has constituted a Corporate Social Responsibility Committee. The Committee is constituted to manage and overview the Corporate Social Responsibility programs of the Company. The Corporate Social Responsibility Policy as approved by the Board is available at the website of the Company at the link: http://sandesh.com/ir/CSR%20Policy.pdf. The Annual Report on Corporate Social Responsibility activities is annexed herewith as Annexure B.

**19. Insider Trading Regulations:**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has formulated a code of conduct for regulating, monitoring and reporting of trading in shares of the Company by the insiders. The Company has adopted a code of conduct for prohibition of insider trading in order to regulate trading in the shares of the Company by the Directors, Connected Persons and designated employees of the Company. The Company has also prescribed a code of fair disclosure and conduct and code for prevention of insider trading. Both the said codes are in accordance with the said Regulations. The said Codes have been uploaded on the website of the Company.

**20. Borrowing:**

The Company has been sanctioned limit of ₹ 9500 Lacs which is inclusive of cash credit, letter of credit and buyers credit. However, your Company uses the borrowed funds very judiciously and it uses its internal cash generations to invest in the business.

**21. Credit Rating:**

For the Financial Year 2016-17 under review, the credit rating agency "Credit Analysis and Research Limited" has granted rating of CARE AA (Double A) assigned to the long term bank facilities. Further, it has granted the CARE A1+ (A one Plus) rating assigned to short term facilities.

**22. Insurance:**

All the significant properties and insurable interest of the Company, including buildings, plant and machineries and stocks are adequately insured.

**23. Risk Management:**

The Board of Directors of the Company has framed and adopted a policy on Risk Management of the Company. The Company has identified various risks and also has mitigation plans for each risk identified and it has a comprehensive Risk Management system which ensures that all risks are timely defined and mitigated in accordance with the Risk Management Policy.

**24. Internal Control Systems and adequacy of Internal Financial Controls:**

Your Company has an adequate system of the internal controls to ensure that all its assets are protected against loss from unauthorized use or disposition and further that those transactions are authorised, promptly recorded and reported correctly. Your Company has implemented an effective framework for Internal Financial Controls in terms of the provisions stipulated under the explanation to section 134(5)(e) of the Act. The Board is of the opinion that the Company has an effective Internal Financial Controls which is commensurate with the size and scale of the business operations of the Company for the Financial Year under review. Adequate internal financial controls with respect to financial statements are in place. The Company has documented policies and guidelines for this purpose. Its Internal Control System has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The internal audit and the management review supplement the process implementation of effective internal control. The Audit Committee of the Board deals with accounting matters, financial reporting and internal controls and regularly interacts with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. No reportable material weakness in the design or implementation was observed during the financial year under review.

**25. Vigil Mechanism / Whistle Blower Policy:**

The Board has approved and established a Whistle Blower Policy for the Directors and employees of the Company to report their genuine concerns and its details are explained in the Report on the Corporate Governance. The Whistle Blower Policy is available on the website of the Company to report any genuine concerns about unethical behavior, any actual or suspected fraud or violation of Company's Code of Conduct.

**26. Code of Conduct:**

Your Directors have laid down the Code of Conduct for all Board Members and the members of the senior management of the Company. The said Code is also placed on the website of the Company. All Board Members and the members of the senior management of the Company have affirmed compliance with the said Code for the financial year under review. The Certificate from the Chairman & Managing Director affirming compliance of the said Code by all the Board Members and the members of senior management of the Company, to whom the Code is applicable, is attached to the Corporate Governance Report.

**27. Extract of Annual Return:**

Pursuant to the provisions of section 92(3) of the Act, the extract of the Annual Return (MGT-9) is annexed herewith as Annexure E as a part of this Report.

**28. Litigation:**

There was no material litigation outstanding as on March 31, 2017 and the details of pending litigation including tax matters are disclosed in the Financial Statements.

**29. Particulars of Loans, Guarantees and Investments u/s 186 of the Companies Act:**

The particulars of loans and guarantees given and the investments made under the provisions of section 186 of the Act are given separately in the Financial Statements of the Company read with the Notes to Accounts which may be read in conjunction with this Report.

**30. Particulars of contracts or arrangements with related parties referred to in section 188(1) in the prescribed form:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for review and approval.

In line with the provisions of the Act and Listing Regulations, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and abridged Related Party Transactions Policy is uploaded on the Company's website and can be accessed at: http://sandesh.com/ir/RPT%20Policy.pdf. During the Financial Year under review, there were no material related party transactions. The Register under section 189 of the Act is maintained and particulars of transactions are entered in the Register, wherever applicable. Further, suitable disclosure as required by the applicable Accounting Standards has been given in the Notes to the Financial Statements. As there were no materially significant related party transactions entered into by the Company with the related parties during the financial year under review, the details of the related party transactions as required under section 134(3)(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, as prescribed in Form AOC-2 of the said Rules is not applicable to the Company.

**31. Listing Fees:**

The Company confirms that it has paid the annual listing fees for the Financial Year 2017-18 to BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

**32. Statutory Disclosures:**

The Company has made disclosures in this Report for the items prescribed in section 134(3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the financial year under review. Further, no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the Financial Year under review:

a) **Public Deposits (Deposit from the public falling within the ambit of section 73 of the Act and the Rules made thereof):**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

b) **Issue of equity shares with differential rights as to dividend, voting or otherwise:**

The Authorised Share Capital of the Company comprises of 15000000 equity shares of ₹ 10/- each. The paid up equity share capital of the Company as on March 31, 2017 was ₹ 756.94 Lacs comprising of 7569421 equity shares of ₹ 10/- each. During the Financial Year under review, the Company has not issued shares with differential voting rights as to dividend, voting or otherwise.

c) **Issue of shares (including sweat equity shares) to employees of the Company under any scheme**:

Your Company has not issued any shares including sweat equity shares to employees of the company under any scheme during the Financial Year under review.

d) **Neither the Managing Director(s) nor the Whole-time Director(s) of the Company receive any remuneration or commission from its subsidiary:**

There is no disclosure required as to receipt of remuneration or commission by the Managing Director(s) / Whole Time Director(s) from a subsidiary of the Company.

e) **Details of significant and material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and the Company's operations in future:**

There are no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

f) **Disclosure under section 67(3) of the Companies Act, 2013:**

The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees. No disclosure is required under section 67(3)(c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable during the period under review.

g) **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA):**

The Company has adopted a policy in accordance with the provisions of SHWWA and the Rules thereunder and all employees are covered under the said Policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment. During the Financial Year under review, there were no cases filed pursuant to SHWWA and rules made thereof.

**33. Acknowledgment:**

Your Directors place on record their sincere appreciation of all the employees of the Company for their valuable contribution and dedicated service. Your Directors express their sincere thanks to the esteemed readers, viewers and customers of the Company for their continued patronage. Your Directors also immensely thank all the shareholders, bankers, investors, agents, business associates, service providers, vendors and all other stakeholders for their continued and consistent support to the Company during the Financial Year.

For and on behalf of the Board of Directors,

**Falgunbhai C. Patel**
Chairman & Managing Director
(DIN 00050174)

Date : May 27, 2017
Place : Ahmedabad

**Encl.: Annexure A to Annexure F**

## ANNEXURE A TO THE BOARD'S REPORT

**Form No. MR-3**

## SECRETARIAL AUDIT REPORT

**(For the Financial Year ended March 31, 2017)**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
**THE SANDESH LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by THE SANDESH LIMITED (CIN: L22121GJ1943PLC000183) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 ('Audit Period') according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(Not applicable to the Company during the Audit Period)*;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *(Not applicable as the Company has not issued any further share capital during the Audit Period)*;

   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not applicable to the Company during the Audit Period)*;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(Not applicable as the Company did not issue and listed any debt securities and any other such securities during the Audit Period)*;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(Not applicable to the Company during the Audit Period)*; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not applicable to the Company during the Audit Period)*;

vi. The following laws are applicable specifically to the Company and we report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, and according to the information and explanations provided by the management of the Company, the Company has complied with:

   a) The Press & Registration of Books Act, 1867 and Rules made thereunder;

   b) The Delivery of Books and Newspapers (Public Libraries) Act, 1954;

   c) Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 and Rules made thereunder;

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent usually at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For, Jignesh A. Maniar & Associates**
**Company Secretaries**
**(C.P. No. : 6996)**

**Jignesh A. Maniar**
(F.C.S. No. : 3468)
Proprietor

**Place :** Ahmedabad
**Date :** 04.05.2017

Note: This report is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

---

**'ANNEXURE A'**

To
The Members,
**THE SANDESH LIMITED**

Our report of even date is to be read along with this letter.

1. The Management of the Company is responsible for maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial Compliance.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, Jignesh A. Maniar & Associates**
**Company Secretaries**
**(C.P. No. : 6996)**

**Jignesh A. Maniar**
(F.C.S. No. : 3468)
Proprietor

**Place :** Ahmedabad
**Date :** 04.05.2017

## ANNEXURE B TO THE BOARD'S REPORT

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Companies Act, 2013
read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The Board of Directors (the 'Board' for short) of the Company has adopted a CSR Policy, which includes (a) The Company will promote education; provide preventive healthcare & sanitation, create livelihoods for community; support the community in times of natural clamities, provide monetary support to the deserving students; (b) the Company will implement CSR programs through the employees of the Company or through external implementing agencies. The Company will ensure proper monitoring and reporting of the CSR activities undertaken by it.

   The CSR policy is available on the Company's website: www.sandesh.com CSR Policy is stated herein below:

   Web Link: http://sandesh.com/ir/CSR%20Policy.pdf

2. **The Composition of the CSR Committee:**

| | Name | Designation |
|---|---|---|
| 1 | Shri Falgunbhai Patel | Chairman |
| 2 | Smt. Pannaben Patel | Member |
| 3 | Shri Mukeshbhai Patel | Member (Independent Director) |
| 4 | Shri Shreyasbhai Pandya | Member (Independent Director) |

3. **Average net profit of the company for last three financial years:** ₹ 10707.34 Lacs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

   The Company is required to spend ₹ 214.15 Lacs towards CSR activities.

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year: ₹ 214.15 Lacs

   b) Amount unspent, if any: ₹ 214.15 Lacs

   c) Manner in which the amount spent during the financial year is detailed below: Not applicable

6. During the year, the Company has created a program and monitoring mechanism, which will ensure that CSR initiatives are sustainable and beneficial to the community in the long run. The Company has planned the pre-implementation activities for CSR program. Hence, an action and corresponding expenditures on CSR programs may start from the next financial year.

7. CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company.

**Place :** Ahmedabad
**Date :** May 27, 2017

**Falgunbhai C. Patel**
Chairman of CSR Committee
(DIN 00050174)

**Parthiv F. Patel**
Managing Director
(DIN 00050211)

## ANNEXURE C TO THE BOARD'S REPORT

**Information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as provided under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014:**

### A. CONSERVATION OF ENERGY

1) **Steps taken or impact on conservation of energy**: Though the operations of the Company are not energy intensive, efforts are made for conservation of energy on an on-going basis. The Company is not using DG set but uses alternate power lines if Mains fail. The Company has installed capacitor banks and filters for improvement in power factor. It has also installed UPS CTP machines / Computers / Image Setters on state power. Other energy conservation measures taken during the financial year under review includes optimization of operations of the compressors and standby power not used when machines were not in use. The energy conservation initiatives have resulted in improvement of power factor.

2) **Steps taken for utilization of alternate sources of energy:** The Company has already commenced use of LED lights to reduce energy consumption. Further, the Company has installed high efficiency lighting fixtures and old high power consumption light fittings have been replaced by low power consumption light fittings.

3) **Capital Investment on energy conservation equipments**: NIL

### B. TECHNOLOGY ABSORPTION

| | | |
|---|---|---|
| 1) | Efforts made towards technology absorption | : Not Applicable |
| 2) | Benefits derived | : Not Applicable |
| 3) | Details of technology imported in last three years | : Not Applicable |
| | a. Details of technology imported | : Not Applicable |
| | b. Year of import | : Not Applicable |
| | c. Whether the technology been fully absorbed | : Not Applicable |
| | d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : Not Applicable |
| 4) | Expenditure incurred on Research and Development | : Not Applicable |

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the Financial Year, the foreign exchange in terms of actual inflows was ₹ 3.18 Lacs, whereas the foreign exchange in terms of actual outflows was ₹ 12836.45 Lacs.

For and on behalf of the Board of Directors,

**Falgunbhai C. Patel**
Chairman & Managing Director
(DIN 00050174)

Date : May 27, 2017
Place : Ahmedabad

## ANNEXURE D TO THE BOARD'S REPORT
# REMUNERATION DETAILS

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

| Name of the Director | Ratio of each Director to the median remuneration of the employee |
|---|---|
| Shri Falgunbhai C. Patel | 185.76 |
| Shri Parthiv F. Patel | 191.69 |
| Shri Yogesh Jani | 2.27 |

2. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17:**

| Name of the Director, Chief Financial Officer and the Company Secretary | % increase in the remuneration in the financial year |
|---|---|
| Shri Falgunbhai C. Patel (Director) | (11.00%) |
| Shri Parthiv F. Patel (Director) | (10.00%) |
| Shri Yogesh Jani (WTD) | - |
| Shri Sanjay Kumar Tandon (KMP) | 7% |
| Shri Dhaval Pandya (KMP) | 22% |

3. **The percentage increase in the median remuneration of employees in the financial year:** 8.98%

4. **The number of permanent employees on the rolls of Company: 488** as on March 31, 2017.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   - Average increase in remuneration of employees excluding KMPs: 13.45%.
   - Average increase in remuneration of KMPs: 12.75%
   - Increase in salary of KMP is decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is confirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors,

**Falgunbhai C. Patel**
Chairman & Managing Director
(DIN 00050174)

Date : May 27, 2017
Place : Ahmedabad

## ANNEXURE E TO THE BOARD'S REPORT

### FORM NO. MGT-9

# EXTRACT OF ANNUAL RETRUN

### AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

## I. REGISTRATION AND OTHER DETAILS :

| | | | |
|---|---|---|---|
| i) | CIN | : | L22121GJ1943PLC000183 |
| ii) | Registration Date | : | MARCH 11, 1943 |
| iii) | Name of the Company | : | THE SANDESH LIMITED |
| iv) | Category/Sub-Category of the Company | : | Public Limited Company having Share Capital |
| v) | Address of the Registered Office and Contact details | : | **THE SANDESH LIMITED**<br>"SANDESH BHAVAN", LAD SOCIETY ROAD,<br>B/H. VASTRAPUR GAM, P.O. BODAKDEV,<br>AHMEDABAD – 380054 (GUJARAT)<br>Phone No.: +91-079-40004000<br>Email ID: cs@sandesh.com, investorsgrievance@sandesh.com<br>Website: www.sandesh.com |
| vi) | Whether listed Company | : | Yes |
| vii) | Name, Address and contact details of Registrar and Transfer Agent, if any | : | **MCS Share Transfer Agent Limited**<br>201, Shatdal Complex, 2nd Floor, Ashram Road, Ahmedabad–380009 (Gujarat)<br>Phone Nos.: +91-079-26580461, 26580462, 26580463<br>Fax No.: +91-079-26581296<br>Email ID: mcssta@rediffmail.com, mcsahmd@gmail.com, mcsstaahmd@gmail.com |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**All the business activities contributing 10% or more the total turnover of the Company shall be stated:**

| Sl. No. | Name and Description of main products/ Services | NIC code of the Products/ Services | % of total turnover of the Company |
|---|---|---|---|
| 1 | Sale of newspapers and other publications | 58131 | 29.16 |
| 2 | Advertisement Revenue | 58131 | 70.84 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | SANDESH DIGITAL PRIVATE LIMITED | U22100GJ2015PTC083461 | Wholly-own Subsidiary | 100% | 2(87)(i)(ii) |
| 2. | APPLEWOODS ESTATE PRIVATE LIMITED | U45201GJ2007PTC052343 | Associate Company | 21.45% | 2(6) |

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (I) Category-wise Share Holding

| Category of Shareholders | | No. of Shares held at the beginning of the year (01/04/2016) | | | | No. of Shares held At the end of the year (31/03/2017) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| **(A)** | **PROMOTERS** | | | | | | | | | |
| **(1)** | **INDIAN** | | | | | | | | | |
| (a) | Individual/ HUF | 1777400 | 0 | 1777400 | 23.481 | 1777400 | 0 | 1777400 | 23.481 | 0.000 |
| (b) | Central Government | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (c) | State Government(s) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (d) | Bodies Corporate | 3885617 | 0 | 3885617 | 51.333 | 3885617 | 0 | 3885617 | 51.333 | 0.000 |
| (e) | Banks /Financial Institutions | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (f) | Any Other(specify) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| | **SUB-TOTAL (A)(1)** | **5663017** | **0** | **5663017** | **74.814** | **5663017** | **0** | **5663017** | **74.814** | **0.000** |
| (2) | FOREIGN | | | | | | | | | |
| (a) | NRIs-Individuals | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (b) | Other – Individuals | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (d) | Banks/Financial Institution | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (e) | Any Other (specify) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| | **SUB-TOTAL (A)(2)** | **0** | **0** | **0** | **0.000** | **0** | **0** | **0** | **0.000** | **0.000** |
| | **TOTAL SHAREHOLDING OF PROMOTER (A)=(A)(1)+(A)(2)** | **5663017** | **0** | **5663017** | **74.814** | **5663017** | **0** | **5663017** | **74.814** | **0.000** |
| **(B)** | **PUBLIC SHAREHOLDING** | | | | | | | | | |
| **(1)** | **INSTITUTIONS** | | | | | | | | | |
| (a) | Mutual Funds | 119 | 500 | 619 | 0.008 | 289 | 500 | 789 | 0.01 | 0.002 |
| (b) | Banks/Financial Institutions | 348 | 0 | 348 | 0.005 | 358 | 0 | 358 | 0.005 | 0.0001 |
| (c) | Central Government | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (d) | State Government(s) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (e) | Venture Capital Funds | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (f) | Insurance Companies | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (g) | Foreign Institutional Investors | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (h) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (i) | Any Other (specify) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| | **SUB-TOTAL (B)(1)** | **467** | **500** | **967** | **0.013** | **647** | **500** | **1147** | **0.015** | **0.0021** |
| **(2)** | **NON-INSTITUTIONS** | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| | i) Indian | 918139 | 23700 | 941839 | 12.443 | 944872 | 13400 | 958272 | 12.66 | 0.217 |
| | ii) Overseas | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (b) | Individuals – | | | | | | | | | |
| | i) Individual share-holders holding nominal share capital up to ₹1 Lakh | 496572 | 118322 | 614894 | 8.123 | 522960 | 116052 | 639012 | 8.442 | 0.319 |
| | ii) Individual share-holders holding nominal share capital in excess of ₹1 Lakh | 281746 | 11100 | 292846 | 3.869 | 231295 | 11100 | 242395 | 3.202 | (0.667) |
| (c) | Others (specify) | | | | | | | | | |
| | i) Hindu Undivided Family | 33906 | 0 | 33906 | 0.448 | 43493 | 0 | 43493 | 0.575 | 0.127 |
| | ii) Non-Resident Individual | 18852 | 3100 | 21952 | 0.2900 | 18985 | 3100 | 22085 | 0.2918 | 0.0018 |
| | **SUB-TOTAL (B)(2)** | **1749215** | **156222** | **1905437** | **25.173** | **1761605** | **143652** | **1905257** | **25.171** | **(0.002)** |
| | **TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)** | **1749682** | **156722** | **1906404** | **25.186** | **1762252** | **144152** | **1906404** | **25.186** | **0.000** |
| **(C)** | **Shares held by Custodians for GDRs & ADRs** | **0** | **0** | **0** | **0.000** | **0** | **0** | **0** | **0.000** | **0.000** |
| | **GRAND TOTAL (A)+(B)+(C)** | **7412699** | **156722** | **7569421** | **100.000** | **7425269** | **144152** | **7569421** | **100.00** | **N.A.** |

**(II) Shareholding of promoters**

| Sl. No. | Shareholder's Name | No. of Shares held at the beginning of the year (01.04.2016) | | | No. of Shares held At the end of the year (31.03.2017) | | | % Change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1. | Satlon Enterprise Private Limited | 1890152 | 24.971 | NIL | 0 | 0.00 | NIL | (24.971) |
| 2. | Satyesh Prochem LLP | 1275777 | 16.854 | NIL | 3165929 | 41.83 | NIL | 24.976 |
| 3. | Parthiv Falgunbhai Patel | 1189100 | 15.709 | NIL | 995400 | 13.15 | NIL | (2.559) |
| 4. | Scabious Enterprise LLP | 420831 | 5.560 | NIL | 420831 | 5.560 | NIL | 0.000 |
| 5. | Falgunbhai Chimanbhai Patel | 386350 | 5.104 | NIL | 386350 | 5.104 | NIL | 0.000 |
| 6. | Saintfoin Enterprise LLP | 298857 | 3.948 | NIL | 298857 | 3.948 | NIL | 0.000 |
| 7. | Falgunbhai Chimanbhai Patel (HUF) | 185300 | 2.448 | NIL | 185300 | 2.448 | NIL | 0.000 |
| 8. | Ritaben Chimanbhai Patel | 10350 | 0.137 | NIL | 10350 | 0.13 | NIL | 0.000 |
| 9. | Pannaben Falgunbhai Patel | 6300 | 0.083 | NIL | 200000 | 2.64 | NIL | 2.557 |
| | **TOTAL** | **5663017** | **74.814** | **NIL** | **5663017** | **74.814** | **NIL** | **0.000** |

**(III) Change in Promoters' Shareholding**

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year | | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | Date | Reason | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | Satlon Enterprise Private Limited | 1890152 | 24.971 | 01.04.2016 | Beginning of the year | | | 1890152 | 24.971 |
| | | | | 12.12.2016 | Off –market & Inter-se Transfer of shares amongst members of promoter group (Sell) | (1890152) | (24.971) | 0 | 0 |
| | | | | 31.03.2017 | At the end of the year | | | 0 | 0 |
| 2. | Satyesh Prochem LLP | 1275777 | 16.854 | 01.04.2016 | Beginning of the year | | | 1275777 | 16.854 |
| | | | | 12.12.2016 | Off –market & Inter-se Transfer of shares amongst members of promoter group (Purchase) | 1890152 | 24.971 | 3165929 | 41.83 |
| | | | | 31.03.2017 | At the end of the year | | | 3165929 | 41.83 |
| 3. | Parthiv Falgunbhai Patel | 1189100 | 15.709 | 01.04.2016 | Beginning of the year | | | 1189100 | 15.709 |
| | | | | 09.03.2017 | Inter-se Transfer of shares amongst members of promoter group (Sell) | (193700) | (2.559) | 995400 | 13.15 |
| | | | | 31.03.2017 | At the end of the year | | | 995400 | 13.15 |
| 4. | Pannaben Falgunbhai Patel | 6300 | 0.083 | 01.04.2016 | Beginning of the year | | | 6300 | 0.083 |
| | | | | 09.03.2017 | Inter-se Transfer of shares amongst members of promoter group (Purchase) | 193700 | 2.559 | 200000 | 2.642 |
| | | | | 31.03.2017 | At the end of the year | | | 200000 | 2.642 |

(IV) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | *Name of Shareholders | Shareholding at the beginning of the year | | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | Date | Reason | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | ANWESHA STOCKTRADE PRIVATE LIMITED | 185100 | 2.445 | **01.04.2016** | **Beginning of the year** | | | 185100 | 2.445 |
| | | | | ----- | No Change during the year | 0 | N.A. | 185100 | 2.445 |
| | | | | 31.03.2017 | **At the end of the year** | | | 185100 | 2.445 |
| 2. | KAMAL EXPORTS PRIVATE LIMITED | 175000 | 2.312 | **01.04.2016** | **Beginning of the year** | | | 175000 | 2.312 |
| | | | | ----- | No Change during the year | 0 | N.A. | 175000 | 2.312 |
| | | | | 31.03.2017 | **At the end of the year** | | | 175000 | 2.312 |
| 3. | SOUND FINLEASE PRIVATE LIMITED | 167900 | 2.218 | **01.04.2016** | **Beginning of the year** | | | 167900 | 2.218 |
| | | | | ----- | No Change during the year | 0 | N.A. | 167900 | 2.218 |
| | | | | 31.03.2017 | **At the end of the year** | | | 167900 | 2.218 |
| 4. | REDWOOD HOLDING PRIVATE LIMITED | 156500 | 2.068 | **01.04.2016** | **Beginning of the year** | | | 156500 | 2.068 |
| | | | | ----- | No Change during the year | 0 | N.A. | 156500 | 2.068 |
| | | | | 31.03.2017 | **At the end of the year** | | | 156500 | 2.068 |
| 5. | SEETHA KUMARI | 114377 | 1.511 | **01.04.2016** | **Beginning of the year** | | | 114377 | 1.511 |
| | | | | 10.06.2016 | purchase | 4 | 0.0000528 | 114381 | 1.51 |
| | | | | 17.06.2016 | purchase | 916 | 0.012 | 115297 | 1.52 |
| | | | | 31.03.2017 | **At the end of the year** | | | 115297 | 1.52 |
| 6. | PARAMOUNT CLUB LLP | 41078 | 1.543 | **01.04.2016** | **Beginning of the year** | | | 41078 | 0.543 |
| | | | | 22.04.2016 | Transfer | (1737) | (0.02) | 39341 | 0.520 |
| | | | | 13.05.2016 | Transfer | (75) | (0.00099) | 39266 | 0.519 |
| | | | | 20.05.2016 | Transfer | (2626) | (0.035) | 36640 | 0.484 |
| | | | | 27.05.2016 | Transfer | (1241) | (0.016) | 35399 | 0.468 |
| | | | | 03.06.2016 | Transfer | (26545) | (0.35) | 8854 | 0.1170 |
| | | | | 10.06.2016 | Transfer | (4308) | (0.057) | 4546 | 0.0601 |
| | | | | 17.06.2016 | Transfer | (4546) | (0.0601) | 0 | 0 |
| | | | | 31.03.2017 | **At the end of the year** | | | 0 | 0 |

| Sl. No. | *Name of Shareholders | Shareholding at the beginning of the year | | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | Date | Reason | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 7. | GOKULESHWAR REALTY PRIVATE LIMITED | 71858 | 0.949 | **01.04.2016** | **Beginning of the year** | | | 71858 | 0.949 |
| | | | | ----- | No Change during the year | 0 | N.A. | 71858 | 0.949 |
| | | | | 31.03.2017 | **At the end of the year** | | | 71858 | 0.949 |
| 8. | HIRAL SHAH | 31043 | 0.410 | **01.04.2016** | **Beginning of the year** | | | 31043 | 0.410 |
| | | | | ----- | No Change during the year | 0 | N.A. | 31043 | 0.410 |
| | | | | 31.03.2017 | **At the end of the year** | | | 31043 | 0.410 |
| 9. | DIPAKBHAI KARSANDAS MAKHECHA | 40501 | 0.535 | **01.04.2016** | **Beginning of the year** | | | 40501 | 0.535 |
| | | | | ----- | No Change during the year | 0 | N.A. | 40501 | 0.535 |
| | | | | 31.03.2017 | **At the end of the year** | | | 40501 | 0.535 |
| 10. | RAVIRAJ DEVELOPERS LTD | 19720 | 0.261 | **01.04.2016** | **Beginning of the year** | | | 19720 | 0.261 |
| | | | | 15.04.2016 | Purchase | 1017 | 0.013 | 20737 | 0.274 |
| | | | | 10.06.2016 | Purchase | 46 | 0.0006 | 20783 | 0.275 |
| | | | | 17.06.2016 | Purchase | 80 | 0.001 | 20863 | 0.276 |
| | | | | 08.07.2016 | Transfer | (3300) | (0.044) | 17563 | 0.232 |
| | | | | 21.10.2016 | Purchase | 5000 | 0.066 | 22563 | 0.298 |
| | | | | 04.11.2016 | Purchase | 5047 | 0.067 | 27610 | 0.365 |
| | | | | 25.11.2016 | Purchase | 275 | 0.0036 | 27885 | 0.368 |
| | | | | 02.12.2016 | Purchase | 165 | 0.0022 | 28050 | 0.371 |
| | | | | 17.02.2017 | Transfer | (225) | (0.003) | 27825 | 0.368 |
| | | | | 03.03.2017 | Transfer | (97) | (0.001) | 27728 | 0.366 |
| | | | | 31.03.2017 | **At the end of the year** | | | 27728 | 0.366 |
| 11. | MEGHDHANUSH ENTERPRISE LLP | 0 | 0 | **01.04.2016** | **Beginning of the year** | | | 0 | 0 |
| | | | | 03.02.2017 | Purchase | 60114 | 0.79 | 60114 | 0.79 |
| | | | | 31.03.2017 | **At the end of the year** | | | 60114 | 0.79 |

* The shares of the Company are traded on a daily basis and hence, the date-wise increase/decrease in shareholding is not indicated. Shareholding is provided on the basis of Benpose received on a weekly basis from Depositories. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

**(v) Shareholding of Directors and Key Managerial Personnel :**

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year | | Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease | | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | Date | Reason | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | Sudhir Indravadan Nanavati (Director) | 250 | 0.003 | 01.04.2016 | Beginning of the year | | | 250 | 0.003 |
| | | | | ----- | No Change during the year | 0 | N.A. | 250 | 0.003 |
| | | | | 31.03.2017 | At the end of the year | | | 250 | 0.003 |
| 2. | Mukesh Mangalbhai Patel (Director) | 250 | 0.003 | 01.04.2016 | Beginning of the year | | | 250 | 0.003 |
| | | | | ----- | No Change during the year | 0 | N.A. | 250 | 0.003 |
| | | | | 31.03.2017 | At the end of the year | | | 250 | 0.003 |
| 3. | Shreyas Vishnuprasad Pandya (Director ) | 51600 | 0.682 | 01.04.2016 | Beginning of the year | | | 51600 | 0.682 |
| | | | | 27.01.2017 | Transfer | (51600) | (0.682) | 0 | 0 |
| | | | | 31.03.2017 | At the end of the year | | | 0 | 0 |
| 4. | Sandeep Mohanraj Singhi (Director) | 0 | N.A. | 01.04.2016 | Beginning of the year | | | 0 | N.A. |
| | | | | ----- | No Change during the year | 0 | N.A. | 0 | N.A. |
| | | | | 31.03.2017 | At the end of the year | | | 0 | N.A. |
| 5. | Sanjay Kumar Tandon, C.F.O. (KMP) | 0 | N.A. | 01.04.2016 | Beginning of the year | | | 0 | N.A. |
| | | | | ----- | No Change during the year | 0 | N.A. | 0 | N.A. |
| | | | | 31.03.2017 | At the end of the year | | | 0 | N.A. |
| 6. | Dhaval Pandya, Company Secretary (KMP) | 0 | N.A. | 01.04.2016 | Beginning of the year | | | 0 | N.A. |
| | | | | ----- | No Change during the year | 0 | N.A. | 0 | N.A. |
| | | | | 31.03.2017 | At the end of the year | | | 0 | N.A. |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In Lacs)

| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|---|
| **Indebtedness at the beginning of the Financial Year** | | | | | |
| i) | Principal Amount | 947.17 | 473.37 | - | 1420.54 |
| ii) | Interest due but not paid | - | 4.32 | - | 4.32 |
| iii) | Interest accrued but not due | - | - | - | - |
| **TOTAL (i)+(ii)+(iii)** | | **947.17** | **477.69** | **-** | **1424.86** |
| **Change in Indebtedness during the Financial Year** | | | | | |
| | Addition | - | 42.47 | - | 42.47 |
| | Reduction | 947.17 | 321.30 | - | 1268.47 |
| **NET CHANGE** | | **(947.17)** | **(278.83)** | **-** | **(1226.00)** |
| Indebtedness at the end of the financial year | | | | | |
| i) | Principal Amount | - | 198.86 | - | 198.86 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued but not due | - | - | - | - |
| **TOTAL (i)+(ii)+(iii)** | | **-** | **198.86** | **-** | **198.86** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time-Directors and/or Manager :

(₹ In Lacs)

| Sr. No. | Particulars of Remuneration | Name of MD/Whole-Time-Director/ Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Shri Falgunbhai C. Patel (Chairman & Managing Director) | Shri Parthiv F. Patel (Managing Director) | Shri Yogesh Jani (Whole-Time-Director) | |
| **1.** | **Gross Salary** | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 108.75 | 70.95 | 6.48 | 186.18 |
| | (b) Value of perquisites u/s. 17(2) Income-Tax Act, 1961 | 1.34 | 0.40 | 0.00 | 1.74 |
| | (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961 | 0.00 | 0.00 | 0.00 | 0.00 |
| **2.** | Stock Option | 0.00 | 0.00 | 0.00 | 0.00 |
| **3.** | Sweat Equity | 0.00 | 0.00 | 0.00 | 0.00 |
| **4.** | Commission | | | | |
| | - As % of Profit | 494.91 | 533.65 | 0.00 | 1028.56 |
| | - Others, specify | 0.00 | 0.00 | 0.00 | 0.00 |
| **5.** | Others, please specify | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL (A)** | **605.00** | **605.00** | **6.48** | **1216.48** |
| | Ceiling as per the Act | | | | **1216.97** |

**B. Remuneration to other directors:** (₹ In Lacs)

| Sr. No. | Particulars of Remuneration | Name of Director | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Smt. Pannaben F. Patel | Shri Sudhir I. Nanavati | Shri Mukesh M. Patel | Shri Shreyas V. Pandya | Shri Sandeep M. Singhi | |
| 1. | Independent Directors | | | | | | |
| | (a) Fee for attending Board Committee Meeting | -- | 0.075 | 0.00 | 0.00 | 0.150 | 0.225 |
| | (b) Commission | -- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (c) Others, please specify | -- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | **TOTAL (1)** | **--** | **0.075** | **0.00** | **0.00** | **0.150** | **0.225** |
| 2. | Other Non-Executive Directors | | | | | | |
| | (a) Fee for attending Board Committee Meeting | 0.00 | -- | -- | -- | -- | 0.00 |
| | (b) Commission | 0.00 | -- | -- | -- | -- | 0.00 |
| | (c) Others, please specify | 0.00 | -- | -- | -- | -- | 0.00 |
| | **TOTAL (2)** | **0.00** | **--** | **--** | **--** | **--** | **0.00** |
| | **TOTAL (B) = (1+2)** | **0.00** | **0.075** | **0.00** | **0.00** | **0.150** | **0.225** |
| | **Total Managerial Remuneration** | | | | | | **1216.71** |
| | Overall Ceiling as per the Act | | | | | | **1338.66** |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :** **(₹ In Lacs)**

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|---|---|---|---|---|
| | | Company Secretary | CFO | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 9.87 | 22.84 | 32.71 |
| | (b) Value of perquisites u/s. 17(2) Income-Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - As % of Profit | - | - | - |
| | - Others, specify | - | - | - |
| 5. | Others, please specify | - | - | - |
| | **TOTAL** | **9.87** | **22.84** | **32.71** |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:** NONE

| Type | | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority [RD/ NCLT/ COURT] | Appeal made, if any (give details) |
|---|---|---|---|---|---|---|
| **A.** | **COMPANY** | | | | | |
| | Penalty | ----- | ----- | ----- | ----- | ----- |
| | Punishment | ----- | ----- | ----- | ----- | ----- |
| | Compounding | ----- | ----- | ----- | ----- | ----- |
| **B.** | **DIRECTORS** | | | | | |
| | Penalty | ----- | ----- | ----- | ----- | ----- |
| | Punishment | ----- | ----- | ----- | ----- | ----- |
| | Compounding | ----- | ----- | ----- | ----- | ----- |
| **C.** | **OTHER OFFICERS IN DEFAULT** | | | | | |
| | Penalty | ----- | ----- | ----- | ----- | ----- |
| | Punishment | ----- | ----- | ----- | ----- | ----- |
| | Compounding | ----- | ----- | ----- | ----- | ----- |

For and on behalf of the Board of Directors

**Falgunbhai C. Patel**
Chairman & Managing Director
(DIN : 00050174)

Date : May 27, 2017
Place : Ahmedabad

## ANNEXURE F TO THE BOARD'S REPORT

## Form AOC-I

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹in Lacs)

| | | |
|---|---|---|
| 1 | Sl. No.: | 1 |
| 2 | Name of the subsidiary: | **SANDESH DIGITAL PRIVATE LIMITED** |
| 3 | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period: | N.A. |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N.A. |
| 5 | Share capital: | 1.00 |
| 6 | Reserves & surplus: | 78.73 |
| 7 | Total assets: | 92.81 |
| 8 | Total Liabilities: | 13.08 |
| 9 | Investments: | - |
| 10 | Turnover: | 210.79 |
| 11 | Profit before taxation: | 83.36 |
| 12 | Provision for taxation: | 25.27 |
| 13 | Profit after taxation: | 58.09 |
| 14 | Proposed Dividend: | - |
| 15 | Percentage of shareholding: | 100% |

**Part "B"**

**Associates and Joint Ventures**

*Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures*

(₹ in Lacs)

| Name of Associates | | APPLEWOODS ESTATE PRIVATE LIMITED |
|---|---|---|
| 1. | Latest audited Balance Sheet Date | 31st March, 2017 |
| 2. | Shares of Associate held by the company on the year end | |
| | No. | Class A Equity Shares: 261789<br>Class B Equity Shares:189937 |
| | Amount of Investment in Associates or Joint Venture | 23262.52 |
| | Extend of Holding (in percentage) | 21.45% |
| 3. | Description of how there is significant influence | There is significant influence due to percentage(%) of Share Capital |
| 4. | Reason why the associate/joint venture is not consolidated | Not Applicable |
| 5. | Net worth attributable to shareholding as per latest audited Balance Sheet | 10540.91 |
| 6. | Profit or Loss for the year | 621.43 |
| i. | Considered in Consolidation | 133.30 |
| ii. | Not Considered in Consolidation | 488.13 |

**Notes**:

1. There is/are no other subsidiary/ies or associate/s which is/are yet to commence operations.
2. There is/are no subsidiary/ries or associate/s which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Print media is one of the oldest and basic forms of mass communication and the contribution of print media in providing information and transfer of knowledge is remarkable. Even after the advent of electronic media, the print media has not lost its charm or relevance. Print media has the advantage of making a longer impact on the minds of the reader, with more in-depth reporting and analysis.

As per the Annual Report 2015-16 published by the Registrar of Newspapers for India, total number of registered publications was 110851 comprising 16136 newspapers (dailies, bi/tri weekly) and 94715 periodicals, as of March 31, 2016. Total number of new registered publications decreased from 5817 in FY14-15 to 5423 in FY15-16. According to FICCI-KPMG Indian Media and Entertainment Industry Report 2017, in 2016, the Indian print industry grew at 7.0 per cent. This growth was driven by regional language newspapers, followed by Hindi and English at 9.4 per cent, 8.3 per cent and 3.7 per cent, respectively. While English newspapers struggled, Hindi and other regional language newspapers continued their growth story. The readership for English newspapers is concentrated largely in Tier I cities with approximately 10 per cent of Indian population speaking English, leaving 90 per cent of the population to be catered by regional dailies.

The Company belongs to the Regional Print Media Industry and is a publisher of "SANDESH" a premier Gujarati daily newspaper in Gujarat Region, to carry on the business of editing, printing and publishing newspapers and periodicals. The Company started its first printing facilities at Ahmedabad.

Late Shri Chimanbhai S. Patel acquired the entire business from the original promoter in the year 1958, and had put his efforts to strengthen the activities carried out by "SANDESH". The editorial policy of the Company has always been based on basic journalistic values of objectivity and has not been influenced by any external forces. Presently, Shri Falgunbhai Patel, Chairman & Managing Director is running the entire business affairs of the Company along with Shri Parthiv F. Patel, Managing Director and a professional team of the Executives of the Company.

The Company has started its printing facilities at Baroda during 1985-86, at Surat during 1989-90, at Rajkot during 1990-91, at Bhavnagar during 1998-99 and at Bhuj during 2010-11 to cater to the semi urban and rural areas. The Company has now total seven editions, six editions from Gujarat and one edition from Mumbai, Maharashtra. The Company has a strong regional franchise, where it enjoys strong readership loyalty.

Besides the Company publishes "Stree", a magazine and also the periodical "Sandesh Pratyaksha Panchang" which remained popular among the public. A weekly newspaper 'Agro Sandesh', specific to the rural community of the State of Gujarat covering the farming, dairy and co-operative sector was successfully launched and which is contributing positively to the development of the farmers of the State of Gujarat and allied agricultural industries.

The Company's News TV channel 'Sandesh News' is immensely popular amongst Gujarati Viewers and it has also won several awards. Further, as a part of its out-of-home advertising activity, the Company has advertisements sites at the major commercial areas in Ahmedabad. The Company is also successfully operating its real estate and finance businesses.

## 2. OPPORTUNITIES AND THREATS

As per FICCI-KPMG Indian Media and Entertainment Industry Report 2017, India being a multi-culture and multi-lingual country, there is strong depth in language readership, particularly, Hindi, Marathi, Urdu, Gujarati, Malayalam, Tamil and Telugu among others. Regional focus has further resulted in hyper-localization with more local advertisers being added to the overall advertising pie. Industry in India continued to grow at a steady rate 7.8 per cent from 2011 to 2016 and this trend is expected to continue over the next five years. The increase in affluence and consumption levels in regional markets has been the key growth driver for print over the last decade. This trend is likely to sustain with increase in literacy as well as emergence of a younger generation that is more aspirational. This has attracted the attention of both advertisers as well as content creators across all media types - cinema, television, print, radio, etc. Print media industry grew at rate of 7.02 per cent in 2016 and it is expected to grow at a CAGR at 7.3 per cent in 2016-2021. Advertising revenue of print media grew at 6.4 per cent and circulation revenue grew at 8.4 per cent.

Regarding advertising revenues in print media, in India, traditional newspapers are better positioned with a share of nearly 38 per cent of the overall advertisements spend in 2016 and 7.6 per cent CAGR in advertisement revenues over the last five years. There was a shift to regional language newspapers with advertisers increasingly looking at opportunities in Hindi and other language markets due to their direct connect with the readers in prospering Tier II and III cities/regions of the Country. This was demonstrated by the fact that Hindi and other regional language newspapers managed to retain all key sectors as their customer source. Also, there was increased focus on localized messaging, driven by better consumer connect that regional newspapers enjoy.

The newspaper industry got the much needed boost to ad revenue with the intervention of the nodal agency, the Directorate of Advertising and Visual Publicity (DAVP), responsible for advertising on behalf of various government units. DAVP rolled out its new policy for fixing the rates for advertisements by government in newspapers after three years.

Demonetization in November 2016 had an adverse impact on the advertising sector. Both local and national advertisers pulled back pre-planned campaigns due to the intense negative effect of demonetization on primary sales and consumer off-take. Large FMCG companies with shorter sales cycles were among the first to be impacted. Urban demand and rural demand also abruptly crashed on the back of shortage of cash.

India is considered to be the world's largest newspaper circulation market. RNI data for FY 2016 shows that Hindi newspapers continue to dominate the circulation pie with 51 per cent share while share of other regional language newspapers increased to 38 per cent and English newspapers continued to decline, its share was pegged at mere 11 per cent. Regional newspapers over the past few years have created a brand equity and strong customer loyalty. Newspaper circulation in India continues to grow despite its global counterparts in America and Europe struggling for survival. The growth of Industry can be appraised by circulation and readership, with readership being the more apposite basis as generally in India a copy of the newspaper is shared by an entire family.

According to KPMG in India's analysis, 2016-17, the projected growth of Indian newspaper industry is pegged at 7.3 per cent. The growth will be driven by a growing Indian economy, increasing literacy levels, performance of Hindi and other regional language newspapers, increase in consumption, GST rollout and an ever changing digital landscape. The advertising and circulation is expected to grow by 8 per cent and 5.8 per cent respectively, with growing focus on Hindi and other regional language newspapers driven by higher literacy levels and consumption in Tier II and Tier III Cities.

As internet access expands, the digital threat continues to worsen for the newspaper industry. Changing news consumption habits and access to news on mobile has already been assigned the blame for declined growth rates in the English Market. However, regional newspapers are still at early stages to witness any radical impact.

Trends in traditional newspaper readership in India show greater inclination towards regional language newspapers. Indian economy is a rural economy with more than 65 per cent of India's population residing in rural areas. The Company believes that macro factors such as rising literacy and increasing penetration in semi-urban and rural areas are likely to ensure profitable growth for the print media sector. Future growth is largely driven by semi-urban and rural areas on account of increasing commercial activity, higher spending power and rising literacy. With the language print medium dominating in these areas, language newspapers are preferred over English newspapers.

The Company, with its seven editions at different strategic locations, has strongly established its presence across the State of Gujarat and also in Maharashtra. The Company also sees the opportunities in rural and semi-urban areas of Gujarat. The Company is planning to continuously improve the circulation of its newspaper in those areas also and will target higher readership amongst the young, educated and elite mass of the public. The publications of the Company are very popular in the urban areas of the State and it continuously improving the readership in smaller town and villages of the State of Gujarat.

The Company has News and Current Affair Television channel 'Sandesh News' which is very popular amongst Gujarati Viewers. As per FICCI-KPMG Indian Media and Entertainment Industry Report 2017, the news channels had an 8-10 per cent viewership share in 2016 with regional news accounting for the majority share. However, demonetization was a late surprise for the TV industry in 2016. There was a negative impact observed on advertising revenues of broadcasters. The impact though has been short term, and a bounce-back has been observed since January 2017, varying across genres and channels, and a full recovery is likely to take another quarter pulling down the growth estimates for 2017. The news genre has been a surge in viewership in the last quarter of 2016 due to various political news pieces, demonetization announcement and subsequent budget build-up. However, the impact of this viewership growth did not translate into commensurate advertising growth due to the effects of demonetization.

The television advertising industry grew by 11 per cent in 2016, and was essentially a story of two parts, Pre-demonetization, the industry was expected to register a steady growth in the range of 13-14 per cent, lower than expectation of 16 per cent as outlined in last year's report. The regional channels were affected more than National GECs, primarily due to a significant share of advertisements from local/regional brands, as well as national advertisers effecting a higher budget cut when it came to the regional channels.

"Sandesh Spotlight" is the out of home (OOH) wing of the Company which has a vision 'To make an impact in the OOH market by combining Marketing Strength and Futuristic Approach'. The Company had procured various prestigious tenders like Bus Rapid Transit System Bus Shelters, AUDA & Ahmedabad Municipal Corporation. Sandesh Spotlight has properties in the prime locations in the city of Ahmedabad, covering the most prominent junctions and some of the busiest cross roads, and aims at strategically adding more so as to be able to provide its clients with best visibility for their brands; in line with its mission - 'To work as a team with our clients to ensure better mileage and visibility for their brands'. Further, Sandesh Spotlight has been awarded exclusive advertising rights on more than 8000 buses of Gujarat State Road Transport Corporation, which provides a transport facility across the State of Gujarat.

As per FICCI-KPMG Indian Media and Entertainment Industry Report 2017, OOH segment registered a slowdown in growth rate at 7 per cent primarily due to the impact of demonetization. Though long term indicators remain positive, especially in the airport, transit and ambient, segments. Although billboards continue to account for the largest revenue pie, new metro lines, malls, corporate parks and the leading airports are providing a much-needed boost to the overall sector. OOH Companies, however, in order to maintain their share of advertising spend, are expected to consolidate their assets in this space which can help improve their bargaining power with the advertisers and thereby improve their occupancy rates.

Better Planning, focused approach for the implementation of strategy and professionalization of the management will help the Company to have a sustained development of its business. Further, looking to the popularity of its newspaper amongst its readers, there seems to be no close threat from its competitors.

**3. SEGMENT-WISE OR PRODUCT-WISE PERFOMANCE**

**a) Media:**

This is the core business of the Company since its inception. The Company had been able to maintain its business volumes despite stiff competition in the regional media industry. The revenue from the media segment was ₹ 34148.47 Lacs during the Financial Year under review as against ₹ 34135.56 Lacs in previous Financial Year.

**b) Finance Division:**

The Company has been in the Financing business and during the year under review, the segment revenue from Finance Division was ₹ 1809.93 Lacs during the Financial Year under review as against ₹ 3252.84 Lacs in the previous year.

**4. OUTLOOK, RISKS AND CONCERNS**

The increase in population, literacy rate and reach has led to increased circulation and readership of the newspapers in India. The Company is steadily increasing its geographical presence, which helps improve its circulation and readership of its publications.

The business outlook for the Print Media Industry and the Company looks good. Both readership and circulation of newspapers, especially for vernacular newspapers, is growing in India. Print Media is expected to remain a popular vehicle for advertisers to reach out to a large consumer base in the country.

As per FICCI-KPMG Indian Media and Entertainment Industry Report 2017, Print media industry grew at rate of 7.02 per cent in 2016 and it is expected to grow at a CAGR at 7.3 per cent in 2016-2021. Advertising revenue of print media grew at 6.4 per cent and circulation revenue grew at 8.4 per cent. Rural markets still appear to be attractive in view of the efforts of the Government for improvisation of infrastructure.

Indian newspaper industry imports more than 50 per cent of its paper consumption, mainly from US, Russia and Canada. Being a significant component of cost, players are sensitive to price fluctuations. Crude oil prices are the major drivers of the newsprint prices as they influence the shipping rates thereby affecting the cost of production. Rising prices and depreciation of Indian Rupee are therefore a cause of worry for the industry, especially for players with a higher import also.

Newsprint is the most important raw material constituting approximately 50 per cent of the cost base. Imported newsprint still dominates the Indian print industry. The newsprint price is cyclical and is dependent on various factors. Prices of Newsprint are linked to global demand and they are volatile in nature due to fluctuation in USD. The Company keeps close watch on the development on the Newsprint front. The Company uses imported as well as domestic newsprint and by judicious mix of them, tries to mitigate the high cost impact on the business operations.

The print media business is largely dependent on advertising revenues. The Company has increased cover price of certain editions of the newspaper and it is continuously taking appropriate steps to ensure effective cost management.

For the print media industry, reliable third party readership data is not available and many companies hesitant to rely on IRS data for devising their strategies. The circulation numbers of newspaper alone sometimes are insufficient for advertisers to take an informed decision; still, the circulation numbers certified by the Registrar of Newspapers of India are useful for the advertisers and agencies and the Company enjoys the confidence of its advertisers.

There is intense competition between publication houses for circulation, readership and advertising and this industry is very competitive. The Company is well established and it has better financial resources and it always strives hard to generate higher revenues every year and hence, the Company is able to quickly respond to market changes and consumer sentiments. The Company has competed successfully in the year under review and it believes to continuously compete effectively. The Company is continuously strengthening its market positions, reinforcing its relationships with Agents, Advertisers and providing high quality contents to its readers. The Company's website i.e. "www.sandesh.com" is a very popular website for the Gujarati community.

**5. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company's internal control systems are adequate considering size and nature of operations of the Company, to meet regulatory and statutory requirements, assure recording of all transactions and report reliable and timely financial information. The Company has defined risk management framework and it is implemented as an integral part of business processes. The Company has installed ERP system (SAP) for accounting purposes. To counter the adverse fluctuation in the newsprint prices, the Company vigorously keeps watch on its price trends and accordingly plans the consumption of newsprint to ensure efficient operations and better profitability. The Company applies effective mitigation techniques to manage potential risks. Risk management system includes recording, monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies. Further, the Board of Directors of the Company has adopted a Risk Management Policy and it has identified various risks and also has mitigation plans for each risk identified. Its comprehensive risk management system ensures that all risks are timely defined and mitigated in accordance with the Risk Management Policy. The Audit Committee of the Board of Directors of the Company periodically reviews the internal control system and also internal audit reports issued by the Internal Auditors of the Company.

The Company has formulated a robust whistleblower policy for receiving and redressing complaints of employees. No employee has been denied access to the Audit Committee or its Chairman during the year under review.

## 6. DEVELOPMENTS ON HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT

The Company treats its employees as most valuable assets. The Company aims to align human resource practices with its business goals. The performance management system enables a holistic approach to the issue of managing performance and does not limit to only an appraisal. The total number of permanent employees on the rolls of the Company is 488 on March 31, 2017. The Company takes pride of its highly motivated and committed team of its employees. The employees performed to their full potential and contributed to the growth and development of the Company. During the Financial Year, the industrial relations between the employees and management were calm and composed.

Further, the Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formed Internal Complaints Committee and also formulated a policy. No complaint was reported during the financial year 2016-2017.

## 7. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

**Summary Financial Information:**

| Particulars | 2016-17 | | 2015-16 | | % |
|---|---|---|---|---|---|
| | ₹ In Lacs | % to Revenues | ₹ In Lacs | % to Revenues | Increase / (Decrease) |
| Revenue from operations | 36235.95 | 98.63 | 37400.97 | 98.87 | (3.11)% |
| Other Income | 499.82 | 1.37 | 425.83 | 1.13 | 17.38% |
| Total Revenue | 36735.77 | 100.00 | 37826.80 | 100 | (2.88)% |
| EBIDTA | 11918.02 | 32.44 | 13227.73 | 34.97 | (9.90)% |
| Depreciation / Amortization | 774.30 | 2.11 | 771.11 | 2.04 | 0.41% |
| Net interest expenses / (Income) | 105.59 | 0.28 | 177.37 | 0.47 | (40.47)% |
| Profit before Tax (PBT) | 11038.13 | 30.05 | 12279.25 | 32.46 | (10.11)% |
| Exceptional items | 41.07 | 0.11 | 0.52 | 0.00 | 0% |
| Profit before Tax (PBT) | 11079.20 | 30.16 | 12279.77 | 32.46 | (9.78)% |
| Income Tax | 3990.23 | 10.86 | 4313.31 | 11.40 | (7.49)% |
| Profit after tax (PAT) | 7088.97 | 19.30 | 7966.45 | 21.06 | (11.01)% |

**Net Sales and other operating income**

Revenue from operations has gone down from ₹37826.80 Lacs during the previous year to ₹36735.77 Lacs mainly because Company has been very cautious in extending ICD.

**EBIDTA**

EBIDTA during the year stood at 32.47% compared to 34.46% in the previous year.

**Depreciation and amortization**

Depreciation and amortization charge during the financial year 2016-17 was ₹ 774.30 Lacs as compared with ₹ 771.11 Lacs during the previous year.

**Net interest expense**

Net Interest Expenses amounted to ₹ 105.59 Lacs compared to ₹ 177.37 Lacs during the previous financial year. The decrease in interest expenses is due to better utilization of funds. Average borrowing during the financial year ended March 31, 2017 stood at ₹

198.86 Lacs as compared to ₹ 1424.86 Lacs during the previous financial year.

**Income Tax**

The income tax charge for the Financial Year 2016-17 stood at ₹ 3990.23 Lacs compared to ₹ 4313.31 Lacs in the Financial Year 2015-16.

**Net profit after taxes**

The net profit after taxes for the financial year 2016-17 was ₹ 7088.97 Lacs compared with ₹ 7966.45 Lacs during the previous financial year.

**Fixed Assets**

The net investment in the fixed assets during the financial year was ₹ 8432.99 Lacs at the end of FY 2016-17 as compared to ₹ 7292.15 Lacs as at the end of FY 2015-16.

The Company, as planned, is gradually moving upwards in its core business and also strives hard to improvise its strengths to keep its dominance in the existing business and also explore opportunities available in new sectors.

**8. CAUTIONARY STATEMENT**

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. The details and information used in this report have been taken from publicly available sources. Any discrepancies in the details or information are incidental and unintentional. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The above discussion and analysis should be read in conjunction with the Company’s financial statements included herein and the notes thereto.

# REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT

## I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company firmly believes that Good Corporate Governance in any organization needs to be principle-based as well as simple, moral, accountable, responsive and transparent (SMART). The philosophy of the Company is to attain the highest standards of Corporate Governance by ensuring transparency in all its actions & operations and to maximize values of its stakeholders. The Company complies with all the provisions and stipulations laid down in the guidelines on the corporate governance as provided in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). This philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and best business practices.

The corporate governance structure formed by the Company includes principles, processes and systems to help the Company to take informed decision making and performance based management and it also supports establishment of culture of integrity and fairness in all transactions. The Company also periodically disclosed compliance with these principles and processes in the transparent manner. The Board of Directors of the Company ("the Board") also supervises the management activities to ensure the effectiveness of the corporate governance which promotes the Board that functions independently and without any influence.

The Securities and Exchange Board of India (SEBI) has notified the Listing Regulations on September 02, 2015, replacing the earlier Listing Agreement with effect from December 01, 2015. The Listing Regulations have incorporated the principles of corporate governance in line with the Organization for Economic Co-operation and Development (OECD) Principles and provide broad principles for periodic disclosures by listed entities in line with the International Organization of Securities Commissions (IOSCO) principles.

In terms of Regulation 34 read with Schedule V of the Listing Regulations, the details of compliance with regards to Corporate Governance for the year ended 31st March, 2017 are as follows:

## II. BOARD OF DIRECTORS:

### 1. Composition, category of Directors, meetings and attendance:

The Board consists of the Directors having varied experience in different areas and acknowledged as leading professionals in their respective fields. The composition of the Board is in conformity with the provisions of the Companies Act, 2013 and the Rules made thereunder ("the Act") and also under the Regulation 17 of the Listing Regulations, Shri Falgunbhai C. Patel, Managing Director, is the Chairman of the Board. The Board of the Company consists of 2 (two) Promoter-Executive Directors, 1 (one) Woman, Promoter-Non-Executive Director, 1 (one) Whole-Time Executive Director and 4 (four) Independent-Non-Executive Directors.

The calendar of the Meetings of the Board is decided in consultation with the Board and the schedule of the Meetings is communicated to all Directors in advance. During the Financial Year under review, total 6 (Six) meetings of the Board were held on 30.05.2016, 10.08.2016, 12.09.2016, 13.12.2016, 13.02.2017 and 16.03.2017. The Company has observed the Corporate Governance provisions of the Act and also of the Listing Regulations for conducting the Board Meetings during the Financial Year under review.

The Board Meetings are held at the Registered Office of the Company and the agenda is circulated in advance and includes draft resolutions & detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions. The necessary quorum was present for all the Board Meetings and the previous Annual General Meeting of the Company. The maximum interval between any two Board Meetings was within the maximum allowed gap of one hundred and twenty days. All the relevant information about production, sales, financial results, loan & investments, capital expenditure proposals, share transfers, demat / remat compliance, status of statutory dues payment, etc., are regularly placed before the Board for their review and approval. The Board, on quarterly basis, reviews the compliance reports of the applicable laws to the Company submitted by the heads of the respective departments of the Company. The draft minutes of the meeting approved by the Chairman is circulated to all the Directors after the conclusion of the meetings. After each Board Meeting, the Company has established system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and Committees of the Board.

The details of composition of the Board, the categories of the Directors as well as their directorships / memberships in other companies / committees are given below:

| Name of Director | Category | Board Meetings held during the tenure | Board Meetings attended | Attendance at the last AGM held on 30.09.2016 | Other Directorships held (including Pvt. Ltd. Companies) at the year ended | No. of Board Committees (Including The Sandesh Limited) of which Chairman / Member* | |
|---|---|---|---|---|---|---|---|
| | | | | | | Member | Chairman |
| Shri Falgunbhai Patel | Promoter, Executive | 6 | 6 | Yes | 6 | NIL | NIL |
| Shri Parthiv Patel | Promoter, Executive | 6 | 6 | Yes | 6 | NIL | NIL |
| Smt. Pannaben Patel | Promoter, Non-Executive | 6 | 4 | No | 3 | NIL | NIL |
| Shri Sudhirbhai Nanavati | Independent, Non-Executive | 6 | 3 | Yes | 2 | NIL | 2 |
| Shri Mukeshbhai Patel | Independent, Non-Executive | 6 | 6 | No | 4 | 2 | 4 |
| Shri Shreyasbhai Pandya | Independent, Non-Executive | 6 | 5 | No | 3 | 2 | NIL |
| Shri Sandeepbhai Singhi | Independent, Non-Executive | 6 | 6 | No | 1 | 2 | NIL |
| Shri Yogesh Jani | Whole-Time-Director, Executive | 6 | 4 | No | NIL | NIL | NIL |

Yes – Attended, No – Not Attended

* *In accordance with Regulation 26 of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committees in all public limited companies have been considered.*

Smt. Pannaben Patel, Director is the spouse of Shri Falgunbhai Patel, Chairman & Managing Director of the Company. Shri Parthiv Patel, Managing Director is son of Shri Falgunbhai C. Patel. Except Shri Falgunbhai Patel, Shri Parthiv Patel and Smt. Pannaben Patel, none of the other director/s is/are related to any director/s of the Company. The nature of employment of Shri Falgunbhai Patel, Chairman & Managing Director and Shri Parthiv F. Patel, Managing Director is contractual.

**2) Relationship Inter-se:-**

The following Directors of the Company are related to each other in the manner mentioned below:

| Sr. No. | Name of Directors | Relationship Inter-se |
|---|---|---|
| 1. | Shri Falgunbhai Patel | Father of Shri Parthiv Patel and husband of Smt. Pannaben Patel |
| 2. | Shri Parthiv Patel | Son of Shri Falgunbhai Patel and Smt. Pannaben Patel |
| 3. | Smt. Pannaben Patel | Wife of Shri Falgunbhai Patel and mother of Shri Parthiv Patel |

Number of Directorship held in other companies includes all companies, whether listed or unlisted and excludes other bodies corporate and professional bodies. The limits on directorships of Independent Directors and Executive Directors are within the permissible limits. None of the Director is a Member of more than ten Committees or Chairman of more than five Committees across all companies. The Company has issued formal letters of appointment to its Independent Directors appointed at the Annual General Meeting held on September 26, 2014, and the terms and conditions of said Letter are published on the website of the Company. The maximum tenure of Independent Directors is in accordance with the Act. Personal shareholding of the Non-Executive Directors is as follows:

| Sr. No. | Name of the Director | No. of Equity shares (as on 31/03/2017) |
|---|---|---|
| 1. | Shri Sudhirbhai Nanavati | 250 |
| 2. | Shri Mukeshbhai Patel | 250 |
| 3. | Shri Shreyasbhai Pandya | Nil |
| 4. | Smt. Pannaben Patel | 2,00,000 |
| 5. | Shri Sandeepbhai Singhi | Nil |

**3. Familiarization Program for Independent Directors:**

The Familiarization Program for the Independent Directors of the Company has been adopted by the Board pursuant to the Regulation 25 of the Listing Regulations. The aim of the Familiarization Program is to enable the Independent Directors to perceive the business of the Company and give them opportunity to contribute significantly to the Company by providing the insights into the affairs of the Company.

The Familiarization Program for the Independent Directors is administered and monitored by the Nomination and Remuneration Committee of the Board. A letter of appointment is provided at the time of appointment of an Independent Director which, inter alia, shall explain the role, functions, duties and responsibilities expected of him as a Director of the Company. Further, the Company conducts an introductory familiarization program which inter alia includes roles, rights and responsibilities and also strategies, operations and functions of the Company. The Managing Director and the functional heads of various departments of the Company frequently conduct programs and give presentations to familiarize the Independent Directors on the vision and mission of the Company, its operations, administration and management, business plans, strategies, technologies and also future outlook of the entire industry, on an ongoing basis and such programs and presentations are made regularly to the Board / Independent Directors. The details of the familiarization programs extended to the Non-executive and the Independent Directors are also disclosed on the Company website from time to time at: http://sandesh.com/ir/Details%20of%20familiarization%20programmes.pdf.

4. **Evaluation:**

Pursuant to the provisions of the Act and pursuant to applicable regulations of the Listing Regulations, the Nomination and Remuneration Committee / the Board carries out the evaluation of its performance, the Directors individually as well as the evaluation of the working of its Committees and the findings will be shared individually with the Board Members as well as the Chairman of the Company.

During the Financial Year under review, in terms of the provisions of the Act and the Listing Regulations, the Nomination and Remuneration Committee and the Board has carried out an annual evaluation of its performance, the Directors individually as well as the evaluation of the working of its Committees and the findings were shared individually with the Board Members as well as the Chairman of the Company. Further, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors have also evaluated the performance of the Chairman and other non-independent Directors. The evaluation of the performance was on the basis of the criteria like culture and dynamics of the Board, quality of Board Members, key responsibilities of the Board Members, contribution of the Board Members, effectiveness of the process and functioning of the Board / its Committees. Evaluation of Independent Directors was based on defined parameters which include level of engagement and participation in business decisions, functional knowledge and skill-set, awareness of the risk profile of the industry, quality of feedback and suggestions, etc. A structured questionnaire was prepared covering the various criteria of competencies and the responses were evaluated by the Nomination and Remuneration Committee as well as the Board. Its findings were shared individually with the Board Members as well as the Chairman of the Company and the results reflected high satisfactory performance of Board and Committee Members.

**III. COMMITTEES OF THE BOARD:**

The Board of the Company has constituted the following Committees and each Committee have its own terms of reference as a Charter. The Chairman of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. The Board of the Company has constituted the following Committees of the Board:

i. Audit Committee;

ii. Nomination and Remuneration Committee;

iii. Stakeholders Relationship Committee;

iv. Corporate Social Responsibility Committee; and

v. Executive Committee

The terms of reference of the Committees of the Board are determined and amended by the Board from time to time.

**A. AUDIT COMMITTEE:**

Terms of Reference of the Audit Committee are mentioned hereunder:

**Terms of reference:**

The Audit Committee of the Board is constituted in terms of provisions of the Act and in accordance with the requirements of the Listing Regulations. The Audit Committee reports to the Board and is primarily responsible for:

a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by management;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. compliance with listing regulations and other legal requirements relating to financial statements;

   vi. disclosure of any related party transactions;

   vii. modified opinion(s) in the draft audit report;

e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
h) approval or any subsequent modification of transactions of the Company with related parties;
i) scrutiny of inter-corporate loans and investments;
j) valuation of undertakings or assets of the Company, wherever it is necessary;
k) evaluation of internal financial controls and risk management systems;
l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
n) discussion with internal auditors of any significant findings and follow up there on;
o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
r) to review the functioning of the whistle blower mechanism;
s) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
t) Carrying out any other function as is mentioned in terms of reference of the Committee.

Further, the Audit Committee mandatorily reviews the following information:

a) management discussion and analysis of financial condition and results of operations;
b) statement of significant related party transactions (as defined by the Committee), submitted by management;
c) management letters / letters of internal control weaknesses issued by the statutory auditors;
d) internal audit reports relating to internal control weaknesses; and
e) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Committee.
f) statement of deviations:
   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of LODR.
   ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of LODR.

Further, in terms of the provisions of section 177 of the Act and applicable Rules made thereunder, the terms of reference for the Audit Committee also include:

a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
b) review and monitor the auditor's independence and performance, and effectiveness of audit process;
c) examination of the financial statement and the auditors' report thereon;
d) approval or any subsequent modification of transactions of the company with related parties;
e) scrutiny of inter-corporate loans and investments;
f) valuation of undertakings or assets of the company, wherever it is necessary;
g) evaluation of internal financial controls and risk management systems;
h) monitoring the end use of funds raised through public offers and related matters.

**Composition, meetings and attendance:**

The constitution of Audit Committee is in compliance with the provisions of section 177 of the Act, the rules made thereunder and in terms of Regulation 18 of the Listing Regulations.

The Audit Committee consists of Shri Mukeshbhai Patel, who is the Chairman of the Committee, Shri Sudhirbhai Nanavati, Shri Shreyasbhai Pandya and Shri Sandeepbhai Singhi, as the Committee Members. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

During the year under review total 6 (Six) meetings of the Audit Committee were held on 30.05.2016, 10.08.2016, 12.09.2016, 13.12.2016, 13.02.2017 and 16.03.2017. The attendance of the Members of the Audit Committee is as under:

| Sr. No. | Name of the Members | Date-wise attendance of Audit Committee Meeting during the F.Y 2016-2017 | | | | | |
|---|---|---|---|---|---|---|---|
| | | 30.05.2016 | 10.08.2016 | 12.09.2016 | 13.12.2016 | 13.02.2017 | 16.03.2017 |
| 1. | Shri Mukeshbhai Patel | Yes | Yes | Yes | Yes | Yes | Yes |
| 2. | Shri Sudhirbhai Nanavati | No | No | No | Yes | Yes | Yes |
| 3. | Shri Shreyasbhai Pandya | No | Yes | Yes | Yes | Yes | Yes |
| 4. | Shri Sandeepbhai Singhi | Yes | Yes | Yes | Yes | Yes | Yes |

Yes – Attended, No – Not Attended

The Statutory Auditors, the Internal Auditors, the Finance & Accounts Head and the Managing Directors of the Company usually were invited to attend the meetings of the Audit Committee. All Committee Members are financially literate and have accounting and financial management expertise. Shri Sudhirbhai Nanavati, Independent Director, was present at the previous Annual General Meeting to answer the queries of the shareholders of the Company.

**B. NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with the provisions of section 178 of the Act and applicable rules made thereunder and in terms of the provisions of Regulation 19 of the Listing Regulations, the Board has constituted the "Nomination and Remuneration Committee"("NRC"). Terms of Reference of NRC are mentioned hereunder:

**Terms of reference:**

The terms of reference of Nomination and Remuneration Committee includes the following:

a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal,

b) To carry out evaluation of every director's performance,

c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees,

d) To formulate criteria for evaluation of performance of Independent Directors and the Board of Directors,

e) To devise a Policy on diversity of Board of Directors, and

f) To recommend whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

**Composition, meetings and attendance:**

Nomination and Remuneration Committee of the Board presently consists of four (4) Independent and Non-Executive Directors viz. Shri Sudhirbhai Nanavati, who is the Chairman of the Committee, Shri Mukeshbhai Patel, Shri Shreyasbhai Pandya and Shri Sandeepbhai Singhi, as the Members of the Committee. The Minutes of the Committee were noted at the meeting of the Board of the Company. The decisions regarding the remuneration of the Executive Directors are taken by the Nomination and Remuneration Committee and placed before the Board for its approval subject to consent from the members. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review total 4 (four) meetings of NRC were held on 30.05.2016, 10.08.2016, 13.12.2016 and 13.02.2017. The attendance of the Members of NRC is as under:

| Sr. No. | Name of the Members | Date-wise attendance of Nomination and Remuneration Committee Meeting during the F.Y 2016-2017 | | | |
|---|---|---|---|---|---|
| | | 30.05.2016 | 10.08.2016 | 13.12.2016 | 13.02.2017 |
| 1. | Shri Sudhirbhai Nanavati | No | No | Yes | Yes |
| 2. | Shri Mukeshbhai Patel | Yes | Yes | Yes | Yes |
| 3. | Shri Shreyasbhai Pandya | No | Yes | Yes | Yes |
| 4. | Shri Sandeepbhai Singhi | Yes | Yes | Yes | Yes |

Yes – Attended, No – Not Attended

**Remuneration Policy:**

In terms of the provisions of section 178(4) of the Act, the Board of the Company has, on recommendation of NRC, framed and adopted a policy for selection and appointment of directors, senior management and their remuneration.

The Company has formulated and adopted the Policy with an aim to create an effective performance work culture in the Company which enables it to attract, retain and motivate the employees to achieve the targets of the Company. The remuneration is paid by the Company by way of salary, perquisites, allowances and commission to the managing directors of the Company. The Committee decides annual increments within the stipulated pay scale and the commission payable out of the profits for the financial year within the ceilings prescribed under the Act based on the performance of the managing directors and also of the Company.

During the financial year under review, the Company paid sitting fees to its Independent Directors for attending meetings of the Board as mentioned in this Report. The Company has not paid any commission to the Independent / non-executive Directors.

**Nomination and remuneration policy of the Company:**

In terms of the provisions of the section 178 of the Companies Act, 2013, applicable rules made thereunder (***the Act***, for short) and also the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Board of Directors of the Company is required to constitute a Nomination and Remuneration Committee (the Committee, for short). Accordingly, a Nomination and Remuneration Committee is constituted and this Policy is formulated in compliance with the provisions of section 178 of the Act read along with the applicable rules thereto and the applicable provisions of LODR.

**APPLICABILITY OF THE POLICY:**

a) Directors (Executive, Non-Executive and Independent)
b) Key Managerial Personnel
c) Senior Management Personnel
d) Other employees as may be decided by the Nomination and Remuneration Committee

Words and expressions used and not defined in this Policy but defined in the Act, the rules made thereunder and LODR, shall have the meanings respectively assigned to them in those legislation.

**OBJECTIVE & ROLE OF THE COMMITTEE:**

The objectives of the Committee are:

a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
b) Recommend to the Board their appointment and removal, and
c) Carry out evaluation of every director's performance.

The role of committee shall, inter-alia, include the following:

a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
c) devising a policy on diversity of board of directors;
d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Act provides that the Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This Policy is formulated to ensure that:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**COMPOSITION OF THE COMMITTEE:**

a) The Committee shall consist of three (3) or more non-executive Directors out of which not less than one-half shall be Independent Directors.
b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, the Rules made thereunder and the provisions of LODR and also as and when it deems fit to reconstitute the Committee.
c) Minimum two (2) Members shall constitute a quorum for the meeting of the Committee.
d) Composition, names of Members and Chairmanship of the Committee shall be disclosed in Annual Report.

**CHAIRMAN AND SECRETARY OF THE COMMITTEE:**

a) The Chairman of the Committee shall be an Independent Director.

b) The Chairperson of the Company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

c) In the absence of the Chairman from the meeting of the Committee, the Members of the Committee present at such meeting shall choose one amongst them to act as a Chairman.

d) The Chairman of the Committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

e) The Committee shall regularly report to the Board and it shall review and reassess the adequacy of its Charter periodically and recommend any proposed changes to the Board for approval.

f) The Company Secretary of the Company shall act as a secretary for the meetings of the Committee.

**POLICY FOR APPOINTMENT & REMOVAL:**

Criteria for appointment and qualifications of Directors, Key Managerial Personnel & Senior Management employees, includes:

1. In accordance with the applicable provisions of the Companies Act, 2013, applicable regulations of LODR, other applicable laws and also extant Human Resource Policy of the Company, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or senior management level and recommend to the Board his / her appointment.
2. The Committee has discretion to decide adequacy of qualification, expertise and experience possessed for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the Committee beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. A whole-time Key Managerial Personnel of the Company shall not hold office in more than one company, except in its subsidiary company, at the same time. However, whole time Key Managerial Personnel can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

The Committee has discretion to consider and fix the criteria for appointment / selection of the most suitable candidates for the Company.

**QUALIFICATIONS, INDEPENDENCE & EVALUATION:**

**A. Appointment of Directors including Independent Directors:**

The Committee shall formulate criteria for determining qualifications, skills, expertise, qualities, positive attributes required to be a director of the Company. The committee shall develop and recommend various criteria to be considered for appointment / reappointment of a director for approval of the Board of the Company. Such criteria shall be beneficial to the Company and the qualities and expertise required for achieving targets of the Company in changing business environment shall also be considered. The Committee shall consider the following criteria:

a) Applicable provisions of the Act, Rules made thereunder and applicable regulations of LODR.

b) Persons of integrity, eminence and knowledge in business /profession / public service;

c) Financial literacy;

d) Experience in media industry;

e) Other qualifications and experience to help the Company to achieve its objectives;

**B. Identification process:**

The committee shall identify persons who are qualified to become directors and who can satisfy the prescribed criteria. The process of identification will include meeting, ascertaining and screening candidates for appointment as a director. The existing Board members shall also continuously satisfy the criteria set by the Committee.

**C. Recommendation of appointment for approval of Board:**

If the candidate is able to satisfy the criteria laid down by the Committee, the Committee shall recommend appointment of such person for approval of the Board, after completion of the selection process.

The Committee may recommend the candidates to the Board when:

a) any vacancy in the Board is required to be filled due to resignation or retirement of any Board Member, or

b) any vacancy arisen out of annual performance evaluation of the Board, or

c) any vacancy as a result of end of tenure in accordance with the Act, Rules made thereunder and in terms of applicable regulations of LODR, or

d) any change required in the Board on account of its diversity policy, or

e) any change required by the law.

**D. Positive attributes of Directors / Independent Directors:**

Directors to:

a) Demonstrate integrity, trustworthiness and ability to handle situations of conflict

b) Update their knowledge and skills with the latest developments in legal provisions, in the media industry and also in the market conditions in which the Company operates;

c) Devote sufficient time and attention to the business and to address issues proactively;

d) Take independent judgment on issues of business strategy, risk management, key appointments and code of conduct;

e) Develop an effective relationship with Board Members and the senior management;

f) Protect the interests of the Company, its stakeholders and employees;

Independent Directors of the Company shall also meet the requirements of the Act read with the Rules made thereunder and provisions of the relevant regulations of LODR, as in force and as amended from time to time.

**E. Standards of Independence:**

The Committee shall lay down criteria to evaluate the independence of Directors for recommending to the Board for appointment / reappointment. A Director is independent if he /she does not have a direct or indirect material pecuniary relationship with the Company, including its affiliates or any member of senior management. Also, the candidate shall be evaluated based on the criteria provided under the applicable provisions of the Act read with Rules thereon and LODR. In addition to applying these guidelines, the Board will consider all other relevant facts and circumstances in making its determination relating to an independence of a Director.

**F. Evaluation of performance and Independence Review Procedures:**

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may also take the support of external experts for this purpose.

1. Annual Evaluation: The Board will determine the independence for the independent director on an annual basis upon the declaration made by such independent director.
2. Determination of Director's Independence: The Board shall determine independence of candidate to the position of independent director prior to appointment in case his/her appointment is considered between two Annual General Meetings of the Company.
3. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

**G. Evaluation of performance of executive directors and determination of remuneration:**

The Committee shall evaluate the performance of the managing director/s by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the managing director or whole-time director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

**H. Criteria for appointment of KMP/Senior Management**

The Committee shall lay down criteria like qualifications, expertise and experience required for senior management positions like managing director & CEO, CFO and Company Secretary of the Company. The Committee may make recommendation to the Board for the appointment/ reappointment and any change required in the senior management positions of the Company. Key Managerial Personnel / Senior Management shall:

a) Possess the requisite qualifications, expertise and experience to effectively discharge assigned responsibilities;

b) Comply with the provisions of the Code of Conduct & Ethics

c) Practice professionalism

d) Encourage transparent working environment; and

e) Establish an effective leadership, build teams and include team members for achieving targets of the Company;

On an annual basis, the Committee shall evaluate the performance of the senior management of the Company. The Committee shall also ensure that the remuneration to the key managerial persons and senior management involves a balance between fixed and variable/ incentive pay reflecting short term and long term performance objectives.

**I. Criteria for making payments to Non-Executive Directors:**

The Committee may determine a commission payable to the non-executive directors after taking into consideration their contribution to the decision making at Board / Committee Meetings, active participation and time spent as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. Commission, if decided to be paid, shall be within the overall limits prescribed in the Act and as may be fixed by the Members of the Company. The payment of commission to the Non-Executive Directors of the Company who are neither in the whole time employment nor managing directors shall be approved by the shareholders of the Company. The Committee and the Board shall, in accordance with the approval of the shareholders of the Company, determine the manner and extent up to which the commission shall be paid to the Non-Executive Directors. Further, the following is the criteria for remuneration:

a) Sitting Fees up to ₹1 Lac for each meeting of the Board or any Committee thereof, attended.
b) Commission, if approved by the Board and the shareholders of the Company to be paid to the Non-Executive Directors, on the basis of participation in the meetings of Board and Audit Committee at the rate within the prescribed limits of the Act and the Rules made thereunder.
c) Payment of Commission, if payable, to be made annually on determination of profits of the Company for particular financial year.
d) Directors may be reimbursed for the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

**TERM / TENURE:**

The Nomination and Remuneration Committee of the Company will ensure that remuneration and terms of employment are competitive and help the Company to attract and retain competent employees.

The Committee will ensure that remuneration package shall be reasonable and sufficient to attract, retain and motivate the employees. The Committee will also consider that the performance objectives are appropriate to the objectives of the Company. The Committee will also see that the policy ensures that remuneration is linked with the attainment of performance targets assigned to employees.

Executive Remuneration will be recommended by the Committee for approval by the Board of Directors. There will be annual evaluation of performance. The Committee may also consult with the management of the Company as and when required. The details of remuneration of the Board of Directors and Key Managerial Personnel of the Company will be disclosed in the annual financial statements of the Company.

**SUCCESSION PLANNING:**

The objective of the succession planning is that the Company is well prepared for either planned changes or unplanned changes. Planning for succession for all critical positions of the Company involves assessment of opportunities, challenges and threats and also an evaluation of expertise, talent and skills that would be required in future. The Nomination and Remuneration Committee will develop plan for effective succession to the Board and senior level management, which the Board will review from time to time. The said Committee will endeavor to develop a talent pool of candidates for different critical positions which may be considered to fill the gap in the positions at Board level and Senior Management level. Process for planning for succession may include identification of internal candidates, motivation and development plans for internal candidates, and also identification of external candidates. The Committee will formulate an emergency succession contingency plan for unforeseen events like death, disability, resignations, etc. The Committee will try to ensure that a talent pool is established to ensure continuity of leadership for all critical positions in the Company at all times.

**REVIEW OF POLICY AND REPORTING:**

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Board may, as and when required by the Committee, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the objectives and applicable law.

The Committee shall report to the Board on all matters arising at the Committee Meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

In case of any conflict between the provisions of this Policy and LODR or the Companies Act, 2013 or any other statutory enactments, the provisions of LODR or the Companies Act, 2013 or other statutory enactments, shall prevail over this Policy.

This Policy is formulated taking in view extant provisions of the LODR / the Companies Act, 2013 / other applicable statutory enactments. In case of any confusion or doubt with respect to any provision of this Policy or as and when the Committee / Board deems necessary to review this Policy or its provisions, the Committee / Board will take an appropriate decision. Further, this Policy and its provisions are subject to any modification, revision, replacement, variation, deletion, addition or amendment in accordance with the regulatory amendments and guidelines as may be issued / imposed by SEBI or any other competent authority, from to time.

**Remuneration to Executive Directors:**

NRC shall, inter-alia, evaluate the performance of the Executive Directors and the remuneration payable to the Executive Directors and Senior Management employees of the Company. Shri Falgunbhai C. Patel is the Chairman & Managing Director, Shri Parthiv F. Patel is the Managing Director and Shri Yogesh Jani is the Whole-time Director on the Board of the Company. Based on the recommendation of Nomination and Remuneration Committee, the Board approves the remuneration payable to the aforesaid Directors within the ceiling fixed by the shareholders as per the respective resolutions passed at their General Meetings. The Company has entered into agreements with Shri Falgunbhai C. Patel (the term of appointment is from April 01, 2017 to March 31, 2022), Shri Parthiv F. Patel (the term of appointment is from August 01, 2018 to July 31, 2023) and Shri Yogesh Jani (the term of appointment is from August 11, 2015 to August 10, 2020) for their respective employment for a period as mentioned in their respective agreement. Either the Company or Shri Falgunbhai C. Patel / Shri Parthiv F. Patel is entitled to terminate the agreement by giving not less than six months' notice in writing to the other party. Either the Company or Shri Yogesh Jani is entitled to terminate the agreement by giving not less than two months' notice in writing to the other party. The Board, on the recommendation of Nomination and Remuneration Committee, proposed the re-appointment of Shri Parthiv F. Patel as the Managing Director for a further period of five years for the approval of the shareholders at the ensuing Annual

General Meeting. Details of remuneration paid/payable to the Executive Directors of the Company during the year ended March 31, 2017 are given below:

(₹ In Lacs)

| Name of the Directors | Salary | Commission* | Perquisites & Allowances | Sitting Fee | Total Remuneration |
|---|---|---|---|---|---|
| Shri Falgunbhai Patel | 108.75 | 494.91 | 1.34 | - | 605 |
| Shri Parthiv Patel | 70.95 | 533.65 | 0.40 | - | 605 |
| Smt. Pannaben Patel | - | - | - | - | - |
| Shri Yogesh Jani | 6.48 | - | - | - | 6.48 |

**Payable in Financial* Year *2017-2018*

**Stock Option:**

The Company has no stock option scheme relating to its shares for its directors or employees and no severance fees are paid to any Director of the Company during the financial year under review.

**Remuneration to Non-Executive Directors:**

The remuneration, commission, sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act for the time being in force or as may be recommended by the Nomination and Remuneration Committee and approved by the Board and the members of the Company. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Listing Regulations.

The Company has no pecuniary relationship or transactions with its Non-executive and Independent Directors other than payment of sitting fees to them for attending Board meetings. Details of the sitting fees paid to the Independent Directors for the financial year **2016-17** are as under:

| Name of the Directors | Sitting Fee (₹ in Lacs) |
|---|---|
| Shri Sudhirbhai Nanavati | 0.075 |
| Shri Mukeshbhai Patel | -- |
| Shri Shreyasbhai Pandya | -- |
| Shri Sandeepbhai Singhi | 0.150 |

**Remuneration to Senior Management Employees:**

The Human Resource department and the Management carry out the performance review of the senior management employees of the Company. The performance review includes follow up with the appraisal procedures and also other criteria such as key result areas, fixed and variable pay, perquisites and retirement benefits.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee of the Board of the Company has been constituted and functioning in pursuance of the provisions of Regulation 20 of the Listing Regulations read with section 178 of the Act. The Committee looks into redressing the stakeholders' grievances / complaints. The Company has a designated E-mail ID i.e. investorsgrievance@sandesh.com for the redressal of complaints / grievances of the stakeholders which is also displayed on the website of the Company.

**Terms of Reference:**

The functions of Stakeholders Relationship Committee, inter alia, include the following:

a) To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends,

b) To expedite the process of share transfers,

c) To ensure that Registrar and Share Transfer Agent attends to share transfer formalities as prescribed in terms of applicable laws from time to time,

**Composition, meetings and attendance:**

Stakeholders Relationship Committee of the Board presently consists of four (4) Independent Non-Executive Directors viz. Shri Sudhirbhai Nanavati, who is the Chairman of the Committee, Shri Mukeshbhai Patel, Shri Shreyasbhai Pandya and Shri Sandeepbhai Singhi, as the Members of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review, 4 (Four) meetings of the Stakeholders Relationship Committee were held on 30.05.2016, 10.08.2016, 13.12.2016 and 13.02.2017. The Minutes of the Committee are reviewed by the Board at its Meeting. The attendance of the Members of the Stakeholders Relationship Committee is as follows:

| Sr. No. | Name of the Members | Date-wise attendance of Stakeholders Relationship Committee Meeting during the F.Y 2016-2017 | | | |
|---|---|---|---|---|---|
| | | 30.05.2016 | 10.08.2016 | 13.12.2016 | 13.02.2017 |
| 1. | Shri Sudhirbhai Nanavati | No | No | Yes | Yes |
| 2. | Shri Mukeshbhai Patel | Yes | Yes | Yes | Yes |
| 3. | Shri Shreyasbhai Pandya | No | Yes | Yes | Yes |
| 4. | Shri Sandeepbhai Singhi | Yes | Yes | Yes | Yes |

Yes – Attended, No – Not Attended

The number of the complaints / grievances received and resolved to the satisfaction of the stakeholders during the Financial Year under review is as under:

| Sr. No. | Particulars | Status of Complaints |
|---|---|---|
| 1. | No. of complaints received from the shareholders during the financial year from 01.04.2016 to 31.03.2017 | 9 |
| 2. | No. of complaints resolved to the satisfaction of shareholders during the financial year from 01.04.2016 to 31.03.2017 | 9 |
| 3. | No. of complaints pending at the end of the year as on 31.03.2016 | NIL |
| 4. | No. of complaints pending at the end of the year as on 31.03.2017 | NIL |
| 5. | No. of pending transfer as on 31.03.2017 | NIL |

There were no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

**Compliance Officer**: The Company Secretary is designated as a Compliance Officer pursuant to Regulation 6 of the Listing Regulations.

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):**

The Board has constituted the CSR Committee as per the requirements of the Act and Rules made thereunder.

**Terms of Reference:**

The Terms of Reference of CSR Committee includes, to frame CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

**Following is the terms of reference of CSR Committee:**

1. To formulate and recommend CSR Policy to the Board;
2. To recommend the amount of expenditure to be incurred; and
3. To monitor CSR Policy.

**Composition, meetings and attendance:**

In compliance with the provisions of section 135 of the Act and Rules made thereunder, the Board of the Company has constituted the CSR Committee. The Committee has 4 (four) Members comprising of 2 (two) Non-Executive and Independent Director, 1 (one) Promoter and Non-Executive Director and the Chairman of the Committee is Promoter and Executive Director.

During the year under review, 4 (four) Meetings of the CSR Committee were held on 30.05.2016, 10.08.2016, 13.12.2016 and 13.02.2017. The Minutes of the Committee are reviewed by the Board at its Meeting. The attendance of the Members of the CSR Committee is as follows:

| Sr. No. | Name of the Members | Position | Date-wise attendance of Corporate Social Responsibility Committee Meeting during the F.Y 2016-2017 | | | |
|---|---|---|---|---|---|---|
| | | | 30.05.2016 | 10.08.2016 | 13.12.2016 | 13.02.2017 |
| 1. | Shri Falgunbhai Patel | Chairman | Yes | Yes | Yes | Yes |
| 2. | Shri Mukeshbhai Patel | Member | Yes | Yes | Yes | Yes |
| 3. | Shri Shreyasbhai Pandya | Member | No | Yes | Yes | Yes |
| 4. | Smt. Pannaben Patel | Member | No | No | Yes | Yes |

Yes – Attended, No – Not Attended

**E. EXECUTIVE COMMITTEE:**

The Board has constituted this Committee with an objective to aid the Board in handling and dealing with the matters which, in the opinion of the Board, should not be postponed until the next scheduled meeting of the Board or its other Committee. The Committee, having delegated authority, performs all those functions which the Board assigns to it. The Committee has overall responsibility for review and follow up on the action taken on the Board decisions and also attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference.

**Composition, meetings and attendance:**

Executive Committee presently consists of three (3) Executive Directors viz. Shri Falgunbhai C. Patel, who is the Chairman of the Committee, Shri Parthiv F. Patel and Shri Yogesh Jani, as the Members of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee. The Board has constituted Executive Committee on May 30, 2016. During the year under review 1(one) meeting of the Executive Committee was held on July 20, 2016 where all the members including the Chairman were present at the meeting.

**IV. INDEPENDENT DIRECTORS' MEETING:**

During the financial year under review, the Independent Directors on the Board of the Company met on 13 February, 2017, inter alia, to:

a) review the performance of non-independent directors and the Board as a whole;

b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and

c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the said Meeting.

**V. DISCLOSURES:**

**a) Related Party Transactions:**

In line with the provisions of the Act and under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

During the Financial Year under review, there were no material related party transactions. All related party transactions are placed before the Audit Committee as also the Board for review and approval; and the interested Directors neither participate in the discussions, nor did they vote on such matters, when such matters came up for approval. Further, suitable disclosure as required by the Accounting Standards has been given in the Notes to the Financial Statements. The Board of the Company has approved a Policy for related party transactions which has been uploaded on the Company's website at the following link: http://sandesh.com/ir/RPT%20Policy.pdf.

None of the Non-Executive Directors - Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2017, and have given undertakings to that effect.

**b) Accounting Treatment:-**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Act and subsequent amendments thereof.

For the period commencing from 1st April, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements for the year ended 31st March, 2017 are the first Ind-AS financial statements that the Company has prepared.

**c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:-**

No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority during the last 3 (three) years.

**d) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Act and the Listing Regulations. The said policy provides that the employees can report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct and also provides for adequate safeguards to the whistle blowers against any victimization or vindictive practices like. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern and no employee has been denied access to the Audit Committee. On a quarterly basis, the Audit Committee review the concerns raised under the policy and track them for closure as per the policy. During the financial year under review no complaint was received to be referred to the Audit Committee and no person was denied access to the Audit Committee.

**e) Compliance with the Mandatory Requirements of the Listing Regulations:**

The Company has complied with all the mandatory requirements pertaining to the corporate governance as prescribed under the Listing Regulations and it has also obtained a certificate affirming the compliance with the provisions of the Listing Regulations from M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad and the same is also attached to this Report. The Board also reviews adoption of non-mandatory requirements under provisions of the Listing Regulations when called for.

**f) Disclosure regarding appointment or re-appointment of Directors:**

The particulars about the brief resume and other information for the Directors seeking appointment / re-appointment as required to be disclosed are provided as annexure to the Notice convening this Annual General Meeting.

**g) Code of Conduct:**

The Board has laid down the Code of Conduct for all Board Members and Members of Senior Management of the Company. The said Code is also placed on the website of the Company. The Certificate from the Chairman & Managing Director affirming compliance of the said Code by all the Board Members and Members of Senior Management of the Company, to whom the Code is applicable, is separately attached to this Report.

**h) Prohibition of Insider Trading:**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from 15th May, 2015, the Board has formulated a Code of Conduct for regulating, monitoring and reporting of trading by insiders. The Board has also adopted a code of practices and procedures of fair disclosures of unpublished price sensitive information. The rationale behind the code is to prohibit trading in shares of the Company by specified persons, while in possession of 'undisclosed price sensitive information'. All specified persons are restricted from dealing in the shares of the Company during 'restricted periods' notified by the Company from time to time. The said codes have been uploaded on the website of the Company. Following is the details of the shares held by the Directors of the Company as at March 31, 2017:

| Sr. No. | Name of the Director | No. of Equity shares (as on 31/03/2017) | Details of shares bought / sold during financial year 2016-2017 |
|---|---|---|---|
| 1. | Shri Falgunbhai Patel | 386350 | Nil |
| 2. | Falgunbhai Chimanbhai Patel (HUF) | 185300 | Nil |
| 3. | Shri Parthiv Patel | 995400 | 193700 (Sold) |
| 4. | Shri Sudhirbhai Nanavati | 250 | Nil |
| 5. | Shri Mukeshbhai Patel | 250 | Nil |
| 6. | Shri Shreyasbhai Pandya | Nil | 51600 (Sold) |
| 7. | Smt. Pannaben Patel | 200000 | 193700 (Bought) |
| 8. | Shri Sandeepbhai Singhi | Nil | Nil |
| 9. | Shri Yogeshbhai Jani | 438 | Nil |

**i) Subsidiary companies:**

In compliance with the Listing Regulations, the Company has framed a 'Policy for determining Material Subsidiary' in order to determine the materiality of its unlisted subsidiaries. The said policy is placed on the Company's website and can be accessed at: http://sandesh.com/ir/Policy_Material%20Subsidiary.pdf. As per the Listing Regulations and the said Policy, the Company did not have any material subsidiary during the Financial Year under review.

The Audit Committee of the Board periodically reviews the financial statements and general working of subsidiary company and in particular, the investments made by the subsidiary company. The Management of the Company also periodically brings to the attention of the Board of the Company, a statement of all significant transactions and arrangements, if any, entered into by the subsidiary company. Further, the minutes of the board meetings of the subsidiary company noted at the Board Meetings of the Company.

**j) Governance by the Management:**

i. **Management Discussion and Analysis Report**: As required by provisions of the Listing Regulations, the Management Discussion and Analysis is provided separately in this Annual Report.

ii. **Material financial and commercial transactions**: No material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the Financial Year under review. Senior Management of the Company has made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

**k) Reconciliation of Share Capital Audit:**

The 'Reconciliation of Share Capital Audit' was undertaken on a quarterly basis. A qualified practicing Company Secretary carried out audit to reconcile the total admitted capital with the Depositories and the total issued and listed share capital. The total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the Depositories.

**l) Secretarial Audit**

During the financial year under review, the Secretarial Audit was conducted as required under the provisions of section 204 of the Act and rules framed thereunder. M/s. Jignesh A. Maniar & Associates, Practicing Company Secretaries, Ahmedabad has conducted the audit and the Secretarial Audit Report is annexed to the Directors' Report.

**m) CEO / CFO's Certification:**

The Managing Director and the Chief Financial Officer have certified to the Board, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under the Listing Regulations, for the Financial Year ended March 31, 2017.

**n) Unclaimed Shares:**

Pursuant to regulation 39 and provisions of Schedule VI of the Listing Regulations, the unclaimed shares are required to be transferred to "Unclaimed Suspense Account", and accordingly the reminder letters were sent to the shareholders whose shares remain unclaimed from the Company. The information of unclaimed shares is hereby given: (a) Aggregate number of shareholders and the outstanding shares at the beginning of the year: Total 28500 equity shares (total 108 shareholders) (b) Number of shareholders who approached the Company during the year: NIL (c) Number of shareholders to whom shares were released during the year: NIL (d) Aggregate number of shareholders and the outstanding shares at the end of the year: Total 28500 shares (total 108 shareholders) (e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Total 28500 shares (total 108 shareholders)

**o) Compliance with Mandatory Requirements:**

The Company has complied with the mandatory corporate governance requirements under the Listing Regulations. The Company confirms compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of regulation 46 of the Listing Regulations.

p) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II under the Part E of the Listing Regulations:

i. **The Board:** As per para A of Part E of Schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director and hence, this provision is not applicable.

ii. **Shareholders Rights:** The Company displays the quarterly and half yearly results on its web site and also publishes the results in widely circulated newspapers. The Company also makes available the voting results of the shareholders' meetings on its website, and reports the same to Stock Exchanges. The quarterly and half yearly results are not sent to each household of the shareholders.

iii. **Modified opinion(s) in audit report:** The Company's financial statements for the Financial Year 2016-17 do not contain any modified audit opinion.

iv. **Separate posts of Chairperson and Chief Executive Officer:** Shri Falgunbhai C. Patel is the Chairman and Managing Director of the Company. However, there is no separate post of a Chief Executive Officer in the Company.

v. **Reporting of Internal Auditor:** In its internal audit structure, the Company has engaged experienced chartered accountants' firm. There is a system of monthly internal audit reporting, reviewing and monitoring. Surprise audits are also conducted to ensure effective adherence to the established processes, internal controls and internal audit mechanism on real-time basis. The Internal Auditors of the Company reports to the Audit Committee of the Board of the Company.

**VI. MEANS OF COMMUNICATION:**

| | | | |
|---|---|---|---|
| a) | Quarterly results | : | The quarterly, half-yearly and yearly financial results are published in daily English and daily Gujarati newspapers within the prescribed timelines. The Company also informs BSE & NSE in a timely manner about the price sensitive information and any other matter which in its opinion is material and relevant to the shareholders. The Company also complies with the Listing Regulation by filing of its financial results with BSE & NSE. The Company's results are also displayed on the website of the Company. |
| b) | Newspapers wherein results normally published | : | In English daily – The Economic Times / The Financial Express / Business Standard & in Regional Daily (Gujarati) "Sandesh" |
| c) | Any website, where displayed | : | BSE Limited (www.bseindia.com ),National Stock Exchange of India Ltd. (www.nseindia.com) and The Sandesh Limited (www.sandesh.com ) |
| d) | Whether it also displays official news release | : | As and when called for |
| e) | Presentations made to institutional investors or to the analysts | : | Not Applicable for the Financial Year under review |

**VII. GENERAL SHAREHOLDER INFORMATION:**

**A. Annual General Meeting**

i. **Date :** September 22, 2017

ii. **Time :** 10:00 A.M.

iii. **Venue :** Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat- India)

In terms of the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company has extended e-voting facility for the shareholders to enable them to cast their votes electronically on the proposed resolutions in the Notice of Annual General Meeting, instead of voting in the Annual General Meeting. Instructions for e-voting are listed under the segment "Notes" in the Notice of Annual General Meeting. Those of the shareholders, who cannot attend Annual General Meeting in person, can appoint a proxy to represent them in Annual General Meeting, for which the Shareholder needs to fill in a proxy form and send it to the Company in the manner stipulated in Notes in the Notice of Annual General Meeting.

The details of last three Annual General Meetings of the Company are as under:

| No. of AGM | Financial Year | Date of AGM | Time | Venue at | Special Resolution passed |
|---|---|---|---|---|---|
| 73rd | 2015-2016 | 30.09.2016 | 10:00 a.m. | Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006 | Not Applicable |
| 72nd | 2014-2015 | 30.09.2015 | 10:00 a.m. | Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006 | Not applicable |
| 71st | 2013-2014 | 26.09.2014 | 10:00 a.m. | Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad–380006 | 1. Increase in borrowing limits<br>2. Adoption of a new Article of Association<br>3. Change in terms of appointment of Shri Parthiv F. Patel,Managing Director |

No Extra Ordinary General Meeting was held during the Financial Year 2016-17. During the Financial Year under review, no resolution has been passed through the exercise of postal ballot.

B. **Financial Year:** Financial Year of the Company is for a period of twelve (12) months from 1st April to 31st March. Following is key financial reporting dates for the financial year 2017–18 (tentative):

I. First quarter Results : on or before August 14, 2017

II. Half yearly Results : on or before November 14, 2017

III. Third quarter Results : on or before February 14, 2018

IV. Audited Results for FY 2017–18 : on or before May 30, 2018

C. **Date of Book Closure:** 15.09.2017 to 22.09.2017 (both days inclusive)

D. **Dividend Payment Date:** The Board has not recommended Final dividend for Financial Year 2016-17 as it is proposed to confirm the Interim Dividend paid as Final Dividend for Financial Year 2016-17.

E. **The name and address of each stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fee to each of such Stock Exchanges:**

i. BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai–400001

ii. National Stock Exchange of India Limited: "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai–400051

The Company has paid annual listing fees for the Financial Year 2017-18 to the above stock exchanges.

F. **Stock Code:**

i. BSE Limited: Scrip No. : 526725

ii. National Stock Exchange of India Limited: Symbol : SANDESH (EQ.)

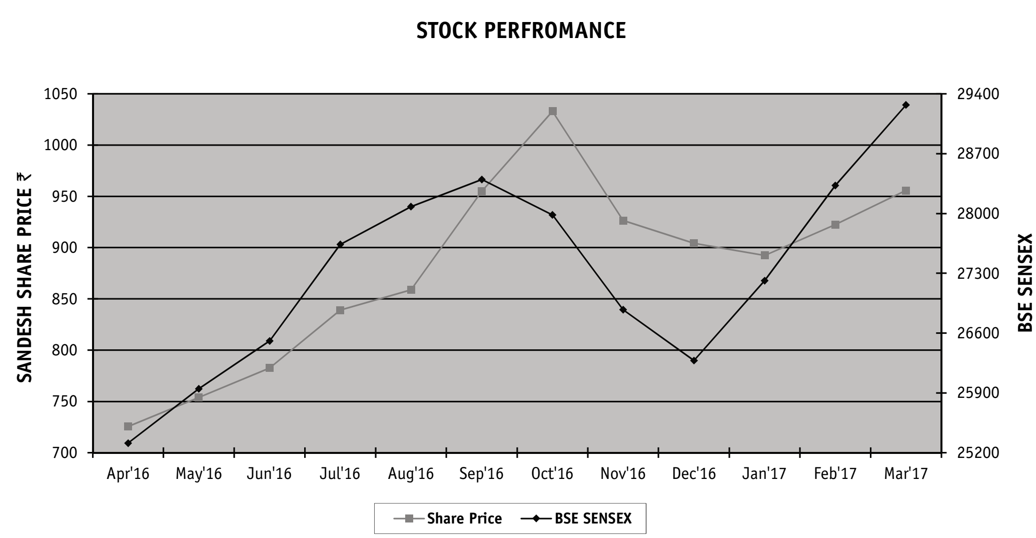
iii. ISIN Number: INE583B01015

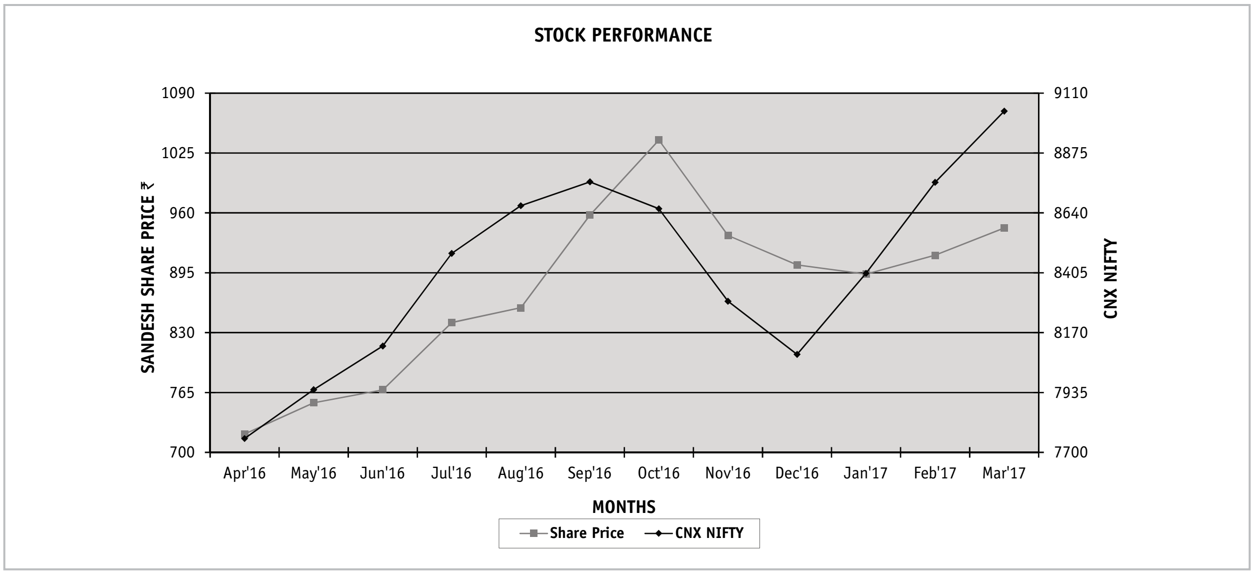
G. **Market Price Data:**

Market price data and volume of the shares of the Company traded in BSE Limited and NSE during the Financial Year **2016-17** are as under:

| Month | Share price of The Sandesh Limited at Listed Stock Exchanges | | | | | | BSE S&P SENSEX | | NSE NIFTY 50 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | BSE (Scrip Code : 526725) | | | NSE [Symbol – SANDESH (EQ.)] | | | | | | |
| | Highest (₹) | Lowest (₹) | No. of shares traded | Highest (₹) | Lowest (₹) | No. of shares traded | Highest | Lowest | Highest | Lowest |
| Apr. 2016 | 786.00 | 665.00 | 19850 | 780.00 | 660.00 | 37571 | 26100.54 | 24523.20 | 7992.00 | 7516.85 |
| May 2016 | 794.75 | 713.00 | 22340 | 792.85 | 715.00 | 61366 | 26837.20 | 25057.93 | 8213.60 | 7678.35 |
| Jun. 2016 | 823.95 | 741.10 | 26256 | 825.00 | 711.00 | 55984 | 27105.41 | 25911.33 | 8308.15 | 7927.05 |
| Jul. 2016 | 874.40 | 803.75 | 16059 | 879.00 | 802.95 | 39299 | 28240.20 | 27034.14 | 8674.70 | 8287.55 |
| Aug. 2016 | 894.00 | 823.60 | 19991 | 889.00 | 825.00 | 45116 | 28532.25 | 27627.97 | 8819.20 | 8518.15 |
| Sep. 2016 | 1060.00 | 850.00 | 41202 | 1064.00 | 851.05 | 115645 | 29077.28 | 27716.78 | 8968.70 | 8555.20 |
| Oct. 2016 | 1080.00 | 986.00 | 24668 | 1088.00 | 990.10 | 56820 | 28477.65 | 27488.30 | 8806.95 | 8506.15 |
| Nov. 2016 | 1030.15 | 823.00 | 16665 | 1029.00 | 842.00 | 39034 | 28029.80 | 25717.93 | 8669.60 | 7916.40 |
| Dec. 2016 | 976.95 | 831.50 | 10295 | 977.00 | 829.95 | 37096 | 26803.76 | 25753.74 | 8274.95 | 7893.80 |
| Jan. 2017 | 929.65 | 855.00 | 9021 | 934.95 | 852.10 | 84262 | 27980.39 | 26447.06 | 8672.70 | 8133.80 |
| Feb. 2017 | 980.00 | 865.00 | 16570 | 975.00 | 853.05 | 50625 | 29065.31 | 27590.10 | 8982.15 | 8537.50 |
| Mar. 2017 | 1020.00 | 891.70 | 17040 | 999.00 | 888.10 | 48859 | 29824.62 | 28716.21 | 9218.40 | 8860.10 |
| (The above information is compiled from the data available from the websites of BSE and NSE) | | | | | | | | | | |

H. **Performance in comparison to broad-based indices such as BSE S&P Sensex, NSE CNX Nifty, Index, etc.:**






**Cautionary statement**: Historical stock price performance shown in the above graphs should not be considered as indicative of potential future stock price performance of the Company.

I. **Registrar and Transfer Agent:** MCS Share Transfer Agent Limited, having its regional office at 201, Shatdal Complex, 2nd Floor, Ashram Road, Ahmedabad–380009 (Gujarat). Telephone No. (079) 26580461/ 26580462 / 26580463, Fax No. (079) 26581296, Email ID: mcssta@rediffmail.com & mcsahmd@gmail.com

J. **Share Transfer System:** MCS Share Transfer Agent Limited is the Registrar & Share Transfer Agent for entire functions of the share registry, both for physical transfers as well as issue of duplicate shares, dematerialization, rematerialization, consolidation, split, transmission, name addition or deletion, etc. relating to the shares of the Company. As per the requirements of Regulation 40(9) of the Listing Regulations with the Stock Exchanges, a Company Secretary in practice has certified due compliance of share transfer formalities on half yearly basis.

K. **Distribution of Shareholding as on March 31, 2017:**

| No. of Shares (Range) | | Held In Physical Form | | Held In Demat Form | | Total No. of holders & No. of Shares | | | |
|---|---|---|---|---|---|---|---|---|---|
| From | To | No. of Holders | No. of Shares | No. of Holders | No. of Shares | No. of Holders | % of Holders | No. of Shares | % of Shares |
| 1 | 500 | 816 | 101702 | 4272 | 318217 | 5088 | 95.21 | 419919 | 5.55 |
| 501 | 1000 | 10 | 7300 | 102 | 77683 | 112 | 2.10 | 84983 | 1.12 |
| 1001 | 2000 | 6 | 7600 | 60 | 88657 | 66 | 1.24 | 96257 | 1.27 |
| 2001 | 3000 | 3 | 8250 | 22 | 56423 | 25 | 0.47 | 64673 | 0.85 |
| 3001 | 4000 | 0 | 0 | 10 | 33917 | 10 | 0.19 | 33917 | 0.45 |
| 4001 | 5000 | 0 | 0 | 7 | 32135 | 7 | 0.13 | 32135 | 0.42 |
| 5001 | 10000 | 1 | 8200 | 10 | 69347 | 11 | 0.21 | 77547 | 1.02 |
| 10001 | 50000 | 1 | 11100 | 9 | 201754 | 10 | 0.19 | 212854 | 2.81 |
| 50001 | 100000 | 0 | 0 | 3 | 203022 | 3 | 0.06 | 203022 | 2.68 |
| 100001 | AND ABOVE | 0 | 0 | 12 | 6344114 | 12 | 0.22 | 6344114 | 83.81 |
| **TOTAL** | | **837** | **144152** | **4507** | **7425269** | **5344** | **100** | **7569421** | **100** |

L. **Dematerialization of shares and liquidity:**

As on March 31, 2017, total 4507 shareholders were holding 7425269 equity shares out of total 7569421 equity shares in Dematerialized Form, which constitute 98.09% of the total Share Capital of the Company. Promoters of the Company hold their 100% shareholding in Dematerialized Form. The Shares of your company are regularly traded on BSE and NSE.

M. **Categories of Shareholding as on March 31, 2017:**

| Sr. No. | Category | No. of shares in Demat form | No. of shares in Physical form | Total No. of Shares held | % of Total share holding | Total No. of share holders |
|---|---|---|---|---|---|---|
| 1. | Promoters | 5663017 | --- | 5663017 | 74.814 | 12 |
| 2. | Mutual Fund /UTI | 289 | 500 | 789 | 0.010 | 2 |
| 3. | Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institution, Non-Government Institutions) | 358 | ---- | 358 | 0.005 | 1 |
| 4. | Foreign Institutional Investors | ---- | ---- | ---- | ---- | ---- |
| 5. | Private Corporate Bodies | 944872 | 13400 | 958272 | 12.660 | 179 |
| 6. | Indian Public (Individual/ HUF) | 797748 | 127152 | 924900 | 12.219 | 5041 |
| 7. | NRIs/ OCBs | 18985 | 3100 | 22085 | 0.292 | 109 |
| 8. | GDR | ---- | ---- | ---- | ---- | ---- |
| | **GRAND TOTAL** | **7425269** | **144152** | **7569421** | **100.000** | **5344** |

N. **Outstanding global depository receipts (GDR) or American depository receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity:** Not applicable

O. **Commodity price risk / Foreign Exchange risk / Hedging:** The Company does not trade in commodity market. The Company is not exposed to high foreign exchange risk. The Company does not enter into any long term hedging.

P. **Plant / Press Locations:**

The Company has following press units:

i. "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, AHMEDABAD (Gujarat)

ii. "Satyesh Bhavan", B/h. Jalaram Temple, Bahucharaji Road, Karelibaug, BARODA (Gujarat)

iii. "Satyesh Bhavan", Dakoriya Mill Compound, Near Gurudev Petrol Pump, Khatodara GIDC, Bamroli Road, SURAT (Gujarat)

iv. "Sandesh Bhavan", OPP. Sat Hanuman, Navagam, Rajkot-Ahmedabad Highway, RAJKOT (Gujarat)

v. "Satyesh Bhavan", Ruvapari Road, BHAVANAGAR (Gujarat)

vi. Godown No. 3, Gujarat State Warehousing Corporation, Near Atmaram Circle & Bajaj Showroom, Bhuj Madhapar Road, BHUJ (Gujarat)

Q. **Address for correspondence:**

Stakeholders are requested to correspond with the Company at the following address:

i. The Sandesh Limited, "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad–380054 (Gujarat). Phone Nos.: 079-40004175, 40004319 Fax No.: 079-40004242, Email: investorsgrievance@sandesh.com

ii. Registrar & Share Transfer Agent: MCS Share Transfer Agent Limited, having its regional office at 201, Shatdal Complex, 2nd Floor, Ashram Road, Ahmedabad–380009 (Gujarat). Telephone No. (079) 26580461/ 26580462 / 26580463, Fax No. (079) 26581296, Email ID: mcssta@rediffmail.com & mcsahmd@gmail.com

For and on behalf of the Board

**Falgunbhai C. Patel**
**Chairman & Managing Director**
(DIN: 00050174)

Place : Ahmedabad
Date : 27.05.2017

**DECLARATION SIGNED BY THE MANAGING DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT:**

(In terms of Regulations 26(3) and 34(3) read with Schedule V of the Listing Regulations)

This is to confirm that the Company has adopted a Code of Conduct of Board of Directors and Senior Management, which is available on the Company's website. I confirm that the Company has in respect of the Financial Year ended March 31, 2017, received from the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct of Board of Directors and Senior Management as applicable to them.

**Falgunbhai C. Patel**
**Chairman & Managing Director**
(DIN: 00050174)

Place : Ahmedabad
Date : 27.05.2017

**C.E.O./C.F.O. CERTIFICATION**

*(In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015)*

To,
The Board of Directors
**THE SANDESH LIMITED**
(CIN:L22121GJ143PLC000183)
'Sandesh Bhavan', Lad Society Road,
B/h. Vastrapur Gam, P.O. Bodakdev,
Ahmedabad-380054 (Gujarat-India)

We, Falgunbhai C. Patel, Chairman & Managing Director and Sanjay Kumar Tandon, Chief Financial Officer of the Company certify that:

1. We have reviewed financial statements and the cash flow statement for the Financial Year ended **March 31, 2017** and that to the best of our knowledge and belief:
   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
   i) significant changes in internal control over financial reporting during the year;
   ii) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

| | | |
|---|---|---|
| | **For, THE SANDESH LIMITED** | **For, THE SANDESH LIMITED** |
| | **Shri Falgunbhai C. Patel** | **Shri Sanjay Kumar Tandon** |
| Date : 27.05.2017 | Chairman & Managing Director | Chief Financial Officer |
| Place : Ahmedabad | (DIN 00050174) | |

**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The Members of
THE SANDESH LIMITED
(CIN: L22121GJ1943PLC000183)
'Sandesh Bhavan', Lad Society Road,
B/h. Vastrapur Gam, P.O. Bodakdev,
Ahmedabad – 380054 Gujarat – India

We have examined the compliance of conditions of Corporate Governance by THE SANDESH LIMITED ('the Company') for the year ended March 31, 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of Company.

The Certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirements of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For, Jignesh A. Maniar & Associates**
Company Secretaries
(C. P. No. : 6996)

**Jignesh A. Maniar**
(F. C. S. No. : 3468)
Proprietor

Date : 04.05.2017
Place : Ahmedabad

# INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To
The Members of
**THE SANDESH LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **The Sandesh Limited** ('the Company'), which comprise the balance sheet as at 31 March 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 significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

**Management's Responsibility for the Standalone 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 and presentation 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued thereunder. 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 standalone 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 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 standalone Ind AS financial statements are free from material misstatement.

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 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 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.

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 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 including Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance 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 section 143 (11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 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, the statement of profit and loss, 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 read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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"**; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 39 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;and

  (iv) the Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note 42 to the standalone Ind AS financial statements.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W / W100136

**(K. B. Solanki)**
Partner
Membership No.110299

Place : Ahmedabad
Date : May 27, 2017

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

1. In respect of fixed assets:

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

   b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of Inventories:

   The inventories have been physically verified by the management at reasonable intervals and no material discrepancies noticed.

3. In respect of loans granted to parties covered in the register maintained u/s 189 of the Act:

   The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.

4. In respect of compliance of section 185 and 186 of the Act:

   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 Act, with respect to the loans and investments made.

5. In respect of deposits:

   The Company has not accepted any deposits.

6. In respect of maintenance of cost records:

   The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7. In respect of statutory dues:

   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 the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

   b. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable as applicable were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

   c. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, income tax, duty of customs, value added tax and cess which have not been deposited on account of any dispute.

8. **In respect of dues to financial institutions / banks / debentures:**

   The Company has not defaulted in the repayment of dues to the bank. The company did not borrow from financial institutions and issue debentures.

9. **In respect of money raised by way of public offer and application of term loan:**

   The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no fresh term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

10. **In respect of fraud:**

    According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. **In respect of managerial remuneration in accordance with Section 197 of the Act:**

According to the information and explanations give to us and based on our examination of the records of the Company, 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.

12. **In respect of Nidhi company:**

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. **In respect of transactions with related parties in compliance of section 177 and 188 of the Act and its disclosures:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. **In respect of preferential allotment or private placement of shares or debentures:**

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. **In respect of non-cash transactions with directors or persons:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. **In respect of company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W / W100136

**(K. B. Solanki)**
Partner
Membership No.110299

Place : Ahmedabad
Date : May 27, 2017

# ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

**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 **The Sandesh Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS 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 ('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 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 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. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 31 March 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, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W / W100136

**(K. B. Solanki)**
Partner
Membership No.110299

Place : Ahmedabad
Date : May 27, 2017

# BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lacs)

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| **A ASSETS** | | | | |
| **(1) Non-current assets** | | | | |
| (a) Property, plant and equipment | 6 | 7 038.77 | 7 199.06 | 7 014.14 |
| (b) Capital work-in-progress | | 1 080.81 | 31.73 | 71.02 |
| (c) Investment property | 7 | 5 217.95 | 5 423.39 | 75.00 |
| (d) Intangible assets | 8 | 313.41 | 61.36 | 62.71 |
| (e) Financial assets | | | | |
| (i) Investments | 9A | 23 263.96 | 29 739.50 | 26 992.55 |
| (ii) Other financial assets | 10 | 795.96 | 5 489.71 | 747.20 |
| (f) Other non current assets | 11A | 353.23 | 298.12 | 4 637.77 |
| | | **38 064.10** | **48 242.87** | **39 600.39** |
| **(2) Current assets** | | | | |
| (a) Inventories | 12 | 4 354.70 | 2 330.40 | 6 059.56 |
| (b) Financial assets | | | | |
| (i) Investments | 9B | 5 226.00 | 4 124.06 | 1 186.93 |
| (ii) Trade receivables | 13 | 6 830.82 | 6 318.66 | 5 644.57 |
| (iii) Cash and cash equivalents | 14 | 12 086.56 | 7 203.01 | 1 720.65 |
| (iv) Bank balances other than (iii) above | 15 | 35.54 | 53.83 | 53.44 |
| (v) Loans | 16 | 43.79 | 1 360.01 | 4 052.41 |
| (c) Other current assets | 11B | 2 416.12 | 564.91 | 1 703.19 |
| | | **30 993.52** | **21 954.87** | **20 420.75** |
| **Total assets** | | **69 057.62** | **70 197.74** | **60 021.14** |
| **B EQUITY AND LIABILITIES** | | | | |
| **I EQUITY** | | | | |
| (a) Equity share capital | 17 | 756.94 | 756.94 | 756.94 |
| (b) Other equity | | 58 167.42 | 56 258.50 | 48 290.75 |
| | | **58 924.36** | **57 015.44** | **49 047.69** |
| **II LIABILITIES** | | | | |
| **(1) Non-current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| Trade payables | 20A | 278.64 | - | - |
| (b) Provisions | 21A | 236.36 | 201.97 | 167.23 |
| (c) Deferred tax liabilities (net) | 35 | 321.67 | 2 595.99 | 2 218.84 |
| | | **836.67** | **2 797.96** | **2 386.07** |
| **(2) Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 22 | 198.86 | 1 424.86 | 1 002.82 |
| (ii) Trade payables | 20B | 1 260.43 | 1 282.93 | 1 123.15 |
| (iii) Other financial liabilities | 23 | 5 385.06 | 5 381.32 | 4 585.93 |
| (b) Other current liabilities | 24 | 2 171.54 | 1 882.22 | 1 778.64 |
| (c) Provisions | 21B | 27.40 | 25.72 | 24.71 |
| (d) Current tax liabilities (net) | 35 | 253.30 | 387.29 | 72.13 |
| | | **9 296.59** | **10 384.34** | **8 587.38** |
| **Total equity and liabilities** | | **69 057.62** | **70 197.74** | **60 021.14** |

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lacs)

| | Particulars | Note No. | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|---|
| I | Revenue from operations | 25 | 36 235.95 | 37 400.97 |
| II | Other income | 26 | 499.82 | 425.83 |
| III | **Total revenue (I + II)** | | **36 735.77** | **37 826.80** |
| IV | **Expenses ::** | | | |
| | a Cost of material consumed | 27 | 12 453.19 | 12 527.27 |
| | b Purchase of stock in trade | 28 | 4.30 | 14.70 |
| | c Employee benefits expense | 29 | 3 242.04 | 3 330.59 |
| | d Finance cost | 30 | 105.59 | 177.37 |
| | e Depreciation and amortisation expenses | | 774.30 | 771.11 |
| | f Other expenses | 31 | 9 118.22 | 8 726.51 |
| | **Total expenses (IV)** | | **25 697.64** | **25 547.55** |
| V | **Profit before exceptional item and tax (III - IV)** | | **11 038.13** | **12 279.25** |
| VI | Exceptional items | 32 | 41.07 | 0.52 |
| VII | Profit before tax | | 11 079.20 | 12 279.77 |
| VIII | Tax Expenses :: | | | |
| | a Current tax | 35 | 3 761.00 | 4 370.00 |
| | b Deferred tax | 35 | 229.23 | (56.69) |
| | **Total tax expense** | | **3 990.23** | **4 313.31** |
| IX | **Profit for the Year (VII - VIII)** | | **7 088.97** | **7 966.46** |
| X | **Other comprehensive income** | | | |
| | a (i) Items that will not be reclassified to profit or loss | | | |
| | Equity instruments through other comprehensive income | | - | 1254.75 |
| | Remeasurement of defined benefit obligations | | 5.97 | 1.07 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 35 | - | (434.62) |
| | b (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI | **Total Comprehensive Income (IX + X)** | | **7 094.94** | **8 787.66** |
| XII | **Earnings per Equity Share:** | | | |
| | Basic and Diluted | 33 | 93.73 | 116.09 |

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

**A Equity Share Capital**

(₹ in Lacs)

| Year to Date | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Balance at the beginning of the reporting period | 756.94 | 756.94 |
| Changes during the year | - | - |
| Balance at the reporting period | 756.94 | 756.94 |

**B Other Equity**

(₹ in Lacs)

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | General Reserves | Retained Earnings | Equity Instrument through Other Comprehensive Income | |
| **Balance as at April 01, 2016** | 0.44 | 1 316.63 | 49 584.79 | 626.18 | 4 730.46 | 56 258.50 |
| **Profit for the period** | - | - | - | 7 088.97 | - | 7 088.97 |
| **Items of the OCI for the year, net of tax** | | | | | | |
| Remasurement benefit of defined benefit plans | - | - | - | 5.97 | - | 5.97 |
| Dividends (including tax on dividend) | - | - | - | ( 455.56) | - | ( 455.56) |
| Reversal of fair value effect [1] | - | - | - | - | ( 4 730.46) | ( 4 730.46) |
| **Balance as at March 31, 2017** | **0.44** | **1 316.63** | **49 584.79** | **7 265.56** | **-** | **58 167.42** |
| **Balance as at April 01, 2015** | 0.44 | 1 316.63 | 42 584.79 | 478.94 | 3 909.95 | 48 290.75 |
| **Profit for the period** | - | - | - | 7 966.46 | - | 7 966.46 |
| **Items of the OCI for the year, net of tax** | | | | | | |
| Remasurement benefit of defined benefit plans | - | - | - | 0.70 | - | 0.70 |
| Fair value gain on investment in equity instruments through OCI | - | - | - | - | 820.51 | 820.51 |
| Dividends (including tax on dividend) | - | - | - | ( 819.92) | - | ( 819.92) |
| Transfer to general reserve | - | - | 7 000.00 | ( 7 000.00) | - | - |
| **Balance as at March 31, 2016** | **0.44** | **1 316.63** | **49 584.79** | **626.18** | **4 730.46** | **56 258.50** |

[1] On conversion of FCCD, Applewoods Estate Private Limited became the associate of the Company. To account for the investment in associate at cost, the fair value effect, on shares of Applewoods Estate Private Limited held by the company prior to conversion of FCCD, has been reversed.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ In Lacs)

| Particulars | | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | NET PROFIT BEFORE TAX | 11 079.20 | 12 279.77 |
| | **Adjustments for** | | |
| | Depreciation and amortisation | 774.30 | 771.11 |
| | Profit on sale of propert plant and equipments | ( 41.07) | ( .52) |
| | Gain on sale of investment | ( 335.92) | ( 202.14) |
| | Changes in fair value of financial assets at fair value through profit or loss | ( 108.73) | ( 62.32) |
| | Dividend income | (0.12) | (0.11) |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **11 367.66** | **12 785.79** |
| | **Adjustments for** | | |
| | Trade and other receivables | ( 512.16) | ( 674.12) |
| | Inventories | ( 2 024.30) | ( 1 206.21) |
| | Payables, other financial liabilities and provision | 591.24 | 1 095.58 |
| | Loans, other financial assets and other assets | 4 177.04 | 1 931.86 |
| | **CASH GENERATED FROM OPERATIONS** | **13 599.48** | **13 932.90** |
| | Direct Taxes Paid | ( 3 950.07) | ( 4 198.73) |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES** | **9 649.41** | **9 734.17** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipments | ( 1 947.49) | ( 916.96) |
| | Sale of property, plant and equipment | 73.43 | 2.07 |
| | Purchase of Investment | ( 1 415.80) | ( 2 939.14) |
| | Sale of Investment property | 205.44 | - |
| | Dividend Income | 0.12 | 0.11 |
| | **NET CASH FLOW FROM INVESTING ACTIVITIES** | **( 3 084.30)** | **( 3 853.92)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Short term borrowings (Net) | ( 1 226.00) | 422.04 |
| | Dividend Paid(including Dividend Distribution Tax) | ( 455.56) | ( 819.93) |
| | **NET CASH FLOW IN FINANCING ACTIVITIES** | **( 1 681.56)** | **( 397.89)** |
| | **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **4 883.55** | **5 482.36** |
| | **OPENING CASH AND CASH EQUIVALENTS** | **7 203.01** | **1 720.65** |
| | **CLOSING CASH AND CASH EQUIVALENTS** | **12 086.56** | **7 203.01** |

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

Place : Ahmedabad
Date : May 27, 2017

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Dhaval Pandya**
Company Secretary

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 1 COMPANY OVERVIEW

The Sandesh Limited (the 'Company') is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act with its registered office located at "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad – 380054. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company has presence across media spectrum which includes print, broad casting, digital & outdoor solutions.

The Company is operating into Media Industry. It is a publisher of "SANDESH" a premier Gujarati daily newspaper.

The financial statements are approved for issue by the Company's Board of Directors on May 27, 2017.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the company's first Ind AS financial statements.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the Accounting standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP) and other relevant provisions of the Act. Previous period numbers in the financial statements have been restated to Ind AS.

In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Company has presented reconciliations and explanations of the effects from Previous GAAP to Ind AS on financial position, financial performance and cash flows in the note no. 5.

### 2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following items which are measured at fair values:

- certain financial assets and liabilities
- defined benefit plans assets

### 2.3 Functional and presentation currency

Indian rupee is the functional and presentation currency.

### 2.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of Property, plant and equipment
- Valuation of financial instruments
- Provisions and contingencies
- Income tax and deferred tax
- Measurement of defined employee benefit obligations

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

**Advertisement revenue**

Advertisement revenue is recognised as and when advertisement is published / displayed / aired and is disclosed net of trade discounts and service tax.

**Circulation revenue**

Sale of newspaper and magazine is recognised when the significant risk and rewards of ownership have passed on to the buyers and is disclosed net of sales return and discounts.

**Real estate revenue**

Sale of real estate is recognised when the significant risks and rewards of ownership have passed on to the customer.

**Construction contract revenue**

The outcome of a fixed price construction contract can be estimated reliably when total contract revenue can be measured reliably, it is probable that economic benefits associated with the contract will flow to the company, contract costs to complete the contract and stage of contract completion at the end of the reporting period can be measured reliably and contract cost attributable to the contract can be identified and measured reliably.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

Contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is measured at the fair value of the consideration received or receivable.

Contract cost associated with contract revenue is recognised as expense by reference to the stage of completion of the contract activity at the end of the reporting period. Contract cost comprises of cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other cost as are specifically chargeable to the customer under the terms of the contract.

An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.

**Revenue from scrap sale**

Sale of waste paper and scrap is recognised when the significant risk and rewards of ownership have passed on to the buyers.

**Other revenue**

Gain or Loss on derecognition of financial asset is determined as the difference between the sale price (net of selling costs) and carrying value of financial asset.

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the 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 but does not consider the expected credit losses.

Dividend income is recognised when the right to receive the dividend is established.

All other incomes are recognised and accounted for on accrual basis.

**3.2 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment is calculated on written down value method basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013.

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees five thousand each is fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.3 Intangible assets**

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

**a Advertisement right**

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Advertisement rights granted by Vadodara Municipal Corporation (VMC) are against construction service rendered by the Company on BOT basis.

Advertisement right cost comprises of direct and indirect expenses on construction of bus shelters in terms of Concession Agreement.

Subsequent expenditure related to an item of intangible assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing intangible assets are charged to the statement of profit and loss for the period during which such expenses are incurred.

Intangible assets are amortized on straight line basis over concession period.

**b Other intangible assets**

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Intangible assets are amortized over a period of six years on straight line basis as per the useful life prescribed under Schedule II to the Companies Act, 2013. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use.

Intangible assets with an indefinite useful life are not amortised. Such intangible assets are tested for impairment.

The residual value, useful live and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.4 Investment Property**

Investment Property is measured initially at cost including related transaction costs.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

For transition to Ind AS, the carrying value of Investment Property under previous GAAP as on April 01, 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment, if any as on that date.

Gains or losses arising from derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

**3.5 Financial Instruments**

**3.5.1 Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

**3.5.2 Subsequent measurement**

Non-derivative financial instruments

i Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

iv Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

v Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost in the separate financial statements.

**b Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

**3.5.3 Derecognition**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

**3.5.4 Off-setting**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.6 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**3.7 Income tax**

Income tax expense comprises current tax and deferred tax.

**3.7.1 Current Tax**

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where company has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.7.2 Deferred Tax**

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.8 Impairment

#### 3.8.1 Financial assets other than investments in subsidiaries and associates

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.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, 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 impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

#### 3.8.2 Financial assets – investments in subsidiaries and associates

The company assesses at each reporting date whether there is an indication that an asset may be impaired. Such indication include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

If any indication exists, the company estimates the asset's recoverable amount based on value in use.

To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset

Where the carrying amount of an asset exceeds its value in use amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in statement of profit and loss.

#### 3.8.3 Non-financial assets

**Tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### 3.9 Borrowing costs

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the year they occur.

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

### 3.10 Employee Benefits

Short term employee benefits for salary and wages including accumulated leave that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

The company measures the expected cost of absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave is expected to be carried forward beyond 12 months from the reporting date.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The company operates one defined benefit plan for its employees, viz., gratuity plan. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)).Re-measurement are recognised in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

**3.11 Provisions**

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**3.12 Contingent Liability**

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

**3.13 Contingent Asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only be occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements.

**3.14 Foreign Currency**

**a Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

**b Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**c Exchange difference**

All exchange differences are recognized as income or as expenses in the year in which they arise.

**3.15 Cash and cash equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and 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 overdraft is shown within cash and cash equivalents.

**3.16 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**3.17 Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

**3.18 Lease**

Lease agreements where the risks and the rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases.

**Company as lessee**

Lease rents under operating leases are recognised in the statement of profit and loss on a straight-line basis.

**3.19 Segment Reporting**

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the Managing Director.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**3.20 Cash Flow Statement**

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 4 RECENT ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

**Amendment to Ind AS 7**

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' . These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the company from April 01, 2017.

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.

## 5 TRANSITION TO IND AS

These standalone financial statements of The Sandesh Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 First-Time Adoption of Indian Accounting Standards with April 01, 2015 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information.

**5.1 First time adoption of Ind AS**

An explanation of how transition from previous Indian GAAP ("IGAAP") to Ind AS has affected the company's financial position, financial performance and cash flows are set hereunder:

a Exception to the retrospective application of other Ind AS

i Estimates

Company's estimates in accordance with Ind AS as at the date of transition to Ind AS (April 01, 2015) are consistent with the estimates made for the same date as per IGAAP.

ii Classification of financial assets

The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

b Exemption from other Ind AS

i Deemed cost of Property, plant and equipment, Intangible assets and investment property

Company has elected to measure all of its Property, Plant and Equipment, Intangible assets and investment property at their IGAAP carrying amount as on the date of transition to Ind AS.

ii Designation of previously recognised financial instruments

The Company has designated its investments in equity shares at fair value through other comprehensive income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

**5.2 Reconciliation between IGAAP and Ind AS**

**5.2.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS** **(₹ in Lacs)**

| Particulars | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|
| Equity as per IGAAP | 53 034.64 | 45 427.17 |
| Add : Actuarial Gain on Defined Benefit Plan considered as OCI | | |
| Add : Recognition of fair value gain on Investments (Net) | 7 301.52 | 11 193.26 |
| Add : Proposed Dividend | | 364.40 |
| Less : Reversal of Interest Income on account of amortization of Financial Assets | 1 099.88 | 6 160.44 |
| Less : Deferred Tax on above Ind AS effects | 2 220.84 | 1 776.70 |
| Equity as per Ind AS | 57 015.44 | 49 047.69 |

**5.2.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016** **(₹ in Lacs)**

| Particulars | For Year ended March 31, 2016 |
|---|---|
| Net Profit after tax as per IGAAP | 8 062.99 |
| Add : Recognition of fair value gain on Investments (Net) | 62.32 |
| Less : Reversal of Interest Income on account of amortization of Financial Assets | 147.53 |
| Less: Effect of Actuarial gain on defined benefit obligations | 1.07 |
| Less : Deferred Tax on above Ind AS effects (Net) | 10.25 |
| **Net Profit after tax as per Ind AS** | **7 966.46** |
| Add : Other comprehensive income (Net of tax) | 821.21 |
| **Total Comprehensive Income** | **8 787.66** |

**5.2.3 Reconciliation of statement of cash flows**

There are no material adjustments to the statement of cash flows as reported under IGAAP

**5.2.4 Notes to Reconciliations**

a Recognition of fair value gain on investments (net)

Under Ind AS, investments are valued at fair value whereas in case of previous GAAP, long term investments were valued at cost and current investments were valued at lower of cost or fair value.

b Recognition of Actuarial Gain / Loss

Actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

c Reversal of Interest Income on account of amortization of Financial Assets

The financial assets have been recognized at effective interest rate method under Ind AS. Under previous GAAP, the same were recognized at transaction value.

## 6 PROPERTY, PLANT AND EQUIPMENT

### 6.1 Property, Plant and Equipments consist of :

(₹ in lacs)

| No. | Particulars | Land | Buildings | | Plant & Equipment | Electric Fittings | Furniture & Fixtures | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Freehold | Leasehold | | | | | | |
| a | **Gross Block** | | | | | | | | | |
| | Balance as at April 01, 2015 (Deemed Cost) | 1 343.71 | 1 846.08 | - | 3 475.87 | 47.96 | 88.70 | 53.98 | 157.84 | 7 014.14 |
| | Additions | - | 81.49 | - | 391.87 | 2.42 | 33.92 | 30.01 | 413.58 | 953.29 |
| | Deductions | - | - | - | 15.42 | - | 9.04 | 2.77 | 19.37 | 46.60 |
| | **Balance as at March 31, 2016** | 1 343.71 | 1 927.57 | - | 3 852.32 | 50.38 | 113.58 | 81.22 | 552.05 | 7 920.83 |
| | Additions | - | - | 26.68 | 464.21 | - | 12.22 | 27.02 | 104.29 | 634.42 |
| | Deductions | - | - | - | 66.43 | - | - | 7.17 | 117.18 | 190.78 |
| | **Balance as at March 31, 2017** | **1 343.71** | **1 927.57** | **26.68** | **4 250.10** | **50.38** | **125.80** | **101.07** | **539.16** | **8 364.47** |
| b | **Accumulated Depreciation** | | | | | | | | | |
| | Balance as at April 01, 2015 | - | - | - | - | - | - | - | - | - |
| | Additions | - | 86.70 | - | 435.35 | 11.60 | 27.20 | 30.17 | 175.75 | 766.77 |
| | Deductions | - | - | - | 15.07 | - | 8.65 | 2.58 | 18.70 | 45.00 |
| | **Balance as at March 31, 2016** | - | 86.70 | - | 420.28 | 11.60 | 18.55 | 27.59 | 157.05 | 721.77 |
| | Additions | - | 85.08 | 0.32 | 478.46 | 9.02 | 27.64 | 32.83 | 129.00 | 762.35 |
| | Deductions | - | - | - | 59.66 | - | - | 6.60 | 92.16 | 158.42 |
| | **Balance as at March 31, 2017** | - | 171.78 | 0.32 | 839.08 | 20.62 | 46.19 | 53.82 | 193.89 | 1 325.70 |
| c | **Net Block** | | | | | | | | | |
| | **Balance as at April 01, 2015** | **1 343.71** | **1 846.08** | **-** | **3 475.87** | **47.96** | **88.70** | **53.98** | **157.84** | **7 014.14** |
| | **Balance as at March 31, 2016** | **1 343.71** | **1 840.87** | **-** | **3 432.04** | **38.78** | **95.03** | **53.63** | **395.00** | **7 199.06** |
| | **Balance as at March 31, 2017** | **1 343.71** | **1 755.79** | **26.36** | **3 411.02** | **29.76** | **79.61** | **47.25** | **345.27** | **7 038.77** |

6.2 Company has elected to measure all its property, plant and equipments at the previos GAAP carrying amount i.e. March 31, 2015 as its deemed cost on the date of transition i.e. April 01, 2015.

## 7 INVESTMENT PROPERTIES

**7.1 Investment properties consist of :** (₹ in lacs)

| No. | Particulars | Land | Buildings | Total |
|---|---|---|---|---|
| a | **Gross Block** | | | |
| | Balance as at April 01, 2015 | - | 75.00 | 75.00 |
| | Additions | 4 364.82 | 983.57 | 5 348.39 |
| | Deductions | - | - | - |
| | Balance as at March 31, 2016 | 4 364.82 | 1 058.57 | 5 423.39 |
| | Additions | - | - | - |
| | Deductions | - | 205.44 | 205.44 |
| | **Balance as at March 31, 2017** | **4 364.82** | **853.13** | **5 217.95** |
| b | **Accumulated Depreciation** | | | |
| | Balance as at April 01, 2015 | - | - | - |
| | Additions | - | - | - |
| | Deductions | - | - | - |
| | Balance as at March 31, 2016 | - | - | - |
| | Additions | - | - | - |
| | Deductions | - | - | - |
| | **Balance as at March 31, 2017** | **-** | **-** | **-** |
| c | **Net Block** | | | |
| | Balance as at April 01, 2015 | - | 75.00 | 75.00 |
| | Balance as at March 31, 2016 | 4 364.82 | 1 058.57 | 5 423.39 |
| | **Balance as at March 31, 2017** | **4 364.82** | **853.13** | **5 217.95** |

**7.2** Company has elected to measure all its investment properties at the previos GAAP carrying amount i.e. March 31, 2015 as its deemed cost on the date of transition i.e. April 01, 2015.

**7.3 Fair value of investment properties** (₹ in lacs)

| No. | Particulars | 31.03.2017 | 31.03.2016 | 01.04.2015 |
|---|---|---|---|---|
| 1 | Investment properties | 5334.72 | 5596.22 | 75.00 |

**Estimation of fair value**

Company obtains independent valuation report for its investment property annually. The best evidence of fair value is current price in active market for similar properties.

**7.4** The company does not provide depreciation on buildings under investment properties, as fair value of such properties are more than the carrying amount.

**7.5** Amount recognised in Profit or Loss for Investment Properties (₹ in lacs)

| Particulars | | 2016 - 17 | 2015 - 16 |
|---|---|---|---|
| a | Rental Income | - | - |
| b | Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; | - | - |
| c | Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period. | 0.12 | 0.23 |
| **Total** | | **0.12** | **0.23** |

## 8 INTANGIBLE ASSETS

**8.1 Intangible assets consist of :**

(₹ in Lacs)

| No. | Particulars | Tenancy Rights | Software | Advertisement Rights | Total |
|---|---|---|---|---|---|
| a | **Gross Block** | | | | |
| | Balance as at April 01, 2015 (Deemed Cost) | 56.00 | 6.71 | - | 62.71 |
| | Additions | - | 2.99 | - | 2.99 |
| | Deductions | - | - | - | - |
| | Balance as at March 31, 2016 | 56.00 | 9.70 | - | 65.70 |
| | Additions | - | - | 264.00 | 264.00 |
| | Deductions | - | - | - | - |
| | **Balance as at March 31, 2017** | **56.00** | **9.70** | **264.00** | **329.70** |
| b | **Accumulated Depreciation** | | | | |
| | Balance as at April 01, 2015 | - | - | - | - |
| | Additions | - | 4.34 | - | 4.34 |
| | Deductions | - | - | - | - |
| | Balance as at March 31, 2016 | - | 4.34 | - | 4.34 |
| | Additions | - | 3.42 | 8.53 | 11.95 |
| | Deductions | - | - | - | - |
| | **Balance as at March 31, 2017** | **-** | **7.76** | **8.53** | **16.29** |
| c | **Net Block** | | | | |
| | Balance as at April 01, 2015 | 56.00 | 6.71 | - | 62.71 |
| | Balance as at March 31, 2016 | 56.00 | 5.36 | - | 61.36 |
| | **Balance as at March 31, 2017** | **56.00** | **1.94** | **255.47** | **313.41** |

8.2 Company has elected to measure all its investment properties at the previos GAAP carrying amount i.e. March 31, 2015 as its deemed cost on the date of transition i.e. April 01, 2015.

## 9 INVESTMENTS

(₹ in Lacs)

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **9A Non Current Investments** | | | |
| **a Investments carried at cost** | | | |
| i In wholly owned subsidiary company | | | |
| Equity shares - Unquoted | | | |
| Sandesh Digital Private Limited (10,000 shares of ₹ 10/- each) | 1.00 | 1.00 | - |
| ii In associate | | | |
| Equity shares - Unquoted | | | |
| Applewood Estate Private Limited (4,51,726 shares of ₹ 10/- each) | 23 262.52 | - | - |
| | **23 263.52** | **1.00** | **-** |
| **b Investments carried at fair value through other comprehensive income** | | | |
| Equity shares - Unquoted | 0.43 | 10 678.84 | 9 424.08 |
| | **0.43** | **10 678.84** | **9 424.08** |
| **c Investments carried at amortised cost** | | | |
| Debentures - Unquoted | - | 19 059.65 | 17 568.46 |
| National Saving Certificates | 0.01 | 0.01 | 0.01 |
| | **0.01** | **19 059.66** | **17 568.47** |
| **Total Non - Current Investments (A)** | **23 263.96** | **29 739.50** | **26 992.55** |
| **9B Current Investments** | | | |
| a Investments carried at fair value through profit or loss | | | |
| i Equity shares - Quoted | 5.34 | 5.39 | 4.71 |
| ii Mutual Fund - Unquoted | 5 220.66 | 4118.67 | 1 182.22 |
| **Total Current Investments (B)** | **5 226.00** | **4 124.06** | **1 186.93** |
| Aggregate amount of quoted investments | 5.34 | 5.39 | 4.71 |
| Aggregate amount of market value of quoted investments | 5.34 | 5.39 | 4.71 |
| Aggregate amount of unquoted investments | 28 484.62 | 33 858.17 | 28 174.77 |
| Aggregate amount of impairment in value of investments | - | - | - |

## 10 OTHER FINANCIAL ASSETS

(₹ in Lacs)

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| a Security deposits (Secured, Considered good) | 313.49 | 270.62 | 433.27 |
| b Bank Fixed Deposits having maturity more than 12 Months | 482.47 | 5219.09 | 313.93 |
| | **795.96** | **5 489.71** | **747.20** |
| Held as margin money | 482.47 | - | - |
| Held as security deposits against bank borrowings | - | 5219.09 | 313.93 |

## 11 OTHER ASSETS

(₹ in Lacs)

| | | | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|---|
| **11A** | **Non Current Assets** | | | | |
| | a | Capital Advance to related party | 31.62 | 31.62 | 37.69 |
| | b | Advance For Project | 0.00 | 0.00 | 4 250.00 |
| | c | Advance - others | 0.00 | 0.00 | 227.11 |
| | d | Advance Income Tax (Net of provision) (Refer Note No. 34) | 321.61 | 266.50 | 122.59 |
| | e | Prepaid License fees | 0.00 | 0.00 | 0.38 |
| | | | **353.23** | **298.12** | **4 637.77** |
| **11B** | **Current Assets** | | | | |
| | a | Capital Advances | 200.00 | - | - |
| | b | Advances - For Supply of Goods and Services | 1 683.00 | 260.67 | 1 528.31 |
| | c | Prepaid Expenses | 454.32 | 252.05 | 169.56 |
| | d | Balance with tax authorities | 78.80 | 52.19 | 5.32 |
| | | | **2 416.12** | **564.91** | **1 703.19** |

## 12 INVENTORIES

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| a | Raw Materials | 3 755.16 | 1 785.35 | 619.46 |
| b | Stock-in-trade | 315.50 | 258.06 | 5 220.25 |
| c | Stores and Spares | 284.02 | 286.97 | 219.83 |
| d | Others - Scrap | 0.02 | 0.02 | 0.02 |
| | | **4 354.70** | **2 330.40** | **6 059.56** |

## 13 TRADE RECEIVABLES

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| Unsecured, considered good | | 6 830.82 | 6 318.66 | 5 644.57 |
| | | **6 830.82** | **6 318.66** | **5 644.57** |
| 13.1 | Dues from company where directors are interested (included above) | 0.72 | 3.31 | 2.76 |

## 14 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| **a** | **Balances with Banks** | | | |
| | In current accounts | 1 065.89 | 1 713.92 | 1 473.73 |
| | In fixed deposits | 10 978.93 | 5 442.63 | 180.63 |
| **b** | Cash on Hand | 41.74 | 46.46 | 66.29 |
| | | **12 086.56** | **7 203.01** | **1 720.65** |

## 15 BANK BALANCES OTHER THAN (III) ABOVE

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| a | Earmarked Bank Balances - Unpaid Dividends accounts | 35.54 | 53.83 | 53.44 |
| | | **35.54** | **53.83** | **53.44** |

## 16 LOANS

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **Unsecured, considered good** | | | | |
| a | Inter - corporate deposits | 8.00 | 1 324.00 | 4 024.00 |
| b | Employees | 28.23 | 17.76 | 27.60 |
| c | Others | 7.56 | 18.25 | .81 |
| | | **43.79** | **1 360.01** | **4 052.41** |

## 17 EQUITY SHARE CAPITAL

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **a** | **Authorized :** | | | |
| | 1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of ₹ 10/- each | 1 500.00 | 1 500.00 | 1 500.00 |
| **b** | **Issued & Subscribed :** | | | |
| | 75,69,421(P.Y. 75,69,421) Equity shares of ₹10/- each | 756.94 | 756.94 | 756.94 |
| **c** | **Paid up :** | | | |
| | 75,69,421 (P.Y. 75,69,421) Equity Shares of ₹ 10/- each | 756.94 | 756.94 | 756.94 |

**d Rights, preferences and restrictions :**

i The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.

ii Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iii In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e** 1,18,193 Equity Shares were bought back in the financial year 2009 - 10 and 9,60,000 equity shares were bought back in financial year 2012 - 13.

**f Details of shareholders holding more than 5 per cent shares :**

| Name of the Shareholder | As at March 31, 2017 | | As at March 31, 2016 | | As at April 1, 2015 | |
|---|---|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Falgunbhai Chimanbhai Patel | 3 86 350 | 5.10% | 3 86 350 | 5.10% | 3 86 350 | 5.10% |
| Parthiv Falgunbhai Patel | 9 95 400 | 13.15% | 11 89 100 | 15.71% | 11 89 100 | 15.71% |
| Satlon Enterprise Private Limited | - | - | 18 90 152 | 24.97% | 18 90 152 | 24.97% |
| Satyesh Prochem LLP | 31 65 929 | 41.82% | 12 75 777 | 16.85% | 12 75 777 | 16.85% |
| Scabious Enterprise LLP | 4 20 831 | 5.56% | 4 20 831 | 5.56% | 4 20 831 | 5.56% |

g **Reconciliation of number of shares outstanding:**

(In Nos.)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Equity Shares at the beginning of the year | 75 69 421 | 75 69 421 | 75 69 421 |
| Add: Issued during the Period | - | - | - |
| Equity Shares at the end of the period | 75 69 421 | 75 69 421 | 75 69 421 |

## 18 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company. The Company's objective for capital management is to maximize shareholder value and safeguard business continuity. The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows.

**Summary of Quantitative Data is given hereunder:** (₹ in Lacs)

| Particulars | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|---|---|---|
| Equity | 756.94 | 756.94 | 756.94 |
| Other Equity | 58 167.42 | 56 258.50 | 48 290.75 |
| **Total** | **58 924.36** | **57 015.44** | **49 047.69** |

The company does not have any externally imposed capital requirement.

## 19 DIVIDENDS

The Company has paid interim dividend at the rate of ₹ 5/- per equity share for the year ended March 31, 2017. Dividends paid during the year ended March 31, 2016 include ₹ 4/- per equity share towards final dividend for the year ended March 31, 2015 and ₹ 5/- per equity share towards interim dividend for the year ended March 31, 2016.

## 20 TRADE PAYABLES

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **20A** | Non Current | 278.64 | - | - |
| **20B** | Current | 1 260.43 | 1 282.93 | 1 123.15 |
| | | **1 539.07** | **1 282.93** | **1 123.15** |

i Trade payables include ₹ NIL (Previous year ₹ NIL) due to creditors registered with the company as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

ii No interest is paid / payable during the year to Micro, Small and Medium Enterprises.

iii The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

## 21 PROVISIONS

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| **21A** | **Non Current** | | | |
| | Employee Benefits - Gratuity | 236.36 | 201.97 | 167.23 |
| | | **236.36** | **201.97** | **167.23** |
| **21B** | **Current** | | | |
| | Employee Benefits - Gratuity | 27.40 | 25.72 | 24.71 |
| | | **27.40** | **25.72** | **24.71** |

## 22 BORROWINGS

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
| **a** | **Loans repayable on demand** | | | |
| | From Banks (Secured) | | | |
| | Working capital loan | - | 947.17 | 529.46 |
| | | **-** | **947.17** | **529.46** |
| | The working capital loan is secured against charge over all movable assets of the company | | | |
| **b** | **Loans from related parties (unsecured)** | | | |
| | From Directors | 198.86 | 477.69 | 473.36 |
| | | **198.86** | **477.69** | **473.36** |
| | **Total Borrowings** | **198.86** | **1 424.86** | **1 002.82** |

## 23 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
| a | Unpaid Dividend * | 35.54 | 53.82 | 53.25 |
| b | Deposits from Agents and Others | 947.08 | 907.53 | 807.46 |
| c | Others | 4 402.44 | 4 419.97 | 3 725.22 |
| | | **5 385.06** | **5 381.32** | **4 585.93** |

## 24 OTHER CURRENT LIABILITIES

(₹ in Lacs)

| | | As at | | |
|---|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** | **April 1, 2015** |
| a | Advance From Customer | 2 118.62 | 1 787.53 | 1 738.77 |
| b | Statutory Dues | 52.92 | 94.69 | 39.87 |
| | | **2 171.54** | **1 882.22** | **1 778.64** |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 25 REVENUE FROM OPERATIONS

(₹ in Lacs)

| Particulars | | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|---|
| a | **Turnover (Net of discounts)** | | | |
| | i | Sale of Publications | 9 689.74 | 9 893.03 |
| | ii | Revenue from Advertisements | 23 540.38 | 23 316.71 |
| | iii | Other Income | 659.64 | 685.39 |
| | iv | Bad Debt Recovery | 224.91 | 203.04 |
| | v | Provision / Liability No Longer Required | 33.80 | 37.39 |
| | | | **34 148.47** | **34 135.56** |
| b | **Other operating revenues** | | | |
| | i | Interest from financial asset measured at amortised cost | 1 809.93 | 3 252.84 |
| | ii | Sale of Trading Goods | 13.55 | 12.57 |
| | iii | Construction Revenue | 264.00 | - |
| | | | **2 087.48** | **3 265.41** |
| | **Total (a + b)** | | **36 235.95** | **37 400.97** |

## 26 OTHER INCOME

(₹ in Lacs)

| Particulars | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| i | Dividend income from investment measured at FVTPL | 0.12 | 0.11 |
| ii | Income From Wind Mill | 13.68 | 18.49 |
| iii | Profit on Sale of Conversion of Land | 1.48 | 3.55 |
| iv | Net gain on investments carried at FVTPL | 444.60 | 264.46 |
| v | Miscellaneous Income | 39.94 | 139.22 |
| | | **499.82** | **425.83** |

## 27 COST OF MATERIAL CONSUMED

(₹ in Lacs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| Newsprint Consumed | 12 453.19 | 12 527.27 |
| | **12 453.19** | **12 527.27** |

## 28 PURCHASE OF STOCK IN TRADE

(₹ in Lacs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| Purchases / Cost of Goods Sold: Stock-in-trade | | |
| Real Estate | 3.55 | 8.50 |
| | **3.55** | **8.50** |
| Less: Changes in Inventories | 0.75 | 6.20 |
| | **4.30** | **14.70** |

**29 EMPLOYEE BENEFITS EXPENSE** (₹ in Lacs)

| Particulars | | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| a | Salaries and wages | 3180.04 | 3263.88 |
| b | Contribution | 58.85 | 61.23 |
| c | Staff Welfare Expenses | 3.15 | 5.48 |
| | | **3242.04** | **3330.59** |

**29.1 Employee Benefits Note**

**29.2 Defined Contribution Plans**

Details of amount recognized as expenses during the year for the defined contribution plans. (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Employer's Contribution to Superannuation Fund | 10.14 | 10.14 |
| Employer's Contribution to Employee State Insurance Corporation Fund | 6.15 | 5.34 |
| Employer's Contribution to Pension Fund | 29.80 | 31.94 |
| Employer's Contribution to Provident Fund | 29.78 | 30.83 |
| **Total** | **75.87** | **78.25** |

**29.3 Defined Benefit Plan - Gratuity**

Information about the characteristics of defined benefit plan

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

| Features of the defined benefit plan | Remarks |
|---|---|
| Benefit offered | 15 / 26 × Salary × Duration of Service |
| Salary definition | Basic Salary including Dearness Allowance (if any) |
| Benefit ceiling | Benefit ceiling of ₹ 10,00,000 was not applied |
| Vesting conditions | 5 years of continuous service (Not applicable in case of death / disability) |
| Benefit eligibility | Upon Death or Resignation / Withdrawal or Retirement |
| Retirement age | 58 years |

**29.4** The trust is responsible for the governance of the plan.

**29.5 Risk to the Plan**

Following are the risk to which the plan exposes the entity :

**A Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cashflows.

**D Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**E Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**29.6 Reconciliation of defined benefit obligations** (₹ in Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Defined benefit obligations as at beginning of the year | 346.84 | 330.20 |
| Current service cost | 25.72 | 24.27 |
| Interest cost | 19.45 | 19.18 |
| Actuarial Loss/(Gain) due to change in financial assumptions | 9.61 | 2.13 |
| Actuarial Loss/(Gain) due to change in demographic assumptions | .00 | 4.03 |
| Actuarial Loss/(Gain) due to experience | (15.81) | (12.34) |
| Benefits Paid | (29.47) | (20.63) |
| Defined benefit obligations as at end of the year | 356.34 | 346.84 |

**29.7 Reconciliation of Plan Asset** **(₹ in Lacs)**

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Plan Asset as at beginning of the year | 119.15 | 138.26 |
| Interest Income | 3.12 | 6.63 |
| Return on plan assets excluding amounts included in interest income | (0.22) | (5.11) |
| Benefits paid | (29.47) | (20.63) |
| Plan Asset as at end of the year | 92.58 | 119.15 |

**29.8 Funded Status** **(₹ in Lacs)**

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Present Value of Benefit Obligation at the end of the Period | 356.34 | 346.84 | 330.20 |
| Fair Value of Plan Assets at the end of the Period | 92.58 | 119.15 | 138.27 |
| Funded Status / Deficit | 263.76 | 227.69 | 191.93 |

**29.9 Net amount Charged to Statement of Profit or Loss for the period** **(₹ in Lacs)**

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Current service cost | 25.72 | 24.27 |
| Net Interest cost | 16.33 | 12.38 |
| Net amount recognized | 42.05 | 36.65 |

**27.10 Other Comprehensive income for the period** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | 9.61 | 2.13 |
| Due to change in demographic assumption | - | 4.03 |
| Due to experience adjustments | (15.81) | (12.34) |
| Return on plan assets excluding amounts included in interest income | .23 | 5.11 |
| Amounts recognized in Other Comprehensive Income | (5.97) | (1.07) |

**27.11 Break up of Plan Assets**

| Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|
| Bonds of PSU | 7.34% | 10.38% |
| Others (Including bank balance) | 92.66% | 89.62% |
| **Total** | **100.00%** | **100.00%** |

**27.12 Actuarial Assumptions**

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Discount Rate | 6.75% | 7.60% |
| Salary Growth Rate | 4.00% | 4.00% |
| Withdrawal Rate | 20% at younger ages reducing to 0% at older ages | 20% at younger ages reducing to 0% at older ages |

**27.13 Sensitivity Analysis for Actuarial Assumption**

| As at 31.03.2017 | Change in Assumptions | | Impact on Defined Benefit Obligation | | | |
|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase in Assumptions | | Decrease in Assumptions | |
| | % | % | ₹ in Lacs | % | ₹ in Lacs | % |
| Discount Rate | 0.50% | 0.50% | -5.76 | -1.60% | 6.09 | 1.70% |
| Salary Growth Rate | 0.50% | 0.50% | 6.21 | 1.70% | -5.92 | -1.70% |
| Withdrawal rate | 10.00% | 10.00% | .90 | 0.25% | -1.01 | -0.28% |

| As at 31.03.2016 | Change in Assumptions | | Impact on Defined Benefit Obligation | | | |
|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase in Assumptions | | Decrease in Assumptions | |
| | % | % | ₹ in Lacs | % | ₹ in Lacs | % |
| Discount Rate | 0.50% | 0.50% | -5.24 | -1.50% | 5.53 | 1.60% |
| Salary Growth Rate | 0.50% | 0.50% | 5.67 | 1.60% | -5.42 | -1.60% |
| Withdrawal rate | 10.00% | 10.00% | 1.20 | 0.35% | -1.34 | -0.39% |

**Limitation of method used for sensitivity analysis :**

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

**27.14Details of Asset- Liability Matching Strategy**

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

**27.15Maturity Profile of the Defined Benefit Obligation**

| As at March 31, 2017 | ₹ in Lacs | % |
|---|---|---|
| 2018 | 176.31 | 37.30% |
| 2019 | 23.25 | 4.90% |
| 2020 | 30.70 | 6.50% |
| 2021 | 34.28 | 7.30% |
| 2022 | 19.16 | 4.10% |
| 2023 - 2027 | 87.36 | 18.50% |

| As at March 31, 2017 | ₹ in Lacs | % |
|---|---|---|
| 2017 | 181.82 | 38.70% |
| 2018 | 19.64 | 4.20% |
| 2019 | 21.52 | 4.60% |
| 2020 | 28.80 | 6.10% |
| 2021 | 31.99 | 6.80% |
| 2022 - 2026 | 81.69 | 17.40% |

**30 FINANCE COST** (₹ in Lacs)

| | Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| a | Interest Expenses on Financial liabilities carried at Amortized Cost | | |
| | i To Bank | 4.52 | 6.66 |
| | ii To Directors | 42.47 | 56.87 |
| | iii To Other | 31.38 | 29.25 |
| b | Interest expense - Other | 22.28 | 62.16 |
| c | Foreign Exchange loss | 4.94 | 22.43 |
| | | **105.59** | **177.37** |

## 31 OTHER EXPENSES

(₹ in Lacs)

| | Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| a | Power and fuel | 441.03 | 471.08 |
| b | Stores and spares consumed | 1 781.07 | 1 948.89 |
| c | Repairs to:- | | |
| | i Buildings | 78.29 | 35.18 |
| | ii Machinery | 61.73 | 59.33 |
| | iii Other | 65.12 | 46.35 |
| | | **205.14** | **140.86** |
| d | Feature, Newsgathering and purashkar expenses | 531.93 | 472.13 |
| e | News Service/LL/Internet and telephone expenses | 97.26 | 100.54 |
| f | Insurance | 29.86 | 29.48 |
| g | Rent | 29.68 | 36.88 |
| h | Rates and taxes | 43.13 | 45.50 |
| i | Audit Fees* | 12.84 | 12.38 |
| j | Bad debts | 240.04 | 156.84 |
| k | License fees | 1655.94 | 1136.69 |
| l | Mounting fee & other expenses | 203.94 | 196.03 |
| m | Distribution Expenses | 424.41 | 422.21 |
| n | Taxi Expenses | 426.45 | 424.58 |
| o | Selling Expenses | 1 484.38 | 1 852.55 |
| p | Construction expenses | 264.00 | .00 |
| q | Miscellaneous Expenses | 1 247.12 | 1 279.87 |
| | | **9 118.22** | **8 726.51** |
| * | Payment to the Auditors | | |
| | a For Statutory Audit | **7.78** | 5.15 |
| | b For Certification and other matters | **5.06** | 7.23 |
| | | **12.84** | 12.38 |

## 32 EXCEPTIONAL ITEMS

(₹ in Lacs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| Profit on sale of property, plant and equipment | 41.07 | 0.52 |
| | **41.07** | **0.52** |

## 33 EARNING PER SHARE

(₹ in Lacs)

| | Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| a | Net Profit after Tax | 7 088.97 | 7 966.45 |
| b | Weighted Average Shares (Nos. in Lacs) | 75.69 | 75.69 |
| c | Basic and Diluted Earning per Share (in Rupees) | 93.65 | 105.25 |

## 34 DISCLOSURE PURSUANT TO APPENDINX - A TO IND AS 11 - " SERVICE CONCESSION ARRANGEMENTS"

### 34.1 Description and classification of the arrangment

The Company has entered into Service Concession Agreement with Vadodara Municipal Coporation (VMC) for the purpose of providing, fixing and operate 103 modern bus shelters at various locations in Vadodara on Build, Operate and Transfer ("BOT") basis. The Concession Period is of five years.

**34.2 Significant Terms of the arrangements**

i Rights of the company

The company gets the advertisement right for a period of five years on construction of bus shelter as per the terms.

ii Obligation of the Company

The company is required to pay premium for a period of five years from the date of completion of project.

iii Details of any assets to be given at the end of concession period

At the end of the Concession period the company shall transfer all rights of the bus shelter to VMC. No additional payment shall be given to the company in this regard. At the time of hand over of bus shelters, they shall be in good working condition.

iv Details of Termination

VMC can foreclose contract as specified in the terms of arrangements.

**34.3** The advertisement right received due to service concession arragement has been classified as intangible assets.

**34.4** There has been no change in the concession arrangement during the year.

**34.5 Disclosure in respect of Construction Contracts** (₹ in lacs)

| No. | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| a | Amount of Contract Revenue recognised as revenue during the year | 264.00 | - |
| b | Disclosure in respect of Contract in Progress at the reporting date | | |
| | i Contract cost incurred and recognised profit less recognised losses upto the reporting date | 264.00 | - |
| | ii Advances Received | - | - |
| | iii Retention Amount | - | - |
| c | Amount due from Customers for Contract in Progress | - | - |
| d | Amount due to Customers for Contract in Progress | - | - |

## 35 INCOME TAX EXPENSE

**35.1 Income tax expense in the statement of profit and loss comprises of:** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Current income tax | 3 761.00 | 4 370.00 |
| **Deferred tax** | | |
| Relating to origination and reversal of temporary difference | 229.23 | (56.69) |
| Deferred tax expense / (income) | 229.23 | (56.69) |
| Income tax expense | 3990.23 | 4313.31 |

**35.2 Deferred tax items relating to OCI** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Relating to origination and reversal of temporary difference | - | 434.62 |
| Deferred tax expense / (income) | - | 434.62 |

**35.3 Deferred tax items relating to Equity** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Relating to reversal of temporary difference | (2 503.54) | .00 |
| Deferred tax expense / (income) | (2 503.54) | .00 |

**35.4 The details of income tax assets and liabilities and Deferred tax liabilities :** (₹ in Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Income tax assets - Non current * | 321.61 | 266.50 | 122.59 |
| Income tax liabilities - Current | 253.30 | 387.29 | 72.13 |
| Deferred tax liabilities | 321.67 | 2 595.99 | 2 218.14 |

* Shown under "Other non current assets" - Note No. 11A

**35.5** A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| a Accounting profit before tax | 11 079.20 | 12 279.77 |
| Normal tax rate | 34.608% | 34.608% |
| Tax liability on accounting profit | 3 834.29 | 4 249.78 |
| Tax Effect of non deductible expenses | 8.77 | 52.81 |
| Reversal of deferred tax (net) | (22.51) | (3.76) |
| Tax Effect on Ind AS impact | 170.71 | 10.25 |
| Other | (1.03) | 4.23 |
| Income tax expenses as per normal tax rate | 3 990.23 | 4 313.31 |

**35.6** There is no change in the applicable tax rate as compared to previous financial year.

**35.7 Details of each type of recognized temporary differences, unused tax losses and unused tax credits** (₹ in Lacs)

| Particulars | Recognized DTA / DTL in balance sheet | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| **Deferred tax liability** | | | |
| Property, plant and equipment | 464.98 | 498.79 | 547.28 |
| Investments | 60.99 | 2 189.37 | 1 744.90 |
| **Total Deferred tax liability** | **525.97** | **2 688.16** | **2 292.18** |
| **Deferred tax asset** | | | |
| Provision for expenses | 96.43 | - | - |
| Employee benefits | 106.97 | 89.17 | 70.72 |
| Other | 0.90 | 3.00 | 3.32 |
| **Total Deferred tax asset** | **204.30** | **92.17** | **74.04** |
| **Net Deferred Tax Liability Recognized** | **321.67** | **2 595.99** | **2 218.14** |

## 36 FINANCIAL INSTRUMENTS

### 36.1 Disclosure of Financial Instruments by Category

**As at March 31, 2017** **(₹ in Lacs)**

| Particulars | Note No. | FVTPL | FVTOCI | Amortized cost | Total carrying value | Fair value |
|---|---|---|---|---|---|---|
| **Financial asset** | | | | | | |
| Investment in Debenture | | - | - | - | - | |
| Investment in equity instruments | 9B | 5.34 | 0.43 | - | 5.77 | 5.77 |
| Investment in mutual fund | 9B | 5 220.66 | - | - | 5 220.66 | 5 220.66 |
| Investment in NSC | 9A | - | - | 0.01 | 0.01 | 0.01 |
| Other Financial Asset | 10 | - | - | 795.96 | 795.96 | 795.96 |
| Trade Receivable | 13 | - | - | 6 830.82 | 6 830.82 | 6 830.82 |
| Cash and cash equivalent | 14 | - | - | 12 086.56 | 12 086.56 | 12 086.56 |
| Bank balance other than above | 15 | - | - | 35.54 | 35.54 | 35.54 |
| Loans | 16 | - | - | 43.79 | 43.79 | 43.79 |
| **Total Financial assets** | | **5 226.00** | **0.43** | **19 792.68** | **25 019.11** | **25 019.11** |
| **Financial liability** | | | | | | |
| Trade Payables | 20 | - | - | 1 539.07 | 1 539.07 | 1 539.07 |
| Borrowings | 22 | - | - | 198.86 | 198.86 | 198.86 |
| Other financial liabilities | 23 | - | - | 5 385.06 | 5 385.06 | 5 385.06 |
| **Total Financial Liabilities** | | **-** | **-** | **7 122.99** | **7 122.99** | **7 122.99** |

**As at March 31, 2016** **(₹ in Lacs)**

| Financial instruments by categories | Note No. | FVTPL | FVTOCI | Amortized cost | Total carrying value | Fair value |
|---|---|---|---|---|---|---|
| **Financial asset** | | | | | | |
| Investment in Debenture | 9A | - | - | 19 059.65 | 19 059.65 | 19 059.65 |
| Investment in equity instrument | 9B | 5.39 | 10 678.84 | - | 10 684.23 | 10 684.23 |
| Investment in mutual fund | 9B | 4 118.67 | - | - | 4 118.67 | 4 118.67 |
| Investment in NSC | 9A | - | - | 0.01 | 0.01 | 0.01 |
| Other Financial Asset | 10 | - | - | 5 489.71 | 5 489.71 | 5 489.71 |
| Trade Receivable | 13 | | - | 6 318.66 | 6 318.66 | 6 318.66 |
| Cash and cash equivalent | 14 | - | - | 7 203.01 | 7 203.01 | 7 203.01 |
| Bank balance other than above | 15 | - | - | 53.83 | 53.83 | 53.83 |
| Loans | 16 | - | - | 1 360.01 | 1 360.01 | 1 360.01 |
| **Total Financial assets** | | **4 124.06** | **10 678.84** | **39 484.88** | **54 287.78** | **54 287.78** |
| **Financial liability** | | | | | | |
| Trade Payables | 20 | - | - | 1 282.93 | 1 282.93 | 1 282.93 |
| Borrowings | 22 | - | - | 1 424.86 | 1 424.86 | 1 424.86 |
| Other financial liabilities | 23 | - | - | 5 381.32 | 5 381.32 | 5 381.32 |
| **Total Financial Liabilities** | | **-** | **-** | **8 089.11** | **8 089.11** | **8 089.11** |

**As at April 01, 2015** **(₹ in Lacs)**

| Financial instruments by categories | Note No. | FVTPL | FVTOCI | Amortized cost | Total carrying value | Fair value |
|---|---|---|---|---|---|---|
| **Financial asset** | | | | | | |
| Investment in Debenture | 9A | - | - | 17 568.46 | 17 568.46 | 17 568.46 |
| Investment in equity instrument | 9B | 4.71 | 9 424.08 | - | 9 428.79 | 9 428.79 |
| Investment in mutual fund | 9B | 1 182.22 | - | - | 1 182.22 | 1 182.22 |
| Investment in NSC | 9A | | | 0.01 | 0.01 | 0.01 |
| Other Financial Asset | 10 | - | - | 747.20 | 747.20 | 747.20 |
| Trade Receivable | 13 | | - | 5 644.57 | 5 644.57 | 5 644.57 |
| Cash and cash equivalent | 14 | - | - | 1 720.65 | 1 720.65 | 1 720.65 |
| Bank balance other than above | 15 | - | - | 53.44 | 53.44 | 53.44 |
| Loans | 16 | - | - | 4 052.41 | 4 052.41 | 4 052.41 |
| **Total Financial assets** | | **1 186.93** | **9 424.08** | **29 786.74** | **40 397.75** | **40 397.75** |
| **Financial liability** | | | | | | |
| Trade Payables | 20 | - | - | 1 123.15 | 1 123.15 | 1 123.15 |
| Borrowings | 22 | - | - | 1 002.82 | 1 002.82 | 1 002.82 |
| Other financial liabilities | 23 | - | - | 4 585.93 | 4 585.93 | 4 585.93 |
| **Total Financial Liabilities** | | **-** | **-** | **6 711.90** | **6 711.90** | **6 711.90** |

## 37 FAIR VALUE MEASUREMENT

Fair Value Measurement of Financial asset and Financial liabilties

**37.1 Fair value hierarchy** (₹ in Lacs)

| Particulars | Note No. | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at March 31, 2017** | | | | | |
| **Financial Assets Measured at FVTPL - Recurring FVM** | | | | | |
| Investment in equity instrument | 9B | 5.34 | - | 0.43 | 5.77 |
| Investment in mutual fund | 9B | - | - | - | - |
| **Total of Financial Assets** | | **5.34** | **0.00** | **0.43** | **5.77** |
| **Non financial assets measured at cost** | | | | | |
| Investment properties | 7 | - | 5 217.95 | - | 5 217.95 |
| | | **-** | **5 217.95** | **-** | **5 217.95** |
| **As at March 31, 2016** | | | | | |
| **Financial Assets Measured at FV - Recurring FVM** | | | | | |
| Investment in equity instrument | 9B | 5.39 | - | 10 678.84 | 10 684.23 |
| Investment in mutual fund | 9B | - | 4 118.67 | - | 4 118.67 |
| **Total of Financial Assets** | | **5.39** | **4 118.67** | **10 678.84** | **14 802.90** |
| **Financial Asset Measured at Amortized cost** | | | | | |
| FCCDs | 9A | - | 19 059.65 | - | 19 059.65 |
| **Total Financial Assets** | | **-** | **19 059.65** | **-** | **19 059.65** |
| **Non financial assets measured at cost** | | | | | |
| Investment properties | 7 | - | 5 423.39 | - | 5 423.39 |
| | | | **5 423.39** | **-** | **5 423.39** |
| **As at April 1, 2015** | | | | | |
| **Financial Assets Measured at FV - Recurring FVM** | | | | | |
| Investment in equity instrument | 9B | 4.71 | - | 9 424.08 | 9 428.79 |
| Investment in mutual fund | 9B | - | 1 182.22 | - | 1 182.22 |
| **Total of Financial Assets** | | **4.71** | **1 182.22** | **9 424.08** | **10 611.01** |
| **Financial Asset Measured at Amortized cost** | | | | | |
| FCCDs | 9A | - | 17 568.46 | - | 17 568.46 |
| **Total of Financial Assets** | | **-** | **17 568.46** | **-** | **17 568.46** |
| **Non financial assets measured at cost** | | | | | |
| Investment properties | 7 | - | 75.00 | - | 75.00 |
| | | | **75.00** | **-** | **75.00** |

**37.2** The Fair value of current financial assets, current trade payables and loan from related party, measured at amortised cost, are considered to be the same as their carrying amount as they are of short term nature. Hence fair value hierarchy is not given for the same.

**37.3** The carrying amount of non - current financial assets (other than FCCDs) and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. Hence, fair value hierarchy is not given for the same.

**37.4** There are no transfer between level 1, level 2 and level 3 during the year

**37.5 Valuation technique and observable inputs used to determine fair value in level 2**

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors

The fair values of Investment in Debentures are based on discounted cash flow using Income method. Such fair value of FCCDs including interest accrued thereon approximate carrying value as the interest rate is at the prevailing market rate.

**37.6 Valuation technique and unobservable inputs used to determine fair value in level 3**

a The fair value of investment in equity shares of Applewoods Estate private Limited is based on discounted cash flow using income method. Forecasted cash flow used as unobservable input to determine the fair value.

A one percentage change in the unobservable input used in fair valuation has insignificant impact.

**Reconcilliation of investment in equity instruments** (₹ in Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Opening balance | 10 678.41 | 9 423.66 |
| Fair value gain | | 1 254.75 |
| Reversal of fair value effect [(1)] | ( 7 234.00) | |
| Transfer of investments from fair value through OCI category to investment in associate[(1)] | ( 3 444.41) | |
| Closing balance | - | 10 678.41 |

[(1)] On conversion of FCCD during the year, Applewoods Estate Private Limited became the associate of the Company. To account for investment in associate at cost, the fair value effect, on shares of Applewoods Estate Private Limited held by the company prior to conversion of FCCD, has been reversed. Since then fair value disclosure of investment in AEPL is not required.

b As investment in other equity shares of ₹ 0.42 Lacs is not material, the carrying value of such shares is considered to be its fair value.

## 38 FINANCIAL RISK MANAGEMENT

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

**Market risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest risk and other price risk.

**i Foreign Currency Risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is exposed to foreign currency risk due to import of materials and buyer's credit facility from bank. The company measures risk through sensitivity analysis.

**The Company's exposure to Foreign Currency Risk is as follows:** (In Lacs)

| Particulars | Currency | 31.03.2017 | 31.03.2016 | 01.04.2015 |
|---|---|---|---|---|
| **Financial Liabilities** | | | | |
| Buyer's credit facility from bank | USD | 0.00 | 14.28 | 8.46 |
| | INR | 0.00 | 947.17 | 529.46 |

**Sensitivity analysis** (₹ In Lacs)

| Particulars | Impact on profit / loss after tax | |
|---|---|---|
| | 31.03.2017 | 31.03.2016 |
| INR / USD rate increase by 0.5% | NIL | 3.07 |
| INR / USD rate decrease by 0.5% | NIL | (3.07) |

**ii Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company genrally uses buyer's credit facility from bank for a short term period. Interest rate applied for this facility is fixed for that period. Hence company does not have any interest rate risk.

**ii Other Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is exposed to price risk mainly because of investments in mutual funds classified as fair value through profit and loss. The company measures risk through sensitivity analysis. The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.The company measures risk through sensitivity analysis.

The company's exposure to price risk due to investments in mutual fund is as follows: (₹ In Lacs)

| Particulars | 31.03.2017 | 31.03.2016 | 01.04.2015 |
|---|---|---|---|
| Investments in Mutual Funds | 5220.66 | 4 118.67 | 1 182.22 |
| Investment in equity instruments carried at FVTOCI | 0.43 | 10 678.84 | 9 424.08 |

**Sensitivity Analysis**

**A Investments in Mutual Funds** (₹ In Lacs)

| Particulars | Impact on profit after tax | | |
|---|---|---|---|
| | 31.03.2017 | 31.03.2016 | 01.04.2015 |
| NAV increases by 0.5% | 17.07 | 13.47 | 3.87 |
| NAV decreases by 0.5% | (17.07) | -13.47 | -3.87 |

**B Investment in equity instruments carried at FVTOCI** (₹ In Lacs)

| Particulars | Impact on profit after tax | | |
|---|---|---|---|
| | 31.03.2017 | 31.03.2016 | 01.04.2015 |
| Price increases by 0.5% | 0.00 | 34.92 | 30.81 |
| Price decreases by 0.5% | 0.00 | -34.92 | -30.81 |

**iv Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due. Hence no liquidity risk is perceived.

**The table below provide details regarding the contractual maturities of financial liabilities as at:** (₹ In Lacs)

| | Carrying Amount | upto 1 year | 1 - 2 years |
|---|---|---|---|
| **As at March 31, 2017** | | | |
| Non Derivative Financial Liability | | | |
| Trade Payables | 1 539.07 | 1 260.43 | 278.64 |
| Borrowings | 198.86 | 198.86 | - |
| Other financial liabilities | 5 385.06 | 5 385.06 | - |
| **As at March 31, 2016** | | | |
| Non Derivative Financial Liability | | | |
| Trade Payables | 1 282.93 | 1 282.93 | - |
| Borrowings | 1 424.86 | 1 424.86 | - |
| Other financial liabilities | 5 381.32 | 5 381.32 | - |
| **As at April 01, 2015** | | | |
| Non Derivative Financial Liability | | | |
| Trade Payables | 1 123.15 | 1 123.15 | - |
| Borrowings | 1 002.82 | 1 002.82 | - |
| Other financial liabilities | 4 585.93 | 4 585.93 | - |

**v Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk arises primarily from financial assets such as trade receivables, investments in mutual funds, cash and cash equivalent and other balances with banks.

In respect of trade receivables, credit risk is being managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. All trade receivables are also reviewed and assessed for default on a regular basis. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more that 10% of total balance of trade receivables.

Credit risk arising from investment in mutual funds, cash and cash equivalent and other balances with bank is limited as the counterparties are banks and recognised financial institution with high credit ratings.

The maximum exposure to the credit risk at the reporting date from trade recievables amounting to ₹ 6,830.82 Lacs as on March 31, 2017, ₹ 6,318.66 Lacs as on March 31, 2016, and ₹ 5,644.57 Lacs as on April 01, 2015.

**39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)** (₹ In Lacs)

| Particulars | For the year ended | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 01, 2015 |
| **a Contingent Liabilities** | | | |
| i Claims against the company not acknowledged as debt | - | - | - |
| There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. The company has also raised counter claims against some of the claimants. The estimated contingency in respect of these cases cannot be ascertained. Based on discussions with the lawyers / solicitors and also the past trend in respect of such cases, the Company believes that there is no present obligation in respect of the above and hence no provision is considered necessary against the same. | | | |
| ii Disputed Income tax matters | .00 | 405.96 | 447.38 |
| **b Commitments** | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for. | 805.53 | 400.39 | 289.20 |

**40 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013**

Loans given and investments made are given under the respective heads.

Loans have been utilised by the recipient for their business purpose.

There are no corporate guarantees given by the company in respect of loans as at March 31, 2017

**41 RELATED PARTIES DISCLOSURE:**

**41.1 Related party :**

(a) Name of Key Management Personnel :

| | | |
|---|---|---|
| 1 | Mr Falgunbhai Patel | Chairman & Managing Director |
| 2 | Mr Parthiv Patel | Managing Director |
| 3 | Mr Yogesh Jani | Whole Time Director |
| 4 | Pannaben F Patel | Director |
| 5 | Mr Dhaval Pandya | Company Secretary |
| 6 | Mr. Sanjay Kumar Tandon | Chief Financial Officer |

(b) Wholly Owned Subsidiary

1 Sandesh Digital Private Limited

(c) Associate

Applewoods estate private limited

(d) Subsidiary of associate

Stanford Operation and Maintainance Private Limited (w.e.f. 01.06.2016)

(e) Enterprise over which Key Management Personnel having control or significant influence:

1 Sandesh Procon LLP

2 Saintfoin Enterprise LLP

3 Scabious Enterprise LLP

4 Satyesh Prochem LLP

5 Satlon Enterprise Private Limited

(f) Post - employment benefit plan entities

1 Sandesh Employee Gratuity Fund

2 Sandesh Superannuation Fund

(g) Relatives of Key Managerial Personnel:

Ritaben C Patel

**41.2 Particulars of transactions with related parties. The transactions are disclosed in aggregate value.**

**i For the year 2016 - 17** (₹ in Lacs)

| Sr. No. | Particulars | KMP | Subsidiary | Associate | Enterprise over which KMP having control or significant influence | Relative of KMP | Total |
|---|---|---|---|---|---|---|---|
| a | **Assets** | | | | | | |
| | 1 Loan transactions | | | | | | |
| | Loan given | - | - | - | - | - | - |
| | Loan Repayment | - | 16.00 | - | - | - | 16.00 |
| | 2 Capital Advance | - | - | - | - | - | - |
| | 3 Investment made in wholly owned subsidiary | - | - | - | - | - | - |
| | 4 Purchase of property, plant and equipment | - | - | 8.26 | 3.18 | - | 11.44 |
| | 5 Security Deposit | - | - | - | - | - | - |
| | 6 Purchase of Investment property | - | - | - | - | - | - |
| b | **Liabilities** | | | | | | |
| | Loan transactions | | | | | | |
| | Loan taken | 285.50 | - | - | - | - | 285.50 |
| | Loan Repayment | 564.33 | - | - | - | - | 564.33 |
| c | **Incomes** | | | | | | |
| | 1 Advertisement revenue | - | - | 19.94 | 1.12 | - | 21.06 |
| | 2 Interest Income | - | - | 788.96 | - | - | 788.96 |
| | 3 License Fees Income | - | 24.22 | - | - | - | 24.22 |
| | 4 Miscellaneous Income | - | - | - | - | - | - |

| Sr. No. | Particulars | | KMP | Subsidiary | Associate | Enterprise over which KMP having control or significant influence | Relative of KMP | Total |
|---|---|---|---|---|---|---|---|---|
| d | **Expenses** | | | | | | | |
| | 1 | Remuneration Expenses | 1 249.81 | - | - | - | 4.29 | 1 254.10 |
| | 2 | Interest Expenses | 42.47 | - | - | - | - | 42.47 |
| | 3 | Rent Expenses | - | - | - | 9.65 | - | 9.65 |
| | 4 | Maintenance Expense | - | - | .26 | .08 | - | .34 |
| | 5 | Dividend paid | 79.09 | - | - | 203.55 | .52 | 283.16 |
| e | Conversion of Debenture into Equity Shares | | - | - | 20 424.89 | - | - | 20 424.89 |
| | Receipt for fractional shares on conversion of FCCDs | | - | - | .06 | - | - | .06 |
| f | **Balance outstanding:-** | | | | | | | |
| | i | Assets | | | | | | |
| | 1 | Investment in shares and debenture | - | 1.00 | 20 424.89 | - | - | 20 425.89 |
| | 2 | Capital Advance | - | - | 32.26 | - | - | 32.26 |
| | 3 | Secutiry Deposit | - | - | - | 132.79 | - | 132.79 |
| | 4 | Advertisement Revenue Receivable | - | - | .70 | .02 | - | .72 |
| | 5 | Maintenance Deposit | - | - | 14.17 | - | - | 14.17 |
| | ii | Liabilities | | | | | | |
| | 1 | Loan taken | 198.86 | - | - | - | - | 198.86 |
| | 2 | Advertisement Deposit | - | - | 10.00 | - | - | 10.00 |
| | 3 | Remuneration Payable (including commission) | 1 043.48 | - | - | - | .36 | 1 043.84 |

ii **For the year 2015 - 16** (₹ in Lacs)

| Sr. No. | | Particulars | KMP | Subsidiary | Enterprise over which KMP having control or significant influence | Relative of KMP | Total |
|---|---|---|---|---|---|---|---|
| a | | **Assets** | | | | | |
| | 1 | Capital Advance | - | - | 298.52 | - | 298.52 |
| | 2 | Investment in share | 1.00 | - | - | - | 1.00 |
| | 3 | Security Deposit | - | - | 145.02 | - | 145.02 |
| | 4 | Purchase of Investment property | - | - | 214.07 | - | 214.07 |
| b | | **Incomes** | | | | | |
| | 1 | Advertisement revenue | - | - | 40.71 | - | 40.71 |
| | 2 | Interest Income | - | - | 1 674.28 | - | 1 674.28 |
| | 3 | License Fees Income | - | 15.14 | - | - | 15.14 |
| | 4 | Miscellaneous Income | - | - | 97.60 | - | 97.60 |
| c | | **Expenses** | | | | | |
| | 5 | Remuneration Expenses | 1 390.74 | - | - | 4.29 | 1 395.03 |
| | 6 | Interest Expenses | 56.87 | - | - | - | 56.87 |
| | 7 | Rent Expenses | - | - | 9.57 | - | 9.57 |
| | 8 | Sales Promotion | - | - | 1.11 | - | 1.11 |
| | 9 | Maintenance Expense | - | - | .07 | - | .07 |
| | 10 | Reimbursement | - | - | 10.81 | - | 10.81 |
| | 11 | Dividend paid | 158.47 | - | 349.71 | 1.50 | 509.68 |
| e | | **Balance outstanding:-** | | | | | |
| | i | Assets | | | | | |
| | 1 | Loan given | - | 16.00 | - | - | 16.00 |
| | 2 | Investment in shares and debenture | - | 1.00 | 29 739.49 | - | 29 740.49 |
| | 3 | Capital Advance | - | - | 31.62 | - | 31.62 |
| | 4 | Secutiry Deposit | - | - | 145.02 | - | 145.02 |
| | 5 | Advertisement Revenue Receivable | - | - | 3.31 | - | 3.31 |
| | ii | Liabilities | | | | | |
| | 1 | Loan taken | 477.69 | - | - | - | 477.69 |
| | 2 | Advertisement Deposit | - | - | 10.00 | - | 10.00 |
| | 3 | Remuneration Payable (including commission) | 1 194.10 | - | - | .36 | 1 194.46 |

iii **Balances outstanding as on April 01, 2015 :** (₹ in Lacs)

| Sr. No. | Particulars | KMP | Subsidiary | Enterprise over which KMP having control or significant influence | Relative of KMP | Total |
|---|---|---|---|---|---|---|
| i | **Assets** | | | | | |
| | 1 Investment in shares and debenture | - | - | 26 992.56 | - | 26 992.56 |
| | 2 Capital Advance | - | - | 82.62 | - | 82.62 |
| | 3 Advertisement Revenue Receivable | - | - | 2.76 | - | 2.76 |
| ii | **Liabilities** | | | | | |
| | 1 Loan Payable | 473.36 | - | - | - | 473.36 |
| | 2 Remuneration Payable (including commission) | 763.76 | - | - | - | 763.76 |
| | 3 Advertisement Deposit | - | - | 10.00 | - | 10.00 |
| | 4 Remuneration Payable (including commission) | - | - | - | .36 | .36 |

iv **Compensation of key managerial personnel of the company** (₹ in Lacs)

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Short - term employee benefit | 1 207.68 | 1 353.03 |
| Post - employment benefit | 42.13 | 37.70 |
| **Total** | **1 249.81** | **1 390.73** |

41.3 **Disclosure of material transactions with Related Party:** (₹ in Lacs)

| Sr. No. | Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|---|
| a | **Assets** | | |
| | **1 Loan transactions** | | |
| | **i Loan given to** | | |
| | Sandesh Digital Private Limited | - | 37.50 |
| | **ii Loan repayment from** | | |
| | Sandesh Digital Private Limited | 16.00 | 21.50 |
| | **2 Capital Advance** | | |
| | Applewoods Estate Private Limited | - | 83.57 |
| | Acquest Estate Private Limited | - | 214.95 |
| | **3 Investment made in wholly owned subsidiary** | | |
| | Sandesh Digital Private Limited | - | 1.00 |
| | **4 Purchase of property, plant and equipment** | | |
| | Sandesh Procon LLP | 3.18 | - |
| | Applewoods Estate Private Limited | 8.26 | - |
| | **5 Security Deposit** | | |
| | Applewoods Estate Private Limited | - | 132.79 |
| | **6 Purchase of investment property** | | |
| | Applewoods Estate Private Limited | - | 86.99 |
| | Acquest Estate Private Limited | - | 127.08 |
| b | **Liabilities** | | |
| | **1 Loan transactions** | | |
| | **i Loan taken from** | | |
| | Mr Falgun Patel | 15.50 | 9.56 |
| | Mr Parthiv Patel | 110.00 | 302.03 |
| | Smt. Pannaben Patel | 160.00 | - |
| | **ii Loan repayment to** | | |
| | Mr Falgun Patel | 10.09 | - |
| | Mr Parthiv Patel | 392.76 | - |
| | Smt. Pannaben Patel | 161.48 | - |

| Sr. No. | Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|---|
| c | **Incomes** | | |
| | **1 Advertisement Revenue** | | |
| | Applewoods Estate Private Limited | 19.94 | 40.24 |
| | Sandesh Procon LLP | 1.12 | - |
| | **2 Interest Income** | | |
| | Applewoods Estate Private Limited | 788.96 | 1 674.28 |
| | **3 License Fees Income** | | |
| | Sandesh Digital Private Limited | 24.22 | 15.14 |
| d | **Expenses** | | |
| | **1 Remuneration Expenses** | | |
| | **Short - term employee benefit** | | |
| | Mr Falgun Patel | 574.25 | 654.34 |
| | Mr Parthiv Patel | 594.05 | 665.40 |
| | **Post - employment benefit** | | |
| | Mr Falgun Patel | 30.75 | 27.43 |
| | Mr Parthiv Patel | 10.95 | 9.84 |
| | **2 Interest Expenses** | | |
| | Mr Falgun Patel | 1.92 | 1.15 |
| | Mr Parthiv Patel | 23.36 | 36.29 |
| | Smt. Pannaben Patel | 17.19 | - |
| | **3 Rent Expenses** | | |
| | Satlon Enterprise Private Limited | 9.65 | 9.57 |
| | **4 Sales Promotion** | | |
| | Acquest Estate Private Limited | - | 1.11 |
| | **5 Maintenance Expense** | | |
| | Acquest Estate Private Limited | .08 | .07 |
| | Applewoods Estate Private Limited | .26 | - |
| | **6 Reimbursement** | | |
| | Applewoods Estate Private Limited | - | 10.81 |
| | **7 Dividend paid** | | |
| | Mr Parthiv Patel | 49.77 | 107.02 |
| | Satlon Enterprise Private Limited | - | 170.11 |
| | Mr Falgun Patel | 19.32 | - |
| | Smt. Pannaben Patel | 10.00 | - |
| | Shri Falgunbhai C Patel (HUF) | 9.27 | - |
| | Smt. Ritaben Patel | .52 | - |
| | Saintfoin Enterprise LLP | 14.94 | - |
| | Scabious Enterprise LLP | 21.04 | - |
| | Satyesh Prochem LLP | 158.30 | 26.90 |
| e | **Conversion of Debenture into Equity Shares** | | |
| | Applewoods Estate Private Limited | 20 424.89 | - |

**41.4 Disclosure requirement as per Schedule V of SEBI (Listing Obligations and Disclosure Requirments) Regluations, 2015**

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Loan given to wholly owned subsidiary | | |
| Sandesh Digital Private Limited | | |
| Outstanding Balance at the year end | - | 16.00 |
| Maximum amount Outstanding during the year | 16.00 | 25.50 |

## 42 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on November 8, 2016 | 62 08 000 | 7 54 692 | 69 62 692 |
| (+) Permitted receipts | - | 5 73 74 211 | 5 73 74 211 |
| (-) Permitted payments | - | 1 31 35 886 | 1 31 35 886 |
| (-) Amount deposited in Banks | 62 08 000 | 3 59 12 265 | 4 21 20 265 |
| Closing cash in hand as on December 30, 2016 | - | 90 80 752 | 90 80 752 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 08, 2016.

## 43 SEGMENT INFORMATION

### 43.1 Business segments

The Company has identified two business segments namely Media and Finance based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM').

### 43.2 Segment information for the years ended / as at March 31, 2017 and March 31, 2016 :

(₹ in Lacs)

| | Particulars | Media | | Finance | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 |
| 1 | **Segment Revenue** | | | | | | | | |
| | Revenue from external customers | 34 148.47 | 34 135.56 | 1 809.93 | 3 252.84 | 277.55 | 12.57 | 36 235.95 | 37 400.97 |
| 2 | **Segment Result before exceptional items** | 8 983.88 | 8 924.18 | 1 547.18 | 2 931.37 | 9.25 | (2.13) | 10 540.31 | 11 853.42 |
| | Add: Exceptional Items | 41.07 | .52 | - | - | - | - | 41.07 | 0.52 |
| | Segment result after exceptional items | 9 024.95 | 8 924.70 | 1 547.18 | 2 931.37 | 9.25 | (2.13) | 10 581.38 | 11 853.94 |
| | Add : Unallocable income | | | | | | | 499.82 | 425.83 |
| | Less : Unallocable expense | | | | | | | 2.00 | - |
| | **Profit before Tax** | | | | | | | **11 079.20** | **12 279.76** |
| | Current Tax | - | - | - | - | - | - | 3 761.00 | 4 370.00 |
| | Deferred Tax | - | - | - | - | - | - | 229.23 | (56.69) |
| | **Profit After Tax** | | | | | | | **7 088.97** | **7 966.45** |
| 3 | **Other Information** | | | | | | | | |
| | Segment Assets | 23 362.34 | 18 394.16 | 10 978.93 | 25 865.22 | 137.19 | 140.01 | 34 478.46 | 44 399.39 |
| | Add : Unallocable assets | | | | | | | 34 579.16 | 25 798.35 |
| | **Total assets** | **23 362.34** | **18 394.16** | **10 978.93** | **25 865.22** | **137.19** | **140.01** | **69 057.62** | **70 197.74** |
| | Segment Liabilities | 9 323.89 | 9 667.51 | 198.86 | 477.69 | - | - | 9 522.75 | 10 145.20 |
| | Add : Unallocable liabilities | - | - | - | - | - | - | 610.51 | 3 037.10 |
| | **Total liabilities** | **9 323.89** | **9 667.51** | **198.86** | **477.69** | **-** | **-** | **10 133.26** | **13 182.30** |
| | Capital Expenditure | 1 307.46 | 916.96 | .00 | .00 | .00 | .00 | 1 307.46 | 916.96 |
| | Depreciation and Amortisation | 774.30 | 771.11 | - | - | - | - | 774.30 | 771.11 |

**43.3 Segment information as at April 01, 2015 :**

| Particulars | Media | Finance | Real Estate | Other | Total |
|---|---|---|---|---|---|
| Segment Assets | 17 586.03 | 21 657.80 | 4 477.12 | 5 086.53 | 48 807.47 |
| Add : Unallocable assets | - | - | - | - | 11 213.68 |
| Total assets | 17 586.03 | 21 657.80 | 4 477.12 | 5 086.53 | 60 021.15 |
| Segment Liabilities | 7 626.41 | 1 002.82 | - | - | 8 629.23 |
| Add : Unallocable liabilities | - | - | - | - | 2 272.09 |
| Total liabilities | 7 626.41 | 1 002.82 | - | - | 10 901.32 |

**43.4** There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
**The Sandesh Limited**

**Report on the Consolidated Ind AS financial statements**

We have audited the accompanying consolidated Ind AS financial statements of The Sandesh Limited ("the Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as"the Group") and its associate company, comprising of the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS financial statements**

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules issued thereunder.

The respective Board of Directors of the Company included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the 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 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated 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 including Ind AS, of the consolidated financial position of the Group and its associate company as at 31 March 2017, and their consolidated financial performance including other comprehensive income, their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company and its associate company incorporated in India, none of the Directors of these companies is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the auditor's reports of the Holding company, subsidiary company and associated company incorporated in India.

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 Consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group and its associate company in its consolidated Ind AS financial statements – Refer Note 39 to the consolidated Ind AS financial statements;

   (ii) The Group and its associate 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 Group and its associate company.

   (iv) the Group and its associate company have provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation of the Holding Company and auditor's report of subsidiary and associate companies, we report that the disclosures are in accordance with the books of accounts maintained by the Group and its associate company and as produced by the Management. Refer Note 42 to the consolidated Ind AS financial statements.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W / W100136

**(K. B. Solanki)**
Partner
Membership No.110299

Place : Ahmedabad
Date : May 27, 2017

# ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report on the consolidated Ind AS financial statements for the year ended 31 March 2017, we report that:

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of The Sandesh Limited ("the Holding Company") and its subsidiary and associate companies which arecompaniesincorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary and associate companies, which arecompanies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the these companies 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding 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") issued by ICAI and the Standards on Auditingprescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Group's and its associate company's 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 Holding Company and its subsidiary and associate companies, which are companies incorporated in India, have, 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 31 March 2017, based on the internal control over financial reporting criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. 106041W / W100136

**(K. B. Solanki)**
Partner
Membership No.110299

Place : Ahmedabad
Date : May 27, 2017

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ in Lacs)

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|
| **A ASSETS** | | | |
| **(1) Non-current assets** | | | |
| (a) Property, plant and equipment | 6 | 7 038.77 | 7 199.06 |
| (b) Capital work-in-progress | | 1 080.81 | 31.73 |
| (c) Investment property | 7 | 5 217.95 | 5 423.39 |
| (d) Intangible assets | 8 | 313.41 | 61.36 |
| (e) Financial assets | | | |
| (i) Investments | 9 | 23 396.71 | 29 738.50 |
| (ii) Other financial assets | 10 | 795.96 | 5 489.71 |
| (f) Non current assets | 11 | 354.50 | 298.68 |
| | | **38 198.11** | **48 242.43** |
| **(2) Current assets** | | | |
| (a) Inventories | 12 | 4 354.70 | 2 330.40 |
| (b) Financial assets | | | |
| (i) Investments | 9B | 5 271.85 | 4 124.06 |
| (ii) Trade receivables | 13 | 6 864.33 | 6 357.96 |
| (iii) Cash and cash equivalents | 14 | 12 099.38 | 7 215.89 |
| (iv) Bank balances other than (iii) above | 15 | 35.54 | 53.83 |
| (v) Loans | 16 | 43.79 | 1 344.01 |
| (c) Current assets | 11 | 2 416.56 | 570.84 |
| | | **31 086.14** | **21 996.98** |
| **Total assets** | | **69 284.25** | **70 239.41** |
| **B EQUITY AND LIABILITIES** | | | |
| **I EQUITY** | | | |
| (a) Equity share capital | 17 | 756.94 | 756.94 |
| (b) Other equity | | 58 380.10 | 56 278.92 |
| | | **59 137.04** | **57 035.86** |
| **II LIABILITIES** | | | |
| **(1) Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| Trade payables | 20 | 278.64 | .00 |
| (b) Provisions | 21 | 237.08 | 202.22 |
| (c) Deferred tax liabilities (net) | 35 | 321.28 | 2 596.02 |
| | | **837.00** | **2 798.24** |
| **(2) Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 22 | 198.86 | 1 424.86 |
| (ii) Trade payables | 20 | 1 268.38 | 1 298.41 |
| (iii) Other financial liabilities | 23 | 5 385.24 | 5 381.61 |
| (b) Other current liabilities | 24 | 2 172.16 | 1 883.52 |
| (c) Provisions | 21 | 27.40 | 25.72 |
| (d) Current tax liabilities (net) | 35 | 258.17 | 391.19 |
| | | **9 310.21** | **10 405.31** |
| **Total equity and liabilities** | | **69 284.25** | **70 239.41** |

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in Lacs)

| Particulars | | Note No. | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|---|---|
| I | Revenue from operations | 25 | 36 425.93 | 37 520.18 |
| II | Other income | 26 | 500.67 | 425.83 |
| III | **Total revenue (I + II)** | | **36 926.60** | **37 946.01** |
| IV | **Expenses ::** | | | |
| | a Cost of material consumed | 27 | 12 453.19 | 12 527.27 |
| | b Purchase of stock in trade | 28 | 4.30 | 14.70 |
| | c Employee benefits expense | 29 | 3 304.72 | 3 363.20 |
| | d Finance cost | 30 | 109.67 | 178.35 |
| | e Depreciation and amortisation expenses | | 774.30 | 771.11 |
| | f Other expenses | 31 | 9 158.38 | 8 776.13 |
| | **Total expenses (IV)** | | **25 804.56** | **25 630.76** |
| V | **Profit before exceptional item and tax (III - IV)** | | **11 122.04** | **12 315.25** |
| VI | Share of profit of associate | | 133.30 | - |
| VII | **Profit before exceptional item and tax ( V+ VI )** | | **11 255.34** | **12 315.25** |
| VIII | **Exceptional items** | 32 | 41.07 | 0.52 |
| IX | **Profit before tax** | | **11 296.41** | **12 315.77** |
| X | **Tax expenses ::** | | | |
| | a Current tax | 35 | 3787.82 | 4 382.40 |
| | b Adjustment of previous year taxes | | (1.35) | .00 |
| | c Deferred Tax | | 229.43 | (56.32) |
| | | | **4 015.90** | **4 326.08** |
| XI | **Profit for the Year (IX - X)** | | **7 280.51** | **7 989.69** |
| XII | **Other comprehensive income** | | | |
| | a (i) Items that will not be reclassified to profit or loss | | | |
| | Equity instruments through other comprehensive income | | - | 1254.75 |
| | Remeasurement of defined benefit obligations | | 6.18 | 1.07 |
| | Share in Other Comprehensive Income of Associate | | 0.45 | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | 434.24 |
| | b (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XIII | **Total Other Comprehensive Income** | | **6.63** | **821.58** |
| XIV | **Total Comprehensive Income (IX + X)** | | **7 287.14** | **8 811.27** |
| XV | **Net Profit attributable to** | | | |
| | a Owners of the company | | 7 280.51 | 7 989.69 |
| | b Non Controlling Interest | | - | - |
| XVI | **Other Comprehensive Income attributable to** | | | |
| | a Owners of the company | | 6.63 | 821.58 |
| | b Non Controlling Interest | | - | - |
| XVII | **Net Profit attributable to** | | | |
| | a Owners of the company | | 7 287.14 | 8 811.27 |
| | b Non Controlling Interest | | - | - |
| XVIII | **Earnings per Equity Share:** | | | |
| | Basic and Diluted (in Rupees) | 33 | 96.27 | 116.41 |

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

**A Equity Share Capital** (₹ in Lacs)

| Year to Date | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Balance at the beginning of the reporting period | 756.94 | 756.94 |
| Changes during the year | - | - |
| Balance at the reporting period | 756.94 | 756.94 |

**B Other Equity** (₹ in Lacs)

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | General Reserves | Retained Earnings | Equity Instrument through Other Comprehensive Income | |
| **Balance as at April 01, 2016** | 0.44 | 1 316.63 | 49 584.79 | 646.60 | 4 730.46 | 56 278.92 |
| **Profit for the period** | - | - | - | 7 280.51 | - | 7 280.51 |
| **Items of the OCI for the year, net of tax** | | | | | | |
| Remeasurement benefit of defined benefit plans | - | - | - | 6.18 | - | 6.18 |
| Share in Other Comprehensive Income of Associate | - | - | - | 0.45 | - | 0.45 |
| Dividends (including tax on dividend) | - | - | - | (455.50) | - | (455.50) |
| Reversal of fair value effect [1] | - | - | - | - | ( 4 730.46) | ( 4 730.46) |
| **Balance as at March 31, 2017** | **.44** | **1 316.63** | **49 584.79** | **7 478.24** | **-** | **58 380.10** |
| **Balance as at April 01, 2015** | 0.44 | 1 316.63 | 42 584.79 | 478.94 | 3 909.95 | 48 290.75 |
| **Profit for the period** | - | - | - | 7 989.69 | - | 7 989.69 |
| **Items of the OCI for the year, net of tax** | | | | | | |
| Remeasurement benefit of defined benefit plans | - | - | - | .70 | - | .70 |
| Reversal of goodwill on account of Business Combination | - | - | - | (2.79) | | (2.79) |
| Fair value gain on investment in equity instruments through OCI | | | | | 820.51 | 820.51 |
| Dividends (including tax on dividend) | - | - | - | (819.94) | - | (819.94) |
| Transfer to general reserve | - | - | 7 000.00 | ( 7 000.00) | - | - |
| **Balance as at March 31, 2016** | **0.44** | **1 316.63** | **49 584.79** | **646.60** | **4 730.46** | **56 278.92** |

[1] On conversion of FCCD, Applewoods Estate Private Limited became the associate of the Company. To account for the investment in associate at cost, the fair value effect on shares of Applewoods Estate Private Limited held by the company prior to conversion of FCCD, has been reversed.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ In Lacs)

| Particulars | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | NET PROFIT BEFORE TAX | 11 296.41 | 12 315.77 |
| | **Adjustments for** | | |
| | Depreciation and amortisation | 774.30 | 771.11 |
| | Profit on sale of propert plant and equipments | ( 41.07) | ( .52) |
| | Gain on sale of investment | ( 335.92) | ( 202.14) |
| | Changes in fair value of financial assets at fair value through profit or loss | ( 109.58) | ( 62.32) |
| | Dividend income | (0.12) | (0.11) |
| | **OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES** | **11 584.02** | **12 821.79** |
| | **Adjustments for** | | |
| | Trade and other receivables | ( 506.37) | ( 713.41) |
| | Inventories | ( 2 024.30) | ( 1 206.21) |
| | Payables, other financial liabilities and provision | 583.60 | 1 110.11 |
| | Loans, other financial assets and other assets | 4 166.53 | 2 106.19 |
| | **CASH GENERATED FROM OPERATIONS** | **13 803.48** | **14 118.47** |
| | Direct Taxes Paid | ( 3 975.90) | ( 4 208.11) |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES** | **9 827.58** | **9 910.36** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipments | ( 1 947.48) | ( 916.96) |
| | Sale of property, plant and equipment | 73.43 | 2.07 |
| | Purchase of Investment | ( 1 594.10) | ( 2 938.14) |
| | Sale of Investment property | 205.44 | - |
| | Dividend Income | 0.12 | 0.11 |
| | **NET CASH FLOW FROM INVESTING ACTIVITIES** | **( 3 262.59)** | **( 3 852.92)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Short term borrowings (Net) | ( 1 226.00) | 422.01 |
| | Dividend Paid(including Dividend Distribution Tax) | ( 455.50) | ( 819.94) |
| | **NET CASH FLOW IN FINANCING ACTIVITIES** | **( 1 681.50)** | **( 397.93)** |
| | **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **4 883.49** | **5 659.51** |
| | **OPENING CASH AND CASH EQUIVALENTS** | **7 215.89** | **1 556.38** |
| | **CLOSING CASH AND CASH EQUIVALENTS** | **12 099.38** | **7 215.89** |

The accompanying notes form an integral part of the standalone financial statements.
As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**1 Group overview**

The consolidated financial statements (herein after referred to as "financial statements") comprise financial statements of The Sandesh Limited (the Parent), its subsidiary and associate (collectively, the Group) for the year ended March 31, 2017.

The Sandesh Limited (the 'Parent Company') is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act with its registered office located at "Sandesh Bhavan", Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad – 380054. The Parent Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Parent Company has presence across media spectrum which includes print, broad casting, digital & outdoor solutions.

The Parent Company is operating into Media Industry. It is a publisher of "SANDESH" a premier Gujarati daily newspaper.

The financial statements are approved for issue by the Parent Company's Board of Directors on May 27, 2017.

**2 Basis of preparation**

**2.1 Statement of compliance**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Group's first Ind AS financial statements.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the Accounting standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP) and other relevant provisions of the Act. Previous period figures in the financial statements have been restated to Ind AS.

In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the Parent Company has presented reconciliations and explanations of the effects from Previous GAAP to Ind AS on financial position, financial performance and cash flows in the note no. 5.

**2.2 Basis of consolidation and equity method**

The Parent Company consolidates entities which it owns or controls and applies equity method of accounting where the Company has significant influence over the other entity.

**a Consolidation of subsidiary**

The Parent Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the current ability to direct the relevant activities of the entity that significantly affect the entity's returns.

Subsidiary is consolidated from the date control commences until the date control ceases.

Consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of the subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date. Offset the carrying amount of the Parent Company's investment in subsidiary and the Parent Company's portion of the equity of each subsidiary. Intragroup transactions, balances and unrealized gains and losses on transactions between entities of group are eliminated. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income taxes, applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances.

Non-controlling interests in the profit or loss and equity of subsidiary are shown separately in the consolidated financial statements of profit and loss and consolidated statement of changes in equity respectively.

**b Equity method of accounting for investment in associate**

An associate is an entity over which the Parent Company and its subsidiary have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over the policies.

Investments in associates are accounted for using the equity method of accounting. The investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the investee after the acquisition date. Distributions received from an investee reduce the carrying amount of the investment.

When Group's share of losses of an associate equal or exceeds its interest in the associate, the parent discontinues recognizing its share of further losses unless it has incurred obligations or made payments on behalf of associate.

Unrealized gains and losses on transactions between entities of group are recognised to the extent of the group's interest in these entities.

Investments in associate are accounted for using equity method from the date significant influence commences until the date significant influence ceases.

**2.3 Basis of measurement**

The Financial Statements have been prepared on the historical cost basis except for the following items which are measured at fair values:

- certain financial assets, and
- defined benefit plans assets

**2.4 Functional and presentation currency**

Indian rupee is the functional and presentation currency.

**2.5 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of Property, plant and equipment
- Valuation of financial instruments
- Revenue recognition of construction services based on percentage of completion method
- Amortization of advertisement rights
- Provisions and contingencies
- Income tax and deferred tax
- Measurement of defined employee benefit obligations

**3 Significant accounting policies**

**3.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

**Advertisement revenue**

Advertisement revenue is recognised as and when advertisement is published / displayed / aired and is disclosed net of trade discounts and service tax.

Revenue from online advertisements is recognised when users view impressions or click on display advertisements on web-pages of Sandesh Properties and sites.

**Circulation revenue**

Sale of newspaper and magazine is recognised when the significant risk and rewards of ownership have passed on to the buyers and is disclosed net of sales return and discounts.

**Real estate revenue**

Sale of real estate is recognised when the significant risks and rewards of ownership have passed on to the customer.

**Construction contract revenue**

The outcome of a fixed price construction contract can be estimated reliably when total contract revenue can be measured reliably, it is probable that economic benefits associated with the contract will flow to the Group, contract costs to complete the contract and stage of contract completion at the end of the reporting period can be measured reliably and contract cost attributable to the contract can be identified and measured reliably.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

Contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is measured at the fair value of the consideration received or receivable.

Contract cost associated with contract revenue is recognised as expense by reference to the stage of completion of the contract activity at the end of the reporting period. Contract cost comprises of cost that relate directly to the specific contract, cost that are attributable to contract activity in general and can be allocated to the contract and such other cost as are specifically chargeable to the customer under the terms of the contract.

An expected loss on construction contract is recognized as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.

**Revenue from scrap sale**

Sale of waste paper and scrap is recognised when the significant risk and rewards of ownership have passed on to the buyers.

**Other revenue**

Gain or Loss on derecognition of financial asset is determined as the difference between the sale price (net of selling costs) and carrying value of financial asset.

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset.When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend income is recognised when the right to receive the dividend is established.

All other incomes are recognised and accounted for on accrual basis.

**3.2 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

For transition to Ind AS, the carrying value of Property Plant and Equipment under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment is calculated on written down value method basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013.

In respect of Property, Plant and Equipment purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees five thousand each is fully depreciated in the year of purchase.

The residual value, useful live and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.3 Intangible assets**

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

**a Advertisement right**

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Advertisement rights granted by Vadodara Municipal Corporation (VMC) are against construction service rendered by the Group on BOT basis.

Advertisement right cost comprises of direct and indirect expenses on construction of bus shelters in terms of Concession Agreement.

Subsequent expenditure related to an item of intangible assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing intangible assets are charged to the statement of profit and loss for the period during which such expenses are incurred.

Intangible assets are amortized on straight line basis over concession period.

**b Other intangible assets**

Intangible assets are stated at cost, less accumulated amortization and impairment losses, if any.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as intangible assets under development.

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

For transition to Ind AS, the carrying value of Intangible Assets under previous GAAP as on April 01, 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment, if any as on that date.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Intangible assets are amortized over a period of six years on straight line basis as per the useful life prescribed under Schedule II to the Companies Act, 2013. Intangible assets acquired / purchased during the year are amortised on a pro-rata basis from the date on which such assets are ready to use.

Intangible assets with an indefinite useful life are not amortised. Such intangible assets are tested for impairment.

The residual value, useful live and method of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**3.4 Investment Property**

Investment Property is measured initially at cost including related transaction costs.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

For transition to Ind AS, the carrying value of Investment Property under previous GAAP as on April 01, 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation and cumulative impairment, if any as on that date.

Gains or losses arising from derecognition of investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset at the time of disposal and are recognized in the statement of profit and loss when the asset is derecognized.

**3.5 Financial Instruments**

**3.5.1 Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from the fair value of financial assets or financial liabilities on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Regular way purchase and sale of financial assets are accounted for at trade date.

**3.5.2 Subsequent measurement**

**a Non-derivative financial instruments**

**Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. For such equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.

**Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

**Investments in subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures are carried at cost in the separate financial statements.

b Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

**3.5.3 Derecognition**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expires.

**3.5.4 Off-setting**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.6 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived prices)

Level 3 – inputs are not based on observable market data (unobservable inputs).Fair values are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**3.7 Income tax**

Income tax expense comprises current tax and deferred tax.

**3.7.1 Current Tax**

Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and current tax liabilities are offset, where Group has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.7.2 Deferred Tax**

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary and associate except when timing of reversal of the temporary difference is controlled by the parent company and it is probable that temporary difference will not reverse in foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences associated with investments in subsidiary and associate to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where Group has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**3.8 Impairment**

**3.8.1 Financial assets other than investments in subsidiaries and associates**

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, 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 impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

**3.8.2 Financial asset – investment in associate**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. Such indication include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

If any indication exists, the company estimates the asset's recoverable amount based on value in use.

To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset

Where the carrying amount of an asset exceeds its value in use amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in statement of profit and loss.

**3.8.3 Non-financial assets**

**Tangible and intangible assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

**3.9 Borrowing costs**

Borrowing cost includes interest and other costs that Group has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the year they occur.

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

**3.10 Employee Benefits**

Short term employee benefits for salary and wages including accumulated leave that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

The Group measures the expected cost of absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Group's policy, no leave is expected to be carried forward beyond 12 months from the reporting date.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The Parent Company operates one defined benefit plan for its employees, viz., gratuity plan. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Re-measurement of the net defined benefit liability (asset) comprise of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability / (asset)).Re-measurement are recognised in other comprehensive income and will not be reclassified to profit or loss in a subsequent period.

**3.11 Provisions**

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**3.12 Contingent Liability**

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

**3.13 Contingent Asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only be occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognize a contingent asset but discloses its existence in the financial statements.

**3.14 Foreign Currency**

**a Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

**b Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**c Exchange difference**

All exchange differences are recognized as income or as expenses in the year in which they arise.

**3.15 Cash and cash equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and 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 overdraft is shown within cash and cash equivalents.

**3.16 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**3.17 Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

**3.18 Lease**

Lease agreements where the risks and the rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases.

**Group as lessee**

Lease rents under operating leases are recognised in the statement of profit and loss on a straight-line basis.

Accounting policies of the associate are in line with the Group's accounting policies.

**3.19 Business Combination**

Business combination of entities under common control is accounted for using the pooling of interests method.

The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

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.

The difference, 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 shall be transferred to capital reserve and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

**3.20 Segment Reporting**

An operating segment is component of the Group that engages in the business activity from which the Group earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The Parent Company's chief operating decision maker is the Managing Director.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

**3.21 Cash Flow Statement**

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

4 **Recent accounting pronouncements issued but not yet effective**

**Amendment to Ind AS 7**

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' . These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from April 01, 2017.

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.

5 **Transition to Ind AS**

The consolidated financial statements of the Group for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101 First-Time Adoption of Indian Accounting Standards with April 01, 2015 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017 and the comparative information.

Sandesh Digital Private Limited became the wholly owned subsidiary of The Sandesh Limited on September 22, 2015 and subsidiary company has been consolidated from the said date. As there was no subsidiary company on transition date, the consolidated balance sheet as on that date has not been given.

5.1 **First time adoption of Ind AS**

An explanation of how transition from previous Indian GAAP ("IGAAP") to Ind AS has affected the Group's financial position, financial performance and cash flows are set hereunder:

a Exception to the retrospective application of other Ind AS

i Estimates

Group's estimates in accordance with Ind AS as at the date of transition to Ind AS (April 01, 2015) are consistent with the estimates made for the same date as per IGAAP.

ii Classification of financial assets

The classification of financial assets to be measured at amortised cost is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

b Exemption from other Ind AS

i Deemed cost of Property, plant and equipment, Intangible assets and investment property

Group has elected to measure all of its Property, Plant and Equipment, Intangible assets and investment property at their IGAAP carrying amount as on the date of transition to Ind AS.

ii Designation of previously recognised financial instruments

The Group has designated its investments in equity shares at fair value through other comprehensive income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

5.2 **Reconciliation between IGAAP and Ind AS**

5.2.1 **Reconciliation of Equity as previously reported under IGAAP to Ind AS**

**(₹ in Lacs)**

| **Particulars** | **As at March 31, 2016** |
|---|---:|
| Equity as per IGAAP | 53 057.87 |
| Add : Recognition of fair value gain / (loss) on Investments ( Net ) | 7 300.45 |
| Add : Actuarial Gain on Defined Benefit Plan considered as OCI | 1.07 |
| Less : Reversal of Interest Income on account of amortization of Financial Assets | 1 099.88 |
| Less : Deferred Tax on above Ind AS effects | 2 220.86 |
| Less : Impact of goodwill on account of Business Combination | 2.79 |
| Equity as per Ind AS | 57 035.86 |

**5.2.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016**

**(₹ in Lacs)**

| **Particulars** | **For year ended March 31, 2016** |
|---|---|
| Net Profit after Tax as per IGAAP | 8 086.24 |
| Add : Recognition of fair value gain/(loss) on Investments ( Net ) | 1 316.00 |
| Add : Actuarial Gain on Defined Benefit Plan considered as OCI | 1.07 |
| Less : Reversal of Interest Income on account of amortization of Financial Assets | 147.53 |
| Less : Deferred Tax on above Ind AS effects | 444.52 |
| Total Comprehensive Income | 8 811.26 |

**5.2.3 Reconciliation of statement of cash flows**

There are no material adjustments to the statement of cash flows as reported under IGAAP

**5.2.4 Notes to Reconciliations**

**a Recognition of fair value gain on investments ( net )**

Under Ind AS, investments are valued at fair value whereas in case of previous GAAP, long term investments were valued at cost and current investments were valued at lower of cost or fair value.

**b Recognition of Actuarial Gain / Loss**

Actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

**c Reversal of Interest Income on account of amortization of Financial Assets**

The financial assets have been recognized at effective interest rate method under Ind AS. Under previous GAAP, the same were recognized at transaction value.

**d Reversal of Goodwill**

Under IGAAP, goodwill on account of acquisition of shares of subsidiary was required to be recognised in consolidated financial statements. Under Ind AS, goodwill on account of business combination of entities under common control is not required to be recognised, hence the same is reversed.

## 6 PROPERTY, PLANT AND EQUIPMENT

### 6.1 Property, Plant and Equipments consist of :

(₹ in lacs)

| No. | Particulars | Land | Buildings | | Plant & Equipment | Electric Fittings | Furniture & Fixtures | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Freehold | Leasehold | | | | | | |
| a | **Gross Block** | | | | | | | | | |
| | Balance as at April 01, 2015 (Deemed Cost) | 1 343.71 | 1 846.08 | - | 3 475.87 | 47.96 | 88.70 | 53.98 | 157.84 | 7 014.14 |
| | Additions | - | 81.49 | - | 391.87 | 2.42 | 33.92 | 30.01 | 413.58 | 953.29 |
| | Deductions | - | - | - | 15.42 | - | 9.04 | 2.77 | 19.37 | 46.60 |
| | **Balance as at March 31, 2016** | 1 343.71 | 1 927.57 | - | 3 852.32 | 50.38 | 113.58 | 81.22 | 552.05 | 7 920.83 |
| | Additions | - | - | 26.68 | 464.21 | - | 12.22 | 27.02 | 104.29 | 634.42 |
| | Deductions | - | - | - | 66.43 | - | - | 7.17 | 117.18 | 190.78 |
| | **Balance as at March 31, 2017** | **1 343.71** | **1 927.57** | **26.68** | **4 250.10** | **50.38** | **125.80** | **101.07** | **539.16** | **8 364.47** |
| b | **Accumulated Depreciation** | | | | | | | | | |
| | Balance as at April 01, 2015 | - | - | - | - | - | - | - | - | - |
| | Additions | - | 86.70 | - | 435.35 | 11.60 | 27.20 | 30.17 | 175.75 | 766.77 |
| | Deductions | - | - | - | 15.07 | - | 8.65 | 2.58 | 18.70 | 45.00 |
| | **Balance as at March 31, 2016** | - | 86.70 | - | 420.28 | 11.60 | 18.55 | 27.59 | 157.05 | 721.77 |
| | Additions | - | 85.08 | 0.32 | 478.46 | 9.02 | 27.64 | 32.83 | 129.00 | 762.35 |
| | Deductions | - | - | - | 59.66 | - | - | 6.60 | 92.16 | 158.42 |
| | **Balance as at March 31, 2017** | - | 171.78 | 0.32 | 839.08 | 20.62 | 46.19 | 53.82 | 193.89 | 1 325.70 |
| c | **Net Block** | | | | | | | | | |
| | **Balance as at March 31, 2016** | **1 343.71** | **1 840.87** | **-** | **3 432.04** | **38.78** | **95.03** | **53.63** | **395.00** | **7 199.06** |
| | **Balance as at March 31, 2017** | **1 343.71** | **1 755.79** | **26.36** | **3 411.02** | **29.76** | **79.61** | **47.25** | **345.27** | **7 038.77** |

6.2 Company has elected to measure all its property, plant and equipments at the previos GAAP carrying amount i.e. March 31, 2015 as its deemed cost on the date of transition i.e. April 01, 2015.

## 7 INVESTMENT PROPERTIES

**7.1 Investment properties consist of :** (₹ in lacs)

| No. | Particulars | Land | Buildings | Total |
|---|---|---|---|---|
| a | **Gross Block** | | | |
| | Balance as at April 01, 2015 | - | 75.00 | 75.00 |
| | Additions | 4 364.82 | 983.57 | 5 348.39 |
| | Deductions | - | - | - |
| | Balance as at March 31, 2016 | 4 364.82 | 1 058.57 | 5 423.39 |
| | Additions | - | - | - |
| | Deductions | - | 205.44 | 205.44 |
| | **Balance as at March 31, 2017** | **4 364.82** | **853.13** | **5 217.95** |
| b | **Accumulated Depreciation** | | | |
| | Balance as at April 01, 2015 | - | - | - |
| | Additions | - | - | - |
| | Deductions | - | - | - |
| | Balance as at March 31, 2016 | - | - | - |
| | Additions | - | - | - |
| | Deductions | - | - | - |
| | **Balance as at March 31, 2017** | **-** | **-** | **-** |
| c | **Net Block** | | | |
| | Balance as at March 31, 2016 | 4 364.82 | 1 058.57 | 5 423.39 |
| | **Balance as at March 31, 2017** | **4 364.82** | **853.13** | **5 217.95** |

**7.2** The Parent Company has elected to measure all its investment properties at the previos GAAP carrying amount i.e. March 31, 2015 as its deemed cost on the date of transition i.e. April 01, 2015.

**7.3 Fair value of investment properties** (₹ in lacs)

| No. | Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| 1 | Investment properties | 5334.72 | 5596.22 |

**Estimation of fair value**

Company obtains independent valuation report for its investment property annually. The best evidence of fair value is current price in active market for similar properties.

**7.4** The Parent Company does not provide depreciation on buildings under investment properties, as fair value of such properties are more than the carrying amount.

**7.5** Amount recognised in Profit or Loss for Investment Properties (₹ in lacs)

| Particulars | | 2016 - 17 | 2015 - 16 |
|---|---|---|---|
| a | Rental Income | - | - |
| b | Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; | - | - |
| c | Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period. | 0.12 | 0.23 |
| **Total** | | **0.12** | **0.23** |

**8 INTANGIBLE ASSETS**

**8.1 Intangible assets consist of :**

(₹ in Lacs)

| No. | Particulars | Tenancy Rights | Software | Advertisement Rights | Total |
|---|---|---|---|---|---|
| a | **Gross Block** | | | | |
| | Balance as at April 01, 2015 (Deemed Cost) | 56.00 | 6.71 | - | 62.71 |
| | Additions | - | 2.99 | - | 2.99 |
| | Deductions | - | - | - | - |
| | Balance as at March 31, 2016 | 56.00 | 9.70 | - | 65.70 |
| | Additions | - | - | 264.00 | 264.00 |
| | Deductions | - | - | - | - |
| | **Balance as at March 31, 2017** | **56.00** | **9.70** | **264.00** | **329.70** |
| b | **Accumulated Depreciation** | | | | |
| | Balance as at April 01, 2015 | - | - | - | - |
| | Additions | - | 4.34 | - | 4.34 |
| | Deductions | - | - | - | - |
| | Balance as at March 31, 2016 | - | 4.34 | - | 4.34 |
| | Additions | - | 3.42 | 8.53 | 11.95 |
| | Deductions | - | - | - | - |
| | **Balance as at March 31, 2017** | **-** | **7.76** | **8.53** | **16.29** |
| c | **Net Block** | | | | |
| | Balance as at March 31, 2016 | 56.00 | 5.36 | - | 61.36 |
| | **Balance as at March 31, 2017** | **56.00** | **1.94** | **255.47** | **313.41** |

8.2 The Parent Company has elected to measure all its investment properties at the previos GAAP carrying amount i.e. March 31, 2015 as its deemed cost on the date of transition i.e. April 01, 2015.

## 9 INVESTMENTS

(₹ in Lacs)

| | | | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|---|
| **9A** | **Non Current Investments** | | | |
| | **a** | **Investments carried at cost** | | |
| | | i In associate | | |
| | | Equity shares - Unquoted | | |
| | | Applewood Estate Private Limited (4,51,726 shares of ₹ 10/- each) | 23 396.26 | - |
| | | | **23 396.26** | **-** |
| | **b** | **Investments carried at fair value through other comprehensive income** | | |
| | | Equity shares - Unquoted | 0.44 | 10 678.84 |
| | | | **0.44** | **10 678.84** |
| | **c** | **Investments carried at amortised cost** | | |
| | | i Debentures - Unquoted | - | 19 059.65 |
| | | ii National Saving Certificates | 0.01 | 0.01 |
| | | | **0.01** | **19 059.66** |
| | | **Total Non - Current Investments (A)** | **23 396.71** | **29 738.50** |
| **9B** | **Current Investments** | | | |
| | a | Investments carried at fair value through profit or loss | | |
| | | i Equity shares - Quoted | 5.34 | 5.39 |
| | | ii Mutual Fund - Unquoted | 5 266.51 | 4118.67 |
| | | **Total Current Investments (B)** | **5 271.85** | **4 124.06** |
| | Aggregate amount of quoted investments | | 5.34 | 5.39 |
| | Aggregate amount of market value of quoted investments | | 5.34 | 5.39 |
| | Aggregate amount of unquoted investments | | 28 663.23 | 33 857.16 |
| | Aggregate amount of impairment in value of investments | | - | - |

## 10 OTHER FINANCIAL ASSETS

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|
| a | Security deposits (Secured, Considered good) | 313.49 | 270.62 |
| b | Bank Fixed Deposits having maturity more than 12 Months | 482.47 | 5219.09 |
| | | **795.96** | **5 489.71** |
| Held as margin money | | 482.47 | - |
| Held as security deposits against bank borrowings | | - | 5219.09 |

## 11 OTHER ASSETS

(₹ in Lacs)

| | | | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|---|
| **11A** | **Non Current Assets** | | | |
| | a | Capital Advance to related party | 31.62 | 31.62 |
| | d | Advance Income Tax (Net of provision) (Refer Note No. 35) | 322.88 | 267.06 |
| | | | **354.50** | **298.68** |
| **11B** | **Current Assets** | | | |
| | a | Capital Advances | 200.00 | - |
| | b | Advances - For Supply of Goods and Services | 1 683.00 | 260.67 |
| | c | Prepaid Expenses | 454.45 | 255.14 |
| | d | Balance with tax authorities | 79.11 | 55.03 |
| | | | **2 416.56** | **570.84** |

## 12 INVENTORIES

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|
| a | Raw Materials | 3 755.16 | 1 785.35 |
| b | Stock-in-trade (in respect of goods acquired for trading) | 315.50 | 258.06 |
| c | Stores and Spares | 284.02 | 286.97 |
| d | Others - Scrap | 0.02 | 0.02 |
| | | **4 354.70** | **2 330.40** |

## 13 TRADE RECEIVABLES

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|
| Unsecured, considered good | | 6 864.33 | 6 357.96 |
| | | **6 864.33** | **6 357.96** |
| 13.1 | Dues from company where directors are interested (included above) | 0.72 | 3.31 |

## 14 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

| | | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|
| **a** | **Balances with Banks** | | |
| | In current accounts | 1 078.41 | 1 726.75 |
| | In fixed deposits | 10 978.93 | 5 442.63 |
| **b** | Cash on Hand | 42.04 | 46.51 |
| | | **12 099.38** | **7 215.89** |

## 15 BANK BALANCES OTHER THAN (III) ABOVE

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 |
| a | Earmarked Bank Balances - Unpaid Dividend accounts | 35.54 | 53.83 |
| | | **35.54** | **53.83** |

## 16 LOANS

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 |
| **Unsecured, considered good** | | | |
| a | Inter - corporate deposits | 8.00 | 1 308.00 |
| b | Employees | 28.23 | 17.76 |
| c | Others | 7.56 | 18.25 |
| | | **43.79** | **1 344.01** |

## 17 EQUITY SHARE CAPITAL

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 |
| **a** | **Authorized :** | | |
| | 1,50,00,000 (P.Y. 1,50,00,000) Equity Shares of ₹ 10/- each | 1 500.00 | 1 500.00 |
| **b** | **Issued & Subscribed :** | | |
| | 75,69,421(P.Y. 75,69,421)Equity shares of ₹ 10/- each | 756.94 | 756.94 |
| **c** | **Paid up :** | | |
| | 75,69,421 (P.Y. 75,69,421) Equity Shares of ₹ 10/- each | 756.94 | 756.94 |

**d Rights, preferences and restrictions :**

i The Parent Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity share is entitled to one vote per share.

ii Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iii In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**e** 9,60,000 equity shares were bought back in financial year 2012 - 13.

**f Details of shareholders holding more than 5 per cent shares :**

| Name of the Shareholder | As at March 31, 2017 | | As at March 31, 2016 | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Falgunbhai Chimanbhai Patel | 3 86 350 | 5.10% | 3 86 350 | 5.10% |
| Parthiv Falgunbhai Patel | 9 95 400 | 13.15% | 11 89 100 | 15.71% |
| Satlon Enterprise Private Limited | – | – | 18 90 152 | 24.97% |
| Satyesh Prochem LLP | 31 65 929 | 41.82% | 12 75 777 | 16.85% |
| Scabious Enterprise LLP | 4 20 831 | 5.56% | 4 20 831 | 5.56% |

**g Reconciliation of number of shares outstanding:**

(In Nos.)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Equity Shares at the beginning of the year | 75 69 421 | 75 69 421 |
| Add: Issued during the Period | - | - |
| Equity Shares at the end of the period | 75 69 421 | 75 69 421 |

## 18 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company. The Company's objective for capital management is to maximize shareholder value and safeguard business continuity. The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity and operating cash flows.

**Summary of Quantitative Data is given hereunder:** (₹ in Lacs)

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Equity | 756.94 | 756.94 |
| Other Equity | 58 380.10 | 56 278.92 |
| **Total** | **59 137.04** | **57 035.86** |

The Group does not have any externally imposed capital requirement.

## 19 DIVIDENDS

The Parent Company has paid interim dividend at the rate of ₹ 5/- per equity share for the year ended March 31, 2017. Dividends paid during the year ended March 31, 2016 include ₹ 4/- per equity share towards final dividend for the year ended March 31, 2015 and ₹ 5/- per equity share towards interim dividend for the year ended March 31, 2016.

## 20 TRADE PAYABLES

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 |
| **20A** | Non Current | 278.64 | - |
| **20B** | Current | 1 268.38 | 1 298.41 |
| | | **1 547.02** | **1 298.41** |

i Trade payables include ₹ NIL (Previous year ₹ NIL) due to creditors registered with the company as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

ii No interest is paid / payable during the year to Micro, Small and Medium Enterprises.

iii The above information has been determined to the extent such parties could be identified on the basis of information available with the Company regarding the status of suppliers under the MSME.

## 21 PROVISIONS

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 |
| **21A** | **Non Current** | | |
| | Employee Benefits - Gratuity | 237.08 | 202.22 |
| | | **237.08** | **202.22** |
| **21B** | **Current** | | |
| | Employee Benefits - Gratuity | 27.40 | 25.72 |
| | | **27.40** | **25.72** |

## 22 BORROWINGS

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** |
| **a** | **Loans repayable on demand** | | |
| | From Banks (Secured) | | |
| | Working capital loan | - | 947.17 |
| | | **-** | **947.17** |
| | The working capital loan is secured against charge over all movable assets of the company | | |
| **b** | **Loans from related parties (unsecured)** | | |
| | From Directors | 198.86 | 477.69 |
| | | **198.86** | **477.69** |
| | **Total Borrowings** | **198.86** | **1 424.86** |

## 23 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** |
| a | Unpaid Dividend | 35.54 | 53.82 |
| b | Deposits from Agents and Others | 947.08 | 907.53 |
| c | Others | 4 402.62 | 4 420.26 |
| | | **5 385.24** | **5 381.61** |

## 24 OTHER CURRENT LIABILITIES

(₹ in Lacs)

| | | As at | |
|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** |
| a | Advance From Customer | 2 118.62 | 1 787.53 |
| b | Statutory Dues | 53.54 | 95.99 |
| | | **2 172.16** | **1 883.52** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

### 25 REVENUE FROM OPERATIONS

(₹ in Lacs)

| Particulars | | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|---|
| a | **Turnover (Net of discounts)** | | | |
| | i | Sale of Publications | 9 689.74 | 9 893.03 |
| | ii | Revenue from Advertisements | 23 730.08 | 23 435.92 |
| | iii | Other Income | 659.64 | 685.39 |
| | iv | Bad Debt Recovery | 224.91 | 203.04 |
| | v | Provision / Liability No Longer Required | 34.08 | 37.39 |
| | | | **34 338.45** | **34 254.77** |
| b | **Other operating revenues** | | | |
| | i | Interest from financial asset measured at amortised cost | 1 809.93 | 3 252.84 |
| | ii | Sale of Trading Goods | 13.55 | 12.57 |
| | iii | Construction Revenue | 264.00 | - |
| | | | **2 087.48** | **3 265.41** |
| | **Total (a + b)** | | **36 425.93** | **37 520.18** |

### 26 OTHER INCOME

(₹ in Lacs)

| Particulars | | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|---|
| i | Dividend income from investment measured at FVTPL | 0.12 | 0.11 |
| ii | Income From Wind Mill | 13.68 | 18.49 |
| iii | Profit on Sale of Conversion of Land | 1.48 | 3.55 |
| iv | Net gain on investments carried at FVTPL | 445.45 | 264.46 |
| v | Miscellaneous Income | 39.94 | 139.22 |
| | | **500.67** | **425.83** |

### 27 COST OF MATERIAL CONSUMED

(₹ in Lacs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| Newsprint Consumed | 12 453.19 | 12 527.27 |
| | **12 453.19** | **12 527.27** |

### 28 PURCHASE OF STOCK IN TRADE

(₹ in Lacs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| Purchases / Cost of Goods Sold: Stock-in-trade | | |
| Real Estate | 3.55 | 8.50 |
| Less: Changes in Inventories | ( 0.75) | ( 6.20) |
| | **4.30** | **14.70** |

## 29 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

| | Particulars | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| a | Salaries and wages | 3 243.28 | 3 296.49 |
| b | Contribution | 58.29 | 61.23 |
| c | Staff Welfare Expenses | 3.15 | 5.48 |
| | | **3 304.72** | **3 363.20** |

**29.1 Employee Benefits Note**

**29.2 Defined Contribution Plans**

Details of amount recognized as expenses during the year for the defined contribution plans. (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Employer's Contribution to Superannuation Fund | 10.14 | 10.14 |
| Employer's Contribution to Employee State Insurance Corporation Fund | 6.34 | 5.34 |
| Employer's Contribution to Pension Fund | 30.06 | 32.05 |
| Employer's Contribution to Provident Fund | 29.89 | 30.88 |
| **Total** | **76.43** | **78.41** |

**29.3 Defined Benefit Plan - Gratuity**

Information about the characteristics of defined benefit plan

The benefit is governed by the Payment of Gratuity Act, 1972. The Key features are as under:

| Features of the defined benefit plan | Remarks |
|---|---|
| Benefit offered | 15 / 26 × Salary × Duration of Service |
| Salary definition | Basic Salary including Dearness Allowance (if any) |
| Benefit ceiling | Benefit ceiling of ₹ 10,00,000 was not applied |
| Vesting conditions | 5 years of continuous service (Not applicable in case of death / disability) |
| Benefit eligibility | Upon Death or Resignation / Withdrawal or Retirement |
| Retirement age | 58 years |

**29.4** The trust is responsible for the governance of the plan.

**29.5 Risk to the Plan**

Following are the risk to which the plan exposes the entity :

**A Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**B Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C **Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cashflows.

D **Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E **Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**29.6 Reconciliation of defined benefit obligations** (₹ in Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Defined benefit obligations as at beginning of the year | 347.09 | 330.20 |
| Current service cost | 26.37 | 24.52 |
| Interest cost | 19.47 | 19.18 |
| Actuarial Loss/(Gain) due to change in financial assumptions | 9.65 | 2.13 |
| Actuarial Loss/(Gain) due to change in demographic assumptions | .00 | 4.03 |
| Actuarial Loss/(Gain) due to experience | ( 16.05) | ( 12.34) |
| Benefits Paid | ( 29.47) | ( 20.63) |
| Defined benefit obligations as at end of the year | 357.06 | 347.09 |

**29.7 Reconciliation of Plan Asset** **(₹ in Lacs)**

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Plan Asset as at beginning of the year | 119.15 | 138.26 |
| Interest Income | 3.12 | 6.63 |
| Return on plan assets excluding amounts included in interest income | (0.23) | ( 5.11) |
| Benefits paid | ( 29.47) | ( 20.63) |
| Plan Asset as at end of the year | 92.57 | 119.15 |

**29.8 Funded Status** **(₹ in Lacs)**

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Present Value of Benefit Obligation at the end of the Period | 357.06 | 347.09 | 330.20 |
| Fair Value of Plan Assets at the end of the Period | 92.57 | 119.15 | 138.27 |
| Funded Status / Deficit | 264.49 | 227.94 | 191.93 |

**29.9 Net amount Charged to Statement of Profit or Loss for the period** **(₹ in Lacs)**

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Current service cost | 26.36 | 24.53 |
| Net Interest cost | 16.35 | 12.38 |
| Net amount recognized | 42.71 | 36.91 |

**27.10 Other Comprehensive income for the period** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Components of actuarial gain/losses on obligations: | | |
| Due to Change in financial assumptions | 9.65 | 2.13 |
| Due to change in demographic assumption | - | 4.03 |
| Due to experience adjustments | ( 16.05) | ( 12.34) |
| Return on plan assets excluding amounts included in interest income | .23 | 5.11 |
| Amounts recognized in Other Comprehensive Income | ( 6.17) | ( 1.07) |

**27.11 Break up of Plan Assets**

| Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|
| Bonds of PSU | 7.34% | 10.38% |
| Others (Including bank balance) | 92.66% | 89.62% |
| **Total** | **100.00%** | **100.00%** |

**27.12 Actuarial Assumptions**

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Discount Rate | 6.75% | 7.60% |
| Salary Growth Rate | 4.00% | 4.00% |
| Withdrawal Rate | 20% at younger ages reducing to 0% at older ages | 20% at younger ages reducing to 0% at older ages |

**29.13 Sensitivity Analysis for Actuarial Assumption**

| As at 31.03.2017 | Change in Assumptions | | Impact on Defined Benefit Obligation | | | |
|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase in Assumptions | | Decrease in Assumptions | |
| | % | % | ₹ in Lacs | % | ₹ in Lacs | % |
| Discount Rate | 0.50% | 0.50% | -6.47 | -1.60% | 5.38 | 1.70% |
| Salary Growth Rate | 0.50% | 0.50% | 5.50 | 1.70% | -6.64 | -1.70% |
| Withdrawal rate | 10.00% | 10.00% | .19 | 0.25% | -1.73 | -0.28% |

| As at 31.03.2016 | Change in Assumptions | | Impact on Defined Benefit Obligation | | | |
|---|---|---|---|---|---|---|
| | Increase | Decrease | Increase in Assumptions | | Decrease in Assumptions | |
| | % | % | ₹ in Lacs | % | ₹ in Lacs | % |
| Discount Rate | 0.50% | 0.50% | -5.50 | -1.50% | 5.27 | 1.60% |
| Salary Growth Rate | 0.50% | 0.50% | 5.41 | 1.60% | -5.67 | -1.60% |
| Withdrawal rate | 10.00% | 10.00% | .95 | 0.35% | -1.59 | -0.39% |

**Limitation of method used for sensitivity analysis :**

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

**29.14 Details of Asset- Liability Matching Strategy**

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it may not be possible to explicitly follow an asset-liability matching strategy to manage risk actively in a conventional fund.

**29.15 Maturity Profile of the Defined Benefit Obligation**

| As at March 31, 2017 | ₹ in Lacs | % |
|---|---|---|
| 2018 | 176.31 | 37.30% |
| 2019 | 23.25 | 4.90% |
| 2020 | 30.70 | 6.50% |
| 2021 | 34.28 | 7.30% |
| 2022 | 19.16 | 4.10% |
| 2023 - 2027 | 87.36 | 18.50% |

| As at March 31, 2017 | ₹ in Lacs | % |
|---|---|---|
| 2017 | 181.82 | 38.70% |
| 2018 | 19.64 | 4.20% |
| 2019 | 21.52 | 4.60% |
| 2020 | 28.80 | 6.10% |
| 2021 | 31.99 | 6.80% |
| 2022 - 2026 | 81.69 | 17.40% |

**30 FINANCE COST** (₹ in Lacs)

| | Particulars | For the year ended | |
|---|---|---|---|
| | | **March 31, 2017** | **March 31, 2016** |
| a | Interest Expenses on Financial liabilities carried at Amortized Cost | | |
| | i To Bank | 4.52 | 6.66 |
| | ii To Directors | 42.47 | 56.87 |
| | iii To Other | 31.38 | 29.25 |
| b | Interest expense - Other | 22.79 | 62.16 |
| c | Foreign Exchange loss | 8.51 | 23.41 |
| | | **109.67** | **178.35** |

**31 OTHER EXPENSES** (₹ in Lacs)

| | Particulars | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| a | Power and fuel | 441.03 | 471.08 |
| b | Stores and spares consumed | 1 781.07 | 1 948.89 |
| c | Repairs to:- | | |
| | i Buildings | 78.29 | 35.18 |
| | ii Machinery | 61.73 | 59.33 |
| | iii Other | 65.12 | 46.35 |
| | | **205.14** | **140.86** |
| d | Feature, Newsgathering and purashkar expenses | 542.98 | 475.90 |
| e | News Service/LL/Internet and telephone expenses | 97.68 | 102.41 |
| f | Insurance | 29.86 | 29.48 |
| g | Rent | 29.68 | 45.11 |
| h | Rates and taxes | 43.27 | 45.62 |
| i | Audit Fees* | 13.02 | 12.55 |
| j | Bad debts | 240.04 | 156.84 |
| k | License fees | 1655.94 | 1136.70 |
| l | Mounting fee & other expenses | 203.94 | 196.03 |
| m | Distribution Expenses | 424.41 | 422.21 |
| n | Taxi Expenses | 426.45 | 424.58 |
| o | Selling Expenses | 1 484.50 | 1 856.50 |
| p | Construction expenses | 264.00 | - |
| q | Miscellaneous Expenses | 1 275.37 | 1 311.39 |
| | | **9 158.38** | **8 776.13** |
| * | Payment to the Auditors | | |
| | a For Statutory Audit | **7.91** | 5.15 |
| | b For Certification and other matters | **5.11** | 7.40 |
| | | **13.02** | 12.55 |

**32 EXCEPTIONAL ITEMS** (₹ in Lacs)

| Particulars | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|
| Profit on sale of property, plant and equipment | 41.07 | 0.52 |
| | **41.07** | **0.52** |

**33 EARNING PER SHARE** (₹ in Lacs)

| | Particulars | For the year ended March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| a | Net Profit after Tax | 7 287.14 | 8 811.27 |
| b | Total Weighted Average Number of Shares for Basic and Diluted Earning | 75.69 | 75.69 |
| c | Basic and Diluted Earning per Share (in Rupees) | 96.27 | 116.41 |

**34 DISCLOSURE PURSUANT TO APPENDINX - A TO IND AS 11 - " SERVICE CONCESSION ARRANGEMENTS"**

**34.1 Description and classification of the arrangment**

The Parent Company has entered into Service Concession Agreement with Vadodara Municipal Coporation (VMC) for the purpose of providing, fixing and operate 103 modern bus shelters at various locations in Vadodara on Build, Operate and Transfer ("BOT") basis. The Concession Period is of five years.

**34.2 Significant Terms of the arrangements**

i Rights of the company

The company gets the advertisement right for a period of five years on construction of bus shelter as per the terms.

ii Obligation of the Company

The company is required to pay premium for a period of five years from the date of completion of project.

iii Details of any assets to be given at the end of concession period

At the end of the Concession period the company shall transfer all rights of the bus shelter to VMC. No additional payment shall be given to the company in this regard. At the time of hand over of bus shelters, they shall be in good working condition.

iv Details of Termination

VMC can foreclose contract as specified in the terms of arrangements.

**34.3** The advertisement right received due to service concession arragement has been classified as intangible assets.

**34.4** There has been no change in the concession arrangement during the year.

**34.5 Disclosure in respect of Construction Contracts** (₹ in lacs)

| No. | Particulars | 2016-17 | 2015-16 |
|---|---|---|---|
| a | Amount of Contract Revenue recognised as revenue during the year | 264.00 | - |
| b | Disclosure in respect of Contract in Progress at the reporting date | | |
| | i Contract cost incurred and recognised profit less recognised losses upto the reporting date | 264.00 | - |
| | ii Advances Received | - | - |
| | iii Retention Amount | - | - |
| c | Amount due from Customers for Contract in Progress | - | - |
| d | Amount due to Customers for Contract in Progress | - | - |

## 35 INCOME TAX EXPENSE

**35.1 Income tax expense in the statement of profit and loss comprises of:** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Current income tax | 3 786.47 | 4 382.40 |
| **Deferred tax** | | |
| Relating to origination and reversal of temporary difference | 229.43 | ( 56.32) |
| Deferred tax expense / (income) | 229.43 | (56.32) |
| Income tax expense | 4015.90 | 4326.08 |

**35.2 Deferred tax items relating to OCI** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Relating to origination and reversal of temporary difference | - | 434.24 |
| Deferred tax expense / (income) | - | 434.24 |

**35.3 Deferred tax items relating to Equity** (₹ in Lacs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|
| Relating to reversal of temporary difference | ( 2 503.54) | - |
| Deferred tax expense / (income) | ( 2 503.54) | - |

**35.4 The details of income tax assets and liabilities and Deferred tax liabilities :** (₹ in Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Income tax assets - Non current * | 322.88 | 267.06 |
| Income tax liabilities - Current | 258.17 | 391.19 |
| Deferred tax liabilities | 321.28 | 2 596.02 |

* Shown under "Other non current assets" - Note No. 11A

**35.5** A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Lacs)

| | Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|---|
| a | Accounting profit before tax | 11 296.41 | 12 315.77 |
| | Normal tax rate | 34.608% | 34.608% |
| | Tax liability on accounting profit | 3 909.46 | 4 262.24 |
| | Tax Effect of non deductible expenses | 8.95 | 52.81 |
| | Reversal of deferred tax (net) | (22.51) | (3.76) |
| | Tax Effect on Ind AS impact | 170.71 | 10.25 |
| | Tax effect of associate's profit | (46.13) | - |
| | Tax effect of differential tax rates | (2.21) | - |
| | Adjustments in respect of current tax of earlier years | (1.35) | - |
| | Other | (1.02) | 4.54 |
| | Income tax expenses as per normal tax rate | 4 015.90 | 4 326.08 |

**35.6** There is no change in the applicable tax rate as compared to previous financial year.

**35.7 Details of each type of recognized temporary differences, unused tax losses and unused tax credits** (₹ in Lacs)

| Particulars | Recognized DTA / DTL in balance sheet | |
|---|---|---|
| | **March 31, 2017** | **March 31, 2016** |
| **Deferred tax liability** | | |
| Property, plant and equipment | 464.98 | 498.79 |
| Investments | 60.99 | 2 189.37 |
| **Total Deferred tax liability** | **525.97** | **2 688.16** |
| **Deferred tax asset** | | |
| Provision for expenses | 96.43 | - |
| Employee benefits | 107.16 | 89.18 |
| Other | 1.11 | 2.97 |
| **Total Deferred tax asset** | **204.70** | **92.15** |
| **Net Deferred Tax Liability Recognized** | **321.27** | **2 596.01** |

Deferred income tax liabilities have not been recognised on temporary differences amounting to ₹ 2,715.99 Lacs and ₹ 20.44 Lacs as of March 31, 2017 and March 31, 2016 respectively, associated with investments in subsidiary and associate as it is probable that the temporary differences will not reverse in the foreseeable future.

## 36 FINANCIAL INSTRUMENTS

### 36.1 Disclosure of Financial Instruments by Category

**As at March 31, 2017** (₹ in Lacs)

| Particulars | Note No. | FVTPL | FVTOCI | Amortized cost | Total carrying value | Fair value |
|---|---|---|---|---|---|---|
| **Financial asset** | | | | | | |
| Investment in Debenture | | - | - | - | - | - |
| Investment in equity instruments | 9 | 5.34 | 0.44 | - | 5.78 | 5.78 |
| Investment in mutual fund | 9B | 5 266.51 | - | - | 5 266.51 | 5 266.51 |
| Investment in NSC | 9A | - | - | 0.01 | .01 | .01 |
| Other Financial Asset | 10 | - | - | 795.96 | 795.96 | 795.96 |
| Trade Receivable | 13 | - | - | 6 864.33 | 6 864.33 | 6 864.33 |
| Cash and cash equivalent | 14 | - | - | 12 099.38 | 12 099.38 | 12 099.38 |
| Bank balance other than above | 15 | - | - | 35.54 | 35.54 | 35.54 |
| Loans | 16 | - | - | 43.79 | 43.79 | 43.79 |
| **Total Financial assets** | | **5 271.85** | **0.44** | **19 839.01** | **25 111.30** | **25 111.30** |
| **Financial liability** | | | | | | |
| Trade Payables | 20 | - | - | 1 547.02 | 1 547.02 | 1 547.02 |
| Borrowings | 22 | - | - | 198.86 | 198.86 | 198.86 |
| Other financial liabilities | 23 | - | - | 5 385.24 | 5 385.24 | 5 385.24 |
| **Total Financial Liabilities** | | **-** | **-** | **7 131.12** | **7 131.12** | **7 131.12** |

**As at March 31, 2016** (₹ in Lacs)

| Financial instruments by categories | Note No. | FVTPL | FVTOCI | Amortized cost | Total carrying value | Fair value |
|---|---|---|---|---|---|---|
| **Financial asset** | | | | | | |
| Investment in Debenture | 9A | - | - | 19 059.65 | 19 059.65 | 19 059.65 |
| Investment in equity instrument | 9 | 5.39 | 10 678.84 | - | 10 684.23 | 10 684.23 |
| Investment in mutual fund | 9B | 4 118.67 | - | - | 4 118.67 | 4 118.67 |
| Investment in NSC | 9A | - | - | 0.01 | 0.01 | 0.01 |
| Other Financial Asset | 10 | - | - | 5 489.71 | 5 489.71 | 5 489.71 |
| Trade Receivable | 13 | | - | 6 357.96 | 6 357.96 | 6 357.96 |
| Cash and cash equivalent | 14 | - | - | 7 215.89 | 7 215.89 | 7 215.89 |
| Bank balance other than above | 15 | - | - | 53.83 | 53.83 | 53.83 |
| Loans | 16 | - | - | 1 344.01 | 1 344.01 | 1 344.01 |
| **Total Financial assets** | | **4 124.06** | **10 678.84** | **39 521.06** | **54 323.96** | **54 323.96** |
| **Financial liability** | | | | | | |
| Trade Payables | 20 | - | - | 1 298.41 | 1 298.41 | 1 298.41 |
| Borrowings | 22 | - | - | 1 424.86 | 1 424.86 | 1 424.86 |
| Other financial liabilities | 23 | - | - | 5 381.61 | 5 381.61 | 5 381.61 |
| **Total Financial Liabilities** | | **-** | **-** | **8 104.88** | **8 104.88** | **8 104.88** |

## 37 FAIR VALUE MEASUREMENT

Fair Value Measurement of Financial asset and Financial liabilties

**37.1 Fair value hierarchy** (₹ in Lacs)

| Particulars | Note No. | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|
| **As at March 31, 2017** | | | | | |
| **Financial Assets Measured at FVTPL - Recurring FVM** | | | | | |
| Investment in equity instrument | 9B | 5.34 | - | 0.44 | 5.78 |
| Investment in mutual fund | 9B | - | 5 266.51 | - | 5 266.51 |
| **Total of Financial Assets** | | **5.34** | **5 266.51** | **0.44** | **5 272.29** |
| **Non financial assets measured at cost** | | | | | |
| Investment properties | 7 | - | 5 217.95 | - | 5 217.95 |
| | | **-** | **5 217.95** | **-** | **5 217.95** |
| **As at March 31, 2016** | | | | | |
| **Financial Assets Measured at FV - Recurring FVM** | | | | | |
| Investment in equity instrument | 9B | 5.39 | - | 10 678.84 | 10 684.23 |
| Investment in mutual fund | 9B | - | 4 118.67 | - | 4 118.67 |
| **Total of Financial Assets** | | **5.39** | **4,118.67** | **10 678.84** | **14 802.90** |
| **Financial Asset Measured at Amortized cost** | | | | | |
| FCCDs | 9A | - | 19 059.65 | - | 19 059.65 |
| **Total Financial Assets** | | **-** | **19 059.65** | **-** | **19 059.65** |
| **Non financial assets measured at cost** | | | | | |
| Investment properties | 7 | - | 5 423.39 | - | 5 423.39 |
| | | | **5 423.39** | **-** | **5 423.39** |

**37.2** The Fair value of current financial assets, current trade payables and loan from related party, measured at amortised cost, are considered to be the same as their carrying amount as they are of short term nature. Hence fair value hierarchy is not given for the same.

**37.3** The carrying amount of non - current financial assets (other than FCCDs) and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. Hence, fair value hierarchy is not given for the same.

**37.4** There are no transfer between level 1, level 2 and level 3 during the year

**37.5 Valuation technique and observable inputs used to determine fair value in level 2**

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors

The fair values of Investment in Debentures are based on discounted cash flow using Income method. Such fair value of FCCDs including interest accrued thereon approximate carrying value as the interest rate is at the prevailing market rate.

**37.6 Valuation technique and unobservable inputs used to determine fair value in level 3**

a The fair value of investment in equity shares of Applewoods Estate private Limited is based on discounted cash flow using income method. Forecasted cash flow used as unobservable input to determine the fair value.

A one percentage change in the unobservable input used in fair valuation has insignificant impact.

**Reconcilliation of investment in equity instruments** (₹ in Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Opening balance | 10 678.41 | 9 423.66 |
| Fair value gain | | 1 254.75 |
| Reversal of fair value effect [1] | ( 7 234.00) | |
| Transfer of investments from fair value through OCI category to investment in associate[1] | ( 3 444.41) | |
| Closing balance | - | 10 678.41 |

[1] On conversion of FCCD during the year, Applewoods Estate Private Limited became the associate of the Company. To account for investment in associate at cost, the fair value effect, on shares of Applewoods Estate Private Limited held by the company prior to conversion of FCCD, has been reversed. Since then fair value disclosure of investment in AEPL is not required.

b As investment in other equity shares of ₹ 0.42 Lacs is not material, the carrying value of such shares is considered to be its fair value.

## 38 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Board of Directors oversee compliance with the Group's risk management policies and procedures, and reviews the risk management framework.

**Market risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest risk and other price risk.

**i Foreign Currency Risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is exposed to foreign currency risk due to import of materials and buyer's credit facility from bank. The company measures risk through sensitivity analysis.

**The Group's exposure to Foreign Currency Risk is as follows:** (In Lacs)

| Particulars | Currency | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| **Financial Liabilities** | | | |
| Buyer's credit facility from bank | USD | 0.00 | 14.28 |
| | INR | 0.00 | 947.17 |
| Trade receivables | USD | 0.35 | 0.41 |
| | INR | 22.93 | 27.30 |

**Sensitivity analysis** (₹ In Lacs)

| Particulars | Impact on profit after tax | |
|---|---|---|
| | 31.03.2017 | 31.03.2016 |
| Increase in USD by 0.5% | 0.75 | 5.63 |
| Increase in USD by 0.5% | (0.75) | (5.63) |

**ii Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group genrally uses buyer's credit facility from bank for a short term period. Interest rate applied for this facility is fixed for that period. Hence Group does not have any interest rate risk.

**ii Other Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group is exposed to price risk mainly because of investments in mutual funds classified as fair value through profit and loss. The Group measures risk through sensitivity analysis. The Group's risk management policy is to mitigate the risk by investments in diversified mutual funds.The Group measures risk through sensitivity analysis.

The Group's exposure to price risk due to investments in mutual fund is as follows: (₹ In Lacs)

| Particulars | 31.03.2017 | 31.03.2016 |
|---|---|---|
| Investments in Mutual Funds | 5 266.51 | 4 118.67 |
| Investment in equity instruments carried at FVTOCI | 0.44 | 10 678.84 |

**Sensitivity Analysis**

**A Investments in Mutual Funds** (₹ In Lacs)

| Particulars | Impact on profit after tax | |
|---|---|---|
| | 31.03.2017 | 31.03.2016 |
| NAV increases by 0.5% | 17.22 | 13.47 |
| NAV decreases by 0.5% | (17.22) | (13.47) |

**B Investment in equity instruments carried at FVTOCI** (₹ In Lacs)

| Particulars | Impact on profit after tax | |
|---|---|---|
| | 31.03.2017 | 31.03.2016 |
| Price increases by 0.5% | 0.00 | 34.92 |
| Price decreases by 0.5% | 0.00 | (34.92) |

**iv Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Group's principal source of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due. Hence no liquidity risk is perceived.

**The table below provide details regarding the contractual maturities of financial liabilities as at:** (₹ In Lacs)

| | Carrying Amount | upto 1 year | 1 - 2 years |
|---|---|---|---|
| **As at March 31, 2017** | | | |
| Non Derivative Financial Liability | | | |
| Trade Payables | 1 547.02 | 1 268.38 | 278.64 |
| Borrowings | 198.86 | 198.86 | - |
| Other financial liabilities | 5 385.24 | 5 385.24 | - |
| **As at March 31, 2016** | | | |
| Non Derivative Financial Liability | | | |
| Trade Payables | 1 298.41 | 1 298.41 | - |
| Borrowings | 1 424.86 | 1 424.86 | - |
| Other financial liabilities | 5 381.61 | 5 381.61 | - |

**v Credit risk**

Credit risk arises primarily from financial assets such as trade receivables, investments in mutual funds, cash and cash equivalent and other balances with banks.

Credit risk arises primarily from financial assets such as trade receivables, investments in mutual funds, cash and cash equivalent and other balances with banks.

In respect of trade receivables, credit risk is being managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. All trade receivables are also reviewed and assessed for default on a regular basis. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more that 10% of total balance of trade receivables.

Crredit risk arising from investment in mutual funds, cash and cash equivalent and other balances with bank is limited as the counterparties are banks and recognised financial institution with high credit ratings.

The maximum exposure to the credit risk at the reporting date from trade recievables amounting to ₹ 6,864.33 Lacs as on March 31, 2017 and ₹ 6,357.96 Lacs as on March 31, 2016.

## 39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lacs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|---|---|---|
| **a Contingent Liabilities** | | |
| i Claims against the company not acknowledged as debt | - | - |
| There are several defamation and other legal cases pending against the Company and its directors. These include criminal and civil cases. The company has also raised counter claims against some of the claimants. The estimated contingency in respect of these cases cannot be ascertained. Based on discussions with the lawyers / solicitors and also the past trend in respect of such cases, the Company believes that there is no present obligation in respect of the above and hence no provision is considered necessary against the same. | | |
| ii Disputed Income tax matters | | 405.96 |
| Group's share in disputed Income tax matters of associate | 1 453.59 | - |
| **b Commitments** | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for. | 805.53 | 400.39 |

## 40 DETAILS OF LOAN GIVEN, INVESTMENT MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

Loans given and investments made are given under the respective heads.

Loans have been utilised by the recipient for their business purpose.

There are no corporate guarantees given by the company in respect of loans as at March 31, 2017

## 41 RELATED PARTIES DISCLOSURE:

**41.1 Related party :**

(a) Name of Key Management Personnel :

| | | |
|---|---|---|
| 1 | Mr. Falgun Patel | Chairman & Managing Director |
| 2 | Mr. Parthiv Patel | Managing Director |
| 3 | Mr. Yogesh Jani | Whole Time Director |
| 4 | Mrs. Pannaben F Patel | Director |
| 5 | Mr. Dhaval Pandya | Company Secretary |
| 6 | Mr. Sanjay Tandon | Chief Financial Officer |

(b) Associate

Applewoods estate private limited

(c) Subsidiary of associate

Stanford Operation and Maintainance Private Limited [(1)]

(d) Enterprise over which Key Management Personnel having control or significant influence: [2]

1 Sandesh Procon LLP
2 Saintfoin Enterprise LLP
3 Scabious Enterprise LLP
4 Satyesh Prochem LLP
5 Satlon Enterprise Private Limited
6 Shri Falgunbhai C Patel (HUF)

(e) Post - employment benefit plan entities

1 Sandesh Employee Gratuity Fund
2 Sandesh Superannuation Fund

(f) Relatives of Key Managerial Personnel:

Ritaben C Patel

[1] No transaction during the year

[2] Related parties with whom transactions during the year taken place have been shown here.

**41.2 Particulars of transactions with related parties. The transactions are disclosed in aggregate value.**

**i For the year 2016 - 17** (₹ in Lacs)

| Sr. No. | Particulars | KMP | Associate | Enterprise over which KMP having control | Relative of KMP | Total |
|---|---|---|---|---|---|---|
| a | **Assets** | | | | | |
| | 1 Purchase of property, plant and equipment | - | 8.26 | 3.18 | - | 11.44 |
| b | **Liabilities** | | | | | |
| | Loan transactions | | | | | |
| | Loan taken | 285.50 | - | - | - | 285.50 |
| | Loan Repayment | 564.33 | - | - | - | 564.33 |
| c | **Incomes** | | | | | |
| | 1 Advertisement revenue | - | 19.94 | 1.12 | - | 21.06 |
| | 2 Interest Income | - | 788.96 | - | - | 788.96 |
| d | **Expenses** | | | | | |
| | 1 Remuneration Expenses | 1 249.81 | - | - | 4.29 | 1 254.10 |
| | 2 Interest Expenses | 42.47 | - | - | - | 42.47 |
| | 3 Rent Expenses | - | - | 9.65 | - | 9.65 |
| | 4 Maintenance Expense | - | 0.26 | .08 | - | .34 |
| | 5 Dividend paid | 79.09 | - | 203.55 | .52 | 283.16 |
| e | Conversion of Debenture into Equity Shares | - | 20 424.89 | - | - | 20 424.89 |
| | Receipt for fractional shares on conversion of FCCDs | - | .06 | - | - | .06 |
| f | **Balance outstanding:-** | | | | | |
| | i Assets | | | | | |
| | 1 Secutiry Deposit | - | - | 132.79 | - | 132.79 |
| | 2 Advertisement Revenue Receivable | - | .70 | .02 | - | .72 |
| | 3 Investment in shares | - | 20 424.89 | - | - | 20 424.89 |
| | 4 Capital Advance | - | 32.26 | - | - | 32.26 |
| | 5 Maintenance Deposit | - | 14.17 | - | - | 14.17 |
| | ii Liabilities | | | | | |
| | 1 Loan taken | 198.86 | - | - | - | 198.86 |
| | 2 Remuneration Payable (including commission) | 1 043.48 | - | - | .36 | 1 043.84 |
| | 3 Advertisement Deposit | - | 10.00 | - | - | 10.00 |

ii **For the year 2015 - 16** (₹ in Lacs)

| Sr. No. | Particulars | | KMP | Enterprise over which KMP having control | Relative of KMP | Total |
|---|---|---|---|---|---|---|
| a | **Assets** | | | | | |
| | 1 | Capital Advance | - | 298.52 | - | 298.52 |
| | 2 | Investment in shares | 1.00 | - | - | 1.00 |
| | 3 | Security Deposit | - | 145.02 | - | 145.02 |
| | 4 | Purchase of Investment property | - | 214.07 | - | 214.07 |
| b | **Incomes** | | | | | |
| | 1 | Advertisement revenue | - | 40.71 | - | 40.71 |
| | 2 | Interest Income | - | 1 674.28 | - | 1 674.28 |
| | 3 | Miscellaneous Income | - | 97.60 | - | 97.60 |
| c | **Expenses** | | | | | |
| | 1 | Remuneration Expenses | 1 390.74 | - | 4.29 | 1 395.03 |
| | 2 | Interest Expenses | 56.87 | - | - | 56.87 |
| | 3 | Rent Expenses | - | 9.57 | - | 9.57 |
| | 4 | Sales Promotion | - | 1.11 | - | 1.11 |
| | 5 | Maintenance Expense | - | .07 | - | .07 |
| | 6 | Reimbursement | - | 10.81 | - | 10.81 |
| | 7 | Dividend paid | 158.47 | 349.71 | 1.50 | 509.68 |
| d | **Balance outstanding:-** | | | | | |
| | i | Assets | | | | |
| | 1 | Investment in debenture | - | 29 739.49 | - | 29 739.49 |
| | 2 | Capital Advance | - | 31.62 | - | 31.62 |
| | 3 | Secutiry Deposit | - | 145.02 | - | 145.02 |
| | 4 | Advertisement Revenue Receivable | - | 3.31 | - | 3.31 |
| | ii | Liabilities | | | | |
| | 1 | Loan taken | 477.69 | - | - | 477.69 |
| | 2 | Advertisement Deposit | - | 10.00 | - | 10.00 |
| | 3 | Remuneration Payable (including commission) | 1 194.10 | - | .36 | 1 194.46 |

iii **Compensation of key managerial personnel of the company**

| Particulars | 2016-17 | 2015-16 |
|---|---|---|
| Short - term employee benefit | 1 207.68 | 1 353.03 |
| Post - employment benefit | 42.13 | 37.70 |
| **Total** | **1 249.81** | **1 390.73** |

41.3 Disclosure of material transactions with Related Party:

(₹ in Lacs)

| Sr. No. | Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|---|
| **a** | **Assets** | | |
| | **1 Capital Advance** | | |
| | Applewoods Estate Private Limited | - | 83.57 |
| | Acquest Estate Private Limited | - | 214.95 |
| | **2 Investment in shares** | | |
| | Sandesh Digital Private Limited | - | 1.00 |
| | **3 Purchase of property, plant and equipment** | | |
| | Sandesh Procon LLP | 3.18 | - |
| | Applewoods Estate Private Limited | 8.26 | - |
| | **4 Security Deposit** | | |
| | Applewoods Estate Private Limited | - | 132.79 |
| | **5 Purchase of investment property** | | |
| | Applewoods Estate Private Limited | - | 86.99 |
| | Acquest Estate Private Limited | - | 127.08 |
| **b** | **Liabilities** | | |
| | **1 Loan transactions** | | |
| | **i Loan taken from** | | |
| | Mr Falgun Patel | 15.50 | - |
| | Mr Parthiv Patel | 110.00 | - |
| | Smt. Pannaben Patel | 160.00 | - |
| | **ii Loan repayment to** | | |
| | Mr Falgun Patel | 10.09 | - |
| | Mr Parthiv Patel | 392.76 | - |
| | Smt. Pannaben Patel | 161.48 | - |
| **c** | **Incomes** | | |
| | **1 Advertisement Revenue** | | |
| | Applewoods Estate Private Limited | 19.94 | 40.24 |
| | Sandesh Procon LLP | 1.12 | - |
| | **2 Interest Income** | | |
| | Applewoods Estate Private Limited | 788.96 | 1 674.28 |
| **d** | **Expenses** | | |
| | 1 Remuneration Expenses | | |
| | **Short - term employee benefit** | | |
| | Mr Falgun Patel | 574.25 | 654.34 |
| | Mr Parthiv Patel | 594.05 | 665.40 |
| | **Post - employment benefit** | | |
| | Mr Falgun Patel | 30.75 | 27.43 |
| | Mr Parthiv Patel | 10.95 | 9.84 |

| Sr. No. | | Particulars | 2016 - 17 | 2015 - 16 |
|---|---|---|---|---|
| | 2 | **Interest Expenses** | | |
| | | Mr Falgun Patel | 1.92 | 1.15 |
| | | Mr Parthiv Patel | 23.36 | 36.29 |
| | | Smt. Pannaben Patel | 17.19 | - |
| | 3 | **Rent Expenses** | | |
| | | Satlon Enterprise Private Limited | 9.65 | 9.57 |
| | 4 | **Sales Promotion** | | |
| | | Acquest Estate Private Limited | - | 1.11 |
| | 5 | **Maintenance Expense** | | |
| | | Acquest Estate Private Limited | .08 | .07 |
| | | Applewoods Estate Private Limited | .26 | - |
| | 6 | **Reimbursement** | | |
| | | Applewoods Estate Private Limited | - | 10.81 |
| | 7 | **Dividend paid** | | |
| | | Mr Parthiv Patel | 49.77 | 107.02 |
| | | Satlon Enterprise Private Limited | - | 170.11 |
| | | Mr Falgun Patel | 19.32 | - |
| | | Mrs. Panna Patel | 10.00 | - |
| | | Shri Falgunbhai C Patel (HUF) | 9.27 | - |
| | | Mrs. Rita Patel | .52 | - |
| | | Saintfoin Enterprise LLP | 14.94 | - |
| | | Scabious Enterprise LLP | 21.04 | - |
| | | Satyesh Prochem LLP | 158.30 | 26.90 |
| e | **Conversion of Debenture into Equity Shares** | | | |
| | Applewoods Estate Private Limited | | 20 424.89 | - |

## 42 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on November 8, 2016 | 62 08 000 | 7 59 833 | 69 67 833 |
| (+) Permitted receipts | | 5 75 24 211 | 5 75 24 211 |
| (-) Permitted payments | | 1 32 43 052 | 1 32 43 052 |
| (-) Amount deposited in Banks | 62 08 000 | 3 59 12 265 | 4 21 20 265 |
| Closing cash in hand as on December 30, 2016 | - | 91 28 727 | 91 28 727 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 08, 2016.

## 43 INTERESTS IN SUBSIDIARIES AND ASSOCIATES

### 43.1 Details of subsidiary and associates are set out below:

| Name of the entity | Relation | Place of business | Ownership interest held by the group | |
|---|---|---|---|---|
| | | | March 31, 2017 | March 31, 2016 |
| Sandesh Digital Private Limited | Subsidiary | Ahmedabad | 100% | 100% |
| Applewoods Estate Private Limited | Associate * | Ahmedabad | 21.45% | - |

* Associate is accounted for as per Equity Method.

**43.2** Since subsidiary is wholly owned by the parent company, summarised financial information of subsidiary is not required to be given.

**43.3** Summarised financial information of associate

**(i) Financial position as at March 31, 2017** (₹ in Lacs)

| Particulars | Amount |
|---|---|
| Non - current assets | 896.24 |
| Current assets | 64 282.23 |
| Non - current liabilities | 2 434.61 |
| Current liabilities | 13 560.41 |

**(ii) Financial performance for the period from June 01, 2016 to March 31, 2017**
(since Applewoods Estate Private Limited became the associate of the company from June 01, 2016) (₹ in Lacs)

| Particulars | Amount |
|---|---|
| Revenue | 18 051.73 |
| Profit | 621.43 |
| Other comprehensive income | 2.09 |
| Total comprehensive income | 623.52 |

**43.2 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.**

(₹ in Lacs)

| Name of the entity | Net Assets (i.e. total assets minus total liabilities) | | Share in profit after tax | | Share in Other Comprehensive income (OCI) | | Share in Total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | 2016-17 | | 2016-17 | | 2016-17 | | 2016-17 | |
| | As % of consolidated net assets | Amount | As % of consolidated profit | Amount | As % of consolidated OCI | Amount | As % of consolidated TCI | Amount |
| Parent Company - The Sandesh Limited | 60.30% | 35 661.03 | 97.37% | 7 089.10 | 90.05% | 5.97 | 97.36% | 7 095.07 |
| Subsidiary Company - Sandesh Digital Private Limited | 0.14% | 79.75 | 0.80% | 58.10 | 3.16% | .21 | 0.80% | 58.31 |
| Non - Controlling Interest in Subsidiary Company | - | - | - | - | - | - | - | - |
| Associate Company - Applewoods Estate Private Limited | 39.56% | 23 396.26 | 1.83% | 133.30 | 6.79% | .45 | 1.84% | 133.75 |
| Total | 100.00% | 59 137.04 | 100.00% | 7 280.50 | 100.00% | 6.63 | 100.00% | 7 287.13 |

| Name of the entity | Net Assets (i.e. total assets minus total liabilities) | | Share in profit after tax | | Share in Other Comprehensive income (OCI) | | Share in Total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | 2016-17 | | 2016-17 | | 2016-17 | | 2016-17 | |
| | As % of consolidated net assets | Amount | As % of consolidated profit | Amount | As % of consolidated OCI | Amount | As % of consolidated TCI | Amount |
| Parent Company - The Sandesh Limited | 99.96% | 57 013.83 | 99.74% | 7 969.25 | 100.00% | 821.58 | 99.77% | 8 790.83 |
| Subsidiary Company - Sandesh Digital Private Limited | 0.04% | 21.44 | 0.26% | 20.44 | - | - | 0.23% | 20.44 |
| Non - Controlling Interest in Subsidiary Company | - | - | - | - | - | - | - | - |
| Total | 100.00% | 57 035.27 | 100.00% | 7 989.69 | 100.00% | 821.58 | 100.00% | 8 811.27 |

## 44 SEGMENT INFORMATION

### 44.1 Business segments

The Company has identified two business segments namely Media and Finance based on the information reviewed by the Company's Chief Operating Decision Maker ('CODM').

### 43.2 Segment information for the years ended / as at March 31, 2017 and March 31, 2016 :

(₹ in Lacs)

| | Particulars | Media | | Finance | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 | 2016 - 17 | 2015 - 16 |
| 1 | **Segment Revenue** | | | | | | | | |
| | Revenue from external customers | 34 338.45 | 34 254.77 | 1 809.93 | 3 252.84 | 277.55 | 12.57 | 36 425.93 | 37 520.18 |
| 2 | **Segment Result before exceptional items** | 9 070.58 | 8 961.80 | 1 543.53 | 2 929.74 | 9.26 | ( 2.12) | 10 623.37 | 11 889.42 |
| | Add: Exceptional Items | 41.07 | .52 | - | - | - | - | 41.07 | 0.52 |
| | Segment result after exceptional items | 9 111.65 | 8 962.32 | 1 543.53 | 2 929.74 | 9.26 | (2.12) | 10 664.44 | 11 889.94 |
| | Add : Unallocable income | | | | | | | 633.97 | 425.83 |
| | Less : Unallocable expense | | | | | | | 2.00 | - |
| | **Profit before Tax** | | | | | | | **11 296.41** | **12 315.77** |
| | Current Tax | - | - | - | - | - | - | 3 786.47 | 4 382.40 |
| | Deferred Tax | - | - | - | - | - | - | 229.43 | ( 56.32) |
| | **Profit After Tax** | | | | | | | **7 280.51** | **7 989.69** |
| 3 | **Other Information** | | | | | | | | |
| | Segment Assets | 23 409.12 | 18 452.27 | 10 978.93 | 25 849.22 | 137.19 | 140.01 | 34 525.24 | 44 441.50 |
| | Add : Unallocable assets | | | | | | | 34 759.01 | 25 797.91 |
| | **Total assets** | **23 409.12** | **18 452.27** | **10 978.93** | **25 849.22** | **137.19** | **140.01** | **69 284.25** | **70 239.41** |
| | Segment Liabilities | 9 333.36 | 9 684.83 | 198.86 | 477.69 | - | - | 9 532.22 | 10 162.52 |
| | Add : Unallocable liabilities | - | - | - | - | - | - | 614.99 | 3 041.03 |
| | **Total liabilities** | **9 333.36** | **9 684.83** | **198.86** | **477.69** | **-** | **-** | **10 147.21** | **13 203.55** |
| | Capital Expenditure | 1 307.46 | 916.96 | .00 | .00 | .00 | .00 | 1 307.46 | 916.96 |
| | Depreciation and Amortisation | 774.30 | 771.11 | - | - | - | - | 774.30 | 771.11 |

**44.3** There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

As per our report of even date attached.

**For, Manubhai & Shah LLP**
Chartered Accountants
ICAI Firm Registration No. : 106041W/W100136

**K. B. SOLANKI**
Partner
Membership No. 110299
Place : Ahmedabad
Date : May 27, 2017

**Falgunbhai Patel**
(DIN: 00050174)
Chairman & Managing Director

**Parthiv Patel**
(DIN: 00050211)
Managing Director

**Sanjay Kumar Tandon**
Chief Financial Officer

**Dhaval Pandya**
Company Secretary

Place : Ahmedabad
Date : May 27, 2017

**THE SANDESH LIMITED**
(CIN: L22121GJ1943PLC000183)
Registered Office: 'Sandesh Bhavan', Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad-380054 (Gujarat-India)
Email: investorsgrievance@sandesh.com Website: www.sandesh.com Phone: 079-40004000, Fax: 079-40004242

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint shareholders may obtain additional Slip at the venue of Meeting

| | | | |
|---|---|---|---|
| **DP ID*** | | **Folio No.** | |
| **Client ID** | | **No. of Shares** | |

NAME AND ADDRESS OF THE SHAREHOLDER ____________________

____________________

I hereby record my presence at the **74th ANNUAL GENERAL MEETING** of the Company held on **Friday**, **September 22, 2017** at **10:00 A.M.** at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 (Gujarat-India).

* Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

---

**THE SANDESH LIMITED**
(CIN: L22121GJ1943PLC000183)
Registered Office: 'Sandesh Bhavan', Lad Society Road, B/h. Vastrapur Gam, P.O. Bodakdev, Ahmedabad-380054 (Gujarat-India)
Email: investorsgrievance@sandesh.com Website: www.sandesh.com Phone: 079-40004000, Fax: 079-40004242

## FORM OF PROXY

(Form MGT-11)
(Pursuant to section 105(6) of The Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014 - Form MGT-11)

| | |
|---|---|
| **Name of the Member(s):** | |
| **Registered Address:** | |
| **E-mail ID:** | |
| **Folio No. / Client ID:** | |
| **DP ID:** | |

I/We, being the member(s) of ____________ shares of the Company, hereby appoint:

1. Name : ____________
   Address : ____________
   Email ID : ____________ Signature : ____________ or failing him;
2. Name : ____________
   Address : ____________
   Email ID : ____________ Signature : ____________ or failing him;
3. Name : ____________
   Address : ____________
   Email ID : ____________ Signature : ____________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **74th Annual General Meeting** of the Company, to be held on **Friday**, **September 22, 2017** at **10:00 A.M.** at Gujarat Law Society Auditorium, G.L.S. College Campus, Opp. Law Garden, Ellisbridge, Ahmedabad-380006 and at any adjournment thereof in respect of such resolutions as are indicated below:

**[PTO]**

| Resolution No. | Particulars of Resolutions | Optional* | |
|---|---|---|---|
| | | For | Against |
| **Ordinary Business:** | | | |
| 1 | Ordinary Resolution to consider and adopt Audited Financial Statement (including consolidated financial statements) for the year ended **March 31, 2017** | | |
| 2 | Ordinary Resolution to confirm the interim dividend declared and paid as final dividend | | |
| 3 | Ordinary Resolution for re-appointment of **Shri Yogesh Jani (DIN 06495782)** as a Director of the Company, who retires by rotation | | |
| 4 | Ordinary Resolution for ratification of appointment of M/s. Manubhai & Shah LLP, Chartered Accountants as Auditors of the Company and fixing their remuneration | | |
| **Special Business:** | | | |
| 5 | Ordinary Resolution for re-appointment of **Shri Parthiv F. Patel** (**DIN 00050211**) as Managing Director | | |

Signed this ________________ day of ________________, 2017

Signature of shareholder ________________________

Signature of Proxy holder(s) ________________________

Affix
Revenue
Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than **48 hours** before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. A person can act as a proxy on behalf of members not exceeding **fifty (50)** and holding in the aggregate not more than **ten per cent (10%)** of the total share capital of the Company carrying voting rights. A member holding more than **ten per cent (10%)** of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The Member may vote either for or against each resolution. It is optional* to put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Proxy need not be a Member of the Company.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please complete all details including details of member(s) in above box before submission.
8. Appointing a proxy does not prevent a member from attending the Annual General Meeting in person if he / she so wishes.
9. The Company reserves the right to ask for identification of the Proxy.

# DISPATCH OF DOCUMENTS THROUGH ELECTRONIC MODE

**To the Members,**
**THE SANDESH LIMITED**

The Ministry of Corporate Affairs (MCA), Government of India, vide its Circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed the companies to send official documents including annual reports to their shareholders electronically as part of its Green Initiative in Corporate Governance. The Company has informed all its Members, who have registered their e-mail address with the Depositary / Company, about the Company adopting the practice of sending documents including Annual Report through email. The Members who have not registered their email addresses are also appealed to register their e-mail addresses and opt for receiving all the communication through e-mail. Annual Report for the Financial Year **2016-17** including the Notice convening **74th** Annual General Meeting are also sent in electronic mode to such Members of the Company.

The Members of the Company are appealed to have their email addresses registered and opt for electronic delivery and contribute to the cause of Green Initiative. Kindly fill up the form given here below and send it to us.

Please note that physical copies of the Annual Report for the Financial Year **2016-17** including the Notice convening **74th** Annual General Meeting are sent to those Members who have specifically intimated the Company in this regard and also to those Members who have not yet registered their e-mail addresses for such electronic delivery. Annual Report for the Financial Year **2016-17** including the Notice convening **74th** Annual General Meeting are also available on the website of the Company i.e. www.sandesh.com.

**Registration Form for E-communication**
(In terms of Circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)

| | |
|---|---|
| Folio No. / DPID & Client ID : | |
| Name of First Registered Holder: | |
| Name of Joint Holder(s): | |
| Registered Address: | |
| E-mail ID (to be registered): | |

I / We, member(s) of The Sandesh Limited, agree to receive all communication from the Company in electronic mode.

Please register the above mentioned e-mail address in the records of the Company for sending communication through e-mail.

Signature:
(First Holder)

Date:

**Notes:**

1. On registration, all the documents / communication will be sent to the e-mail address registered for the folio.
2. The Members are requested to keep the Company / Depository Participants informed as and when there is any change in the above e-mail address.

**NOTES:**

**NOTES:**

**NOTES:**

Sandesh
shaping tomorrow

સંદેશ | સંદેશ news | સંદેશ Spotlight | સંદેશ MOBILE APP | Sandesh.com | અંગ્રેજી સંદેશ

**THE SANDESH LIMITED**
(CIN – L22121GJ1943PLC000183)
**Regd. Office :**
"Sandesh Bhavan", Lad Society Road,
B/h. Vastrapur Gam, P.O. Bodakdev,
Ahmedabad-380054 (Guj.)
**Email:** investorsgrievance@sandesh.com
**Contact No. :** (079) 40004000, 40004175 & 40004319
**Fax No. :** (079) 40004242 **Website:** www.sandesh.com