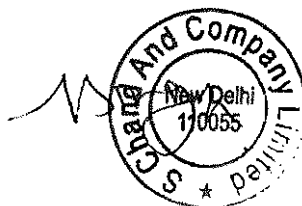


Name of the Company: S Chand And Company Limited

(Rs. in Crores)

| S Chand And Company Limited | As per last Audited Financial Year | 1 year prior to the last Audited Financial Year | 2 years prior to the last Audited Financial Year | Financials for half year ended 30.09.2017 |
|-------------------------------|---------------------------------------|---|--|--|
| | 2016-17 | 2015-16 | 2014-15 | |
| Equity Paid up Capital | 14.92 | 0.20 | 0.22 | 17.42 |
| Reserves and surplus | 496.19 | 483.80 | 297.88 | 774.61 |
| Carry forward losses | - | - | - | (18.01) |
| Net Worth | 511.12 | 484.00 | 298.09 | 792.03 |
| Miscellaneous Expenditure | - | - | - | - |
| Secured Loans | 210.92 | 83.00 | 116.79 | 51.52 |
| Unsecured Loans | - | - | - | - |
| Fixed Assets | 24.99 | 25.64 | 26.76 | 23.89 |
| Income from Operations | 301.35 | 279.56 | 234.83 | 46.71 |
| Total Income | 310.80 | 291.30 | 243.29 | 57.22 |
| Total Expenditure | 267.38 | 265.64 | 231.37 | 85.17 |
| Profit before Tax | 43.42 | 25.66 | 11.93 | (27.95) |
| Profit after Tax | 27.10 | 16.27 | 8.02 | (18.10) |
| Cash profit | 50.68 | 33.06 | 19.97 | (26.23) |
| EPS (in Rs. per share) | 9.08 | 5.96 | 3.19 | (5.35) |
| Book value (in Rs. per share) | 171.26 | 177.46 | 118.46 | 234.00 |



Name of the Company: Safari Digital Education Initiatives Private Limited

(Rs. in Crores)

| Safari Digital Education Initiatives Pvt. Ltd | As per last Audited Financial Year | 1 year prior to the last Audited Financial Year | 2 years prior to the last Audited Financial Year | Financials for half year ended 30.09.2017 |
|---|------------------------------------|---|--|---|
| | 2016-17 | 2015-16 | 2014-15 | |
| Equity Paid up Capital | 44.37 | 44.37 | 42.82 | 44.37 |
| Reserves and surplus | (6.39) | (3.15) | (1.17) | (10.47) |
| Carry forward losses | (3.24) | (1.99) | (0.70) | (4.08) |
| Net Worth | 37.98 | 41.22 | 41.65 | 33.90 |
| Miscellaneous Expenditure | - | - | - | - |
| Secured Loans | - | - | - | - |
| Unsecured Loans | 31.80 | 23.01 | 0.47 | 34.91 |
| Fixed Assets | 6.64 | 2.73 | - | 6.27 |
| Income from Operations | 5.96 | 2.82 | 1.35 | 1.25 |
| Total Income | 6.63 | 3.22 | 1.40 | 2.14 |
| Total Expenditure | 9.87 | 5.20 | 2.10 | 6.22 |
| Profit before Tax | (3.24) | (1.99) | (0.70) | (4.08) |
| Profit after Tax | (3.24) | (1.99) | (0.70) | (4.08) |
| Cash profit | (2.81) | (1.94) | (0.70) | (3.70) |
| EPS (in Rs. per share) | (0.73) | (0.45) | (0.21) | (0.92) |
| Book value (in Rs. per share) | 8.56 | 9.29 | 12.35 | 7.64 |



Name of the Company: DS Digital Private Limited

(Rs. in Crores)

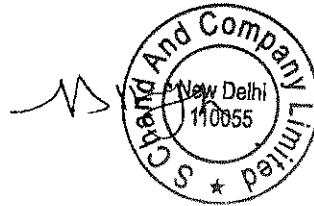
| DS Digital Pvt. Ltd | As per last Audited Financial Year | 1 year prior to the last Audited Financial Year | 2 years prior to the last Audited Financial Year | Financials for half year ended 30.09.2017 |
|-------------------------------|---------------------------------------|---|--|---|
| | 2016-17 | 2015-16 | 2014-15 | |
| Equity Paid up Capital | 56.90 | 40.90 | 40.90 | 56.90 |
| Reserves and surplus | (31.96) | (25.37) | (22.06) | (36.27) |
| Carry forward losses | (6.59) | (3.31) | (5.25) | (4.31) |
| Net Worth | 24.94 | 15.53 | 18.84 | 20.63 |
| Miscellaneous Expenditure | - | - | - | - |
| Secured Loans | 4.54 | 5.36 | 3.57 | 7.98 |
| Unsecured Loans | 6.80 | 6.50 | 0.94 | 9.37 |
| Fixed Assets | 25.74 | 23.77 | 24.45 | 23.35 |
| Income from Operations | 29.27 | 23.40 | 15.78 | 8.80 |
| Total Income | 29.32 | 23.43 | 15.78 | 8.80 |
| Total Expenditure | 35.91 | 26.74 | 21.03 | 13.12 |
| Profit before Tax | (6.59) | (3.31) | (5.25) | (4.31) |
| Profit after Tax | (6.59) | (3.31) | (5.25) | (4.31) |
| Cash profit | (1.69) | 0.78 | (0.48) | (1.64) |
| EPS (in Rs. per share) | (1.90) | (0.95) | (1.51) | (1.24) |
| Book value (in Rs. per share) | 7.18 | 4.47 | 5.42 | 5.94 |



Name of the Company: Blackie & Son (Calcutta) Private Limited

(Rs. in Crores)

| Blackie & Son (Calcutta) Pvt. Ltd. | As per last Audited Financial Year | 1 year prior to the last Audited Financial Year | 2 years prior to the last Audited Financial Year | Financials for half year ended 30.09.2017 |
|------------------------------------|---------------------------------------|---|--|---|
| | 2016-17 | 2015-16 | 2014-15 | |
| Equity Paid up Capital | 0.01 | 0.01 | 0.01 | 0.01 |
| Reserves and surplus | 6.74 | 6.62 | 6.56 | 6.72 |
| Carry forward losses | - | - | - | - |
| Net Worth | 6.75 | 6.64 | 6.58 | 6.74 |
| Miscellaneous Expenditure | - | - | - | - |
| Secured Loans | - | - | - | - |
| Unsecured Loans | - | - | - | - |
| Fixed Assets | 0.01 | 0.05 | 0.09 | 0.00 |
| Income from Operations | 0.27 | 0.72 | 3.70 | - |
| Total Income | 0.27 | 0.83 | 3.70 | 0.00 |
| Total Expenditure | 0.09 | 0.74 | 3.00 | 0.02 |
| Profit before Tax | 0.17 | 0.08 | 0.69 | (0.02) |
| Profit after Tax | 0.12 | 0.06 | 0.44 | (0.02) |
| Cash profit | 0.21 | 0.12 | 0.80 | (0.02) |
| EPS (in Rs. per share) | 7,746.44 | 3,962.78 | 29,265.12 | (1,164.93) |
| Book value (in Rs. per share) | 453,207.21 | 445,460.78 | 441,498.01 | 452,042.28 |



Name of the Company: Nirja Publishers & Printers Private Limited

(Rs. in Crores)

| Nirja Publishers and Printers Pvt. Ltd. | As per last Audited Financial Year | 1 year prior to the last Audited Financial Year | 2 years prior to the last Audited Financial Year | Financials for half year ended 30.09.2017 |
|---|------------------------------------|---|--|---|
| | 2016-17 | 2015-16 | 2014-15 | |
| Equity Paid up Capital | 0.01 | 0.01 | 0.01 | 0.01 |
| Reserves and surplus | 68.59 | 64.73 | 52.13 | 69.20 |
| Carry forward losses | - | - | - | - |
| Net Worth | 68.60 | 64.74 | 52.15 | 69.21 |
| Miscellaneous Expenditure | - | - | - | - |
| Secured Loans | 3.81 | 8.57 | 7.08 | 0.20 |
| Unsecured Loans | - | - | - | - |
| Fixed Assets | 1.91 | 2.11 | 2.05 | 4.01 |
| Income from Operations | 25.40 | 48.77 | 44.53 | 1.88 |
| Total Income | 28.00 | 50.12 | 44.58 | 3.30 |
| Total Expenditure | 22.52 | 33.56 | 32.11 | 2.68 |
| Profit before Tax | 5.48 | 16.57 | 12.47 | 0.61 |
| Profit after Tax | 3.86 | 12.60 | 9.46 | 0.61 |
| Cash profit | 5.83 | 16.96 | 12.98 | 1.01 |
| EPS (in Rs. per share) | 3,216.16 | 10,496.31 | 7,884.72 | 509.67 |
| Book value (in Rs. per share) | 57,167.79 | 53,951.62 | 43,455.32 | 57,677.46 |





S. CHAND
PUBLISHING



empowering

YOUNG MINDS

S CHAND AND COMPANY LIMITED
ANNUAL REPORT 2016-17



At S Chand, we consider this an exciting time to be a leading knowledge content provider in India. We have a sustainable digital strategy in place, innovating and testing new products across the spectrum of digital content consumption. We have strategically invested in early stage education companies, pairing our experience, content library, distribution reach and brand equity with innovative technology driven solutions. By focusing on new media solutions and hybrid content materials, we venture to maintain our leading position in the changing education market.

Additionally, with growing disposable incomes and attractive employment prospects in the service sector, Indian parents are becoming more attuned to the importance of a quality education. The number of private and public schools are on the rise: enrolment rates in private institutions are increasing, while drop-out rates are decreasing. Not only is the literacy rate increasing, but the quality of students is also improving.

With the opportunity for growth in the education sector in mind, we have made strategic investments to capture an even larger share of the market over the next few years. Not only are we aiming to widen our pan-India presence in private and public schools, we also endeavour to fill any gaps in our market, ensuring that we are diversified and ready for the future. Constantly

checking that the quality and relevance of all our offerings are up to the mark, we have the best talent in the industry authoring and editing our content, while our expert sales and marketing team leverage our established distribution network to reach as many students and educators as possible.

Helping individuals achieve their education and career goals is S Chand's priority. Leveraging our experience in the industry, while embracing changing trends, has enabled us to empower India's future for the past eight decades. We will continue to do so in the future.

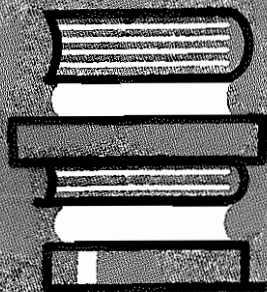
We have already begun to see the early shoots from our strategic efforts. Confident for the future, we aspire to be an enduring value producer and a long term wealth creator for our investors.

The Education Sector is a key contributor to the prosperous economic growth of India, and is changing for the better. Making content more accessible and helping overcome geographical barriers, technology is playing a larger role in the education sector. As digital portable devices become increasingly common, the consumption medium of content is changing, adding value to the education experience.



NOW is the time for
S Chand to *grow*,
both organically and
inorganically. Recent
economic indicators and
industry developments
have promised an
increasing market size.
Changing demographics
and preferences have
shone a new light on the
private education sector,
creating *the perfect*
environment for S Chand
to prosper.

×



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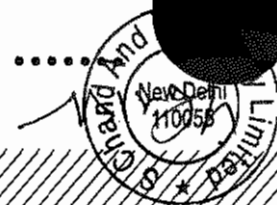


S Chand's **FUTURE** is dependent on changing *content consumption trends*. Having invested in multiple early stage tech companies, the Company is testing this new market with innovative and disruptive technology driven solutions. By pairing its print content library with digital and hybrid solutions, S Chand is ready to meet the *content needs of all their consumer stakeholders.*



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Desh Raj Dogra: *Chairman and Independent Director*
 Mr. Himanshu Gupta: *Managing Director*
 Mr. Dinesh Kumar Jhunjhnuwala: *Whole Time Director*
 Ms. Archana Capoor: *Independent Director*
 Mr. Sanjay Vijay Bhandarkar: *Independent Director*
 Mr. Deep Mishra: *Non-Executive Director*
 Ms. Savita Gupta: *Non-Executive Director*
 Mr. Gaurav Kumar Jhunjhnuwala: *Non-Executive Director*

CHIEF FINANCIAL OFFICER

Mr. Saurabh Mittal

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Jagdeep Singh

KEY MANAGEMENT TEAM

Mr. Samir Khurana:
Group Head – Strategy & Investments

Mr. K M Thomas:
Business Head – S Chand

Mr. Sumit Biswas:
CEO & Director – Chhaya

Mr. Naveen Rajlani:
Business Head – Madhubun

Mr. Vinay Sharma:
Business Head – Digital

Mr. Shammi Manik:
Business Head – Saraswati

Mr. Ashish Gupta
Group Head – New Initiatives

REGISTERED OFFICE

Ravindra Mansion, Ram Nagar,
 New Delhi-110055
 Tel: 91 11 66672000
 Fax: 91 11 23677446

CORPORATE OFFICE

A-27, Second Floor,
 Mohan Co-operative Industrial Estate,
 New Delhi 110044
 Tel.: 91 11 4973 1800
 Fax: 91 91 11 4973 1801
 website: www.schandgroup.com

STATUTORY AUDITORS

S. R. Batliboi & Associates LLP,
 Chartered Accountants (Firm Registration No. 101049W)

SECRETARIAL AUDITOR

Mr. R. S. Bhatia,
 Company Secretary in Practice

REGISTRAR AND TRANSFER AGENT

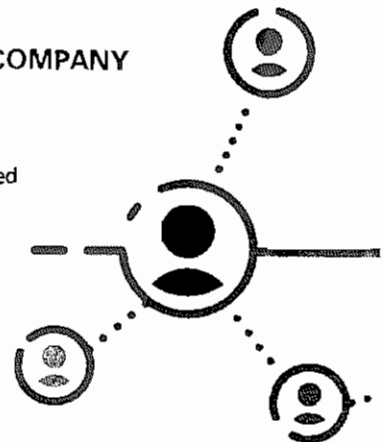
Link Intime India Private Limited
 44, Community Centre, 2nd Floor,
 Near PVR Naraina, Phase-I
 Naraina Industrial Area, New Delhi - 110028.
 Tel.: +91 11 4141 0592, 93, 94
 Fax: +91 11 4141 0591

PRINTING FACILITIES

- 20/4, Site IV, Industrial Area, Sahibabad,
 Ghaziabad (Uttar Pradesh) - 201010
- Khasra No. 54/3/2, Jindal Paddy Products Compound,
 Kashipur Road, Rudrapur- Distt- U.S Nagar,
 Uttaranchal - 263153.

BANKERS TO THE COMPANY

HDFC Bank Limited
 IndusInd Bank Limited
 Kotak Mahindra Bank Limited
 DBS Bank Limited
 Standard Chartered Bank
 Yes Bank Limited
 DCB Bank



AT A GLANCE

S Chand

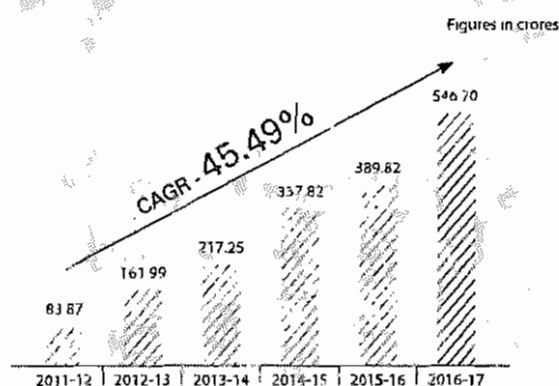
is a leading education content company, focusing on the fully integrated creation and dissemination of educational content and solutions, to all parties involved in the education industry.



K-12 Content: Our Key Segment

The K-12 Content business constitutes around **80%** of our consolidated revenues, registering **organic revenue growth of ~ 20%** over the last five years.

S Chand growth anchored by leadership in K-12 segment



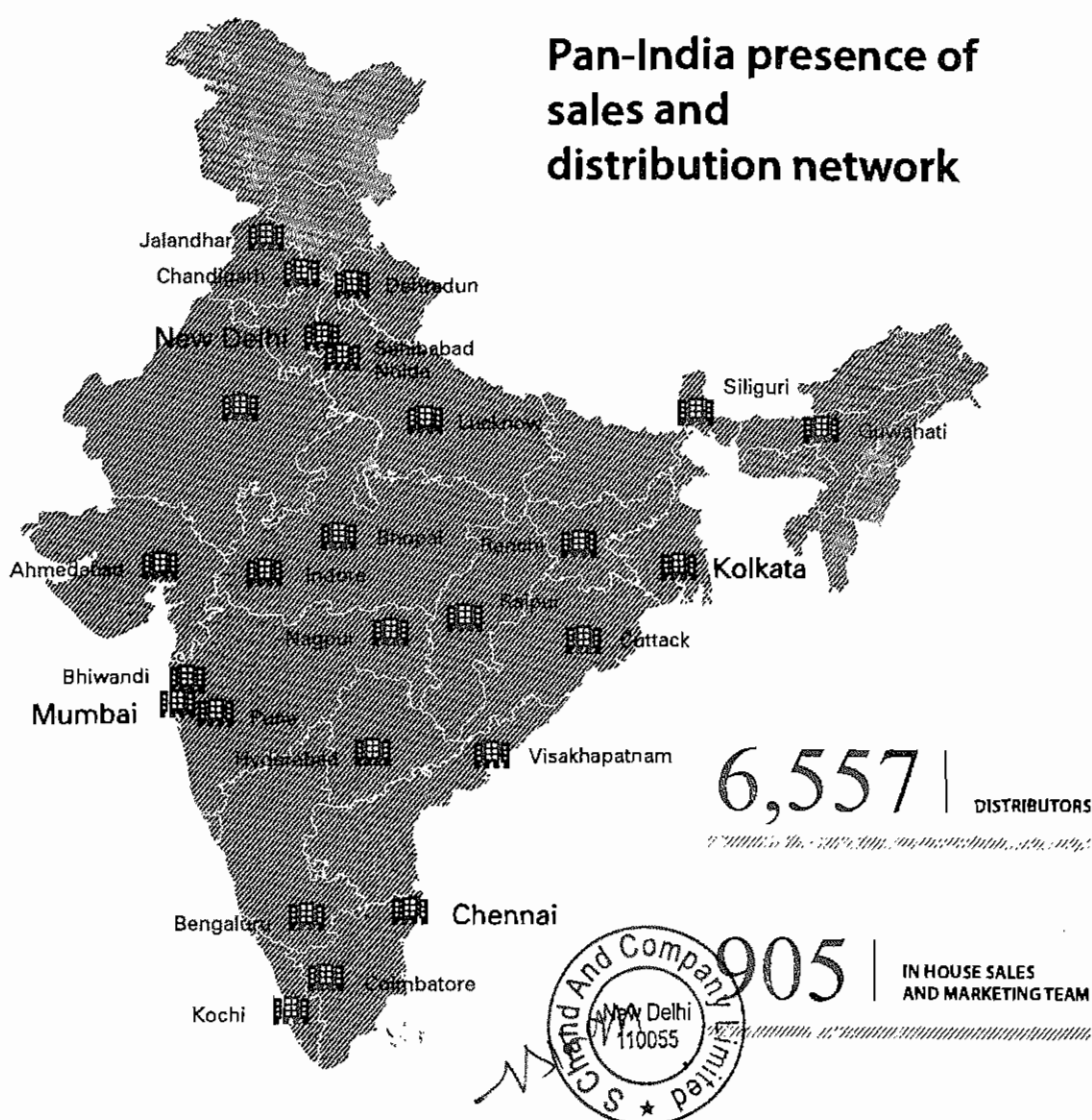
- Most S Chand brands provide core subject offerings (mathematics, science etc.)
- Hybrid offerings provide more value per unit to student compared to pure print content

Growth Strategy

- Consolidate leadership in CBSE/ ICSE schools.
- Geographical diversification in state board schools
- Higher share of education spend with enhanced content offerings.
- Continuous content development



In December 2016, we acquired 74% of Chhaya Prakashani Private Limited, diversifying our presence into the state board content market.

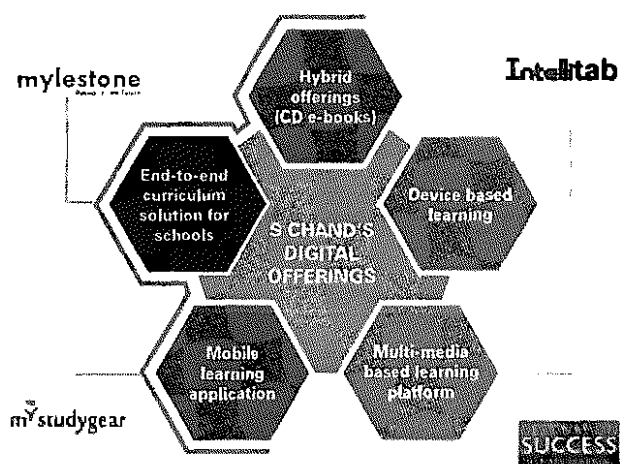


AT A GLANCE (contd.)

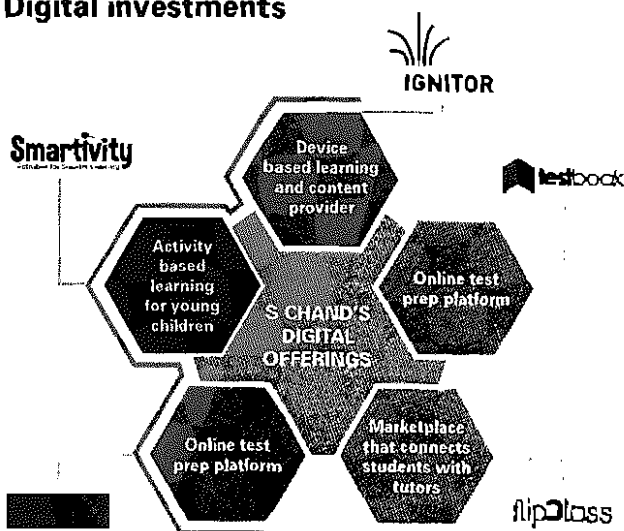


In Fiscal 2017, our digital business grew in excess of 30% YOY and we successfully launched our curriculum solutions business, Mylestone

Inhouse digital / service platforms



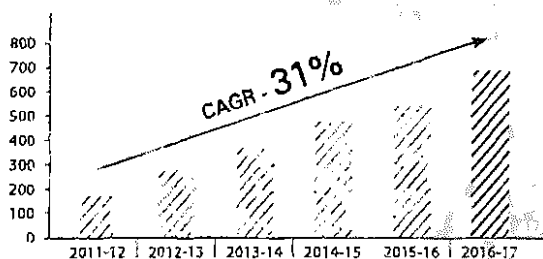
Digital investments



Consolidated operating revenues crossed US\$ 100 Mn in FY 2016-17.

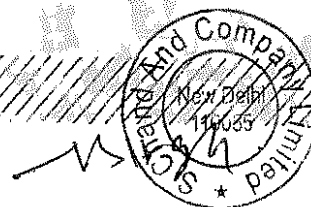
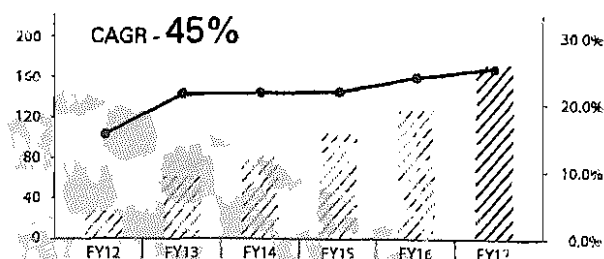
CONSOLIDATED REVENUE GROWTH

Figures in crores



CONSOLIDATED EBITDA GROWTH

Figures in crores



Well recognised consumer facing brands in the education space



2,434 | AUTHOR
RELATIONSHIPS

13,033 | TITLES

48.3 | GROSS COPIES
million SOLD

59 | CONSUMER BRANDS



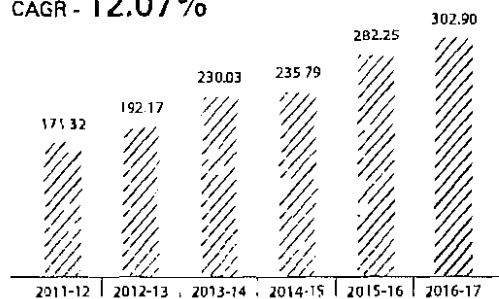
FINANCIAL HIGHLIGHTS

STANDALONE FINANCIAL PERFORMANCE

Figures in crores

CAGR - 12.07%

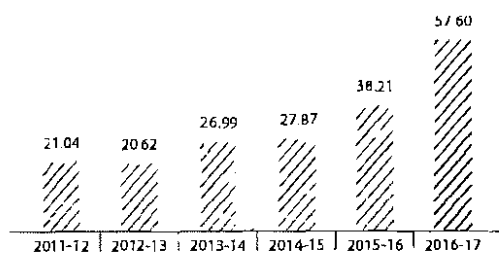
GROSS REVENUES



Figures in crores

CAGR - 22.32%

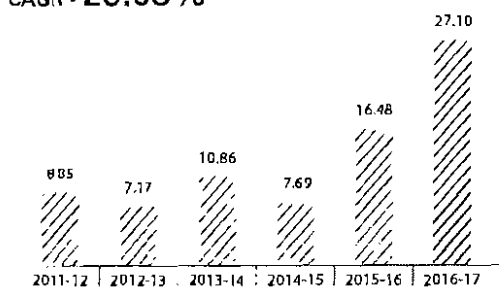
EBIDTA



Figures in crores

CAGR - 25.08%

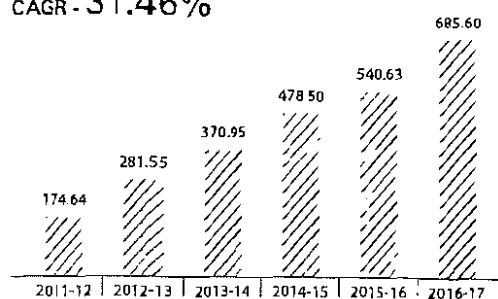
NET PROFIT



CONSOLIDATED FINANCIAL PERFORMANCE

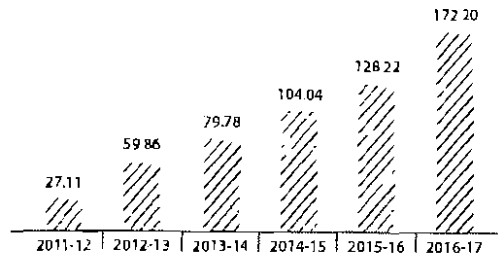
Figures in crores

CAGR - 31.46%



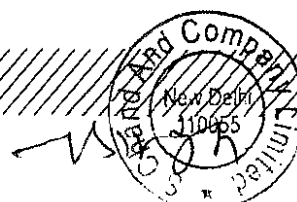
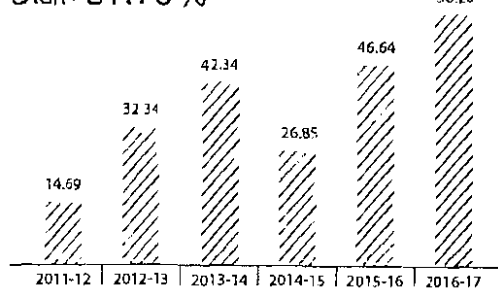
Figures in crores

CAGR - 44.74%



Figures in crores

CAGR - 31.70%

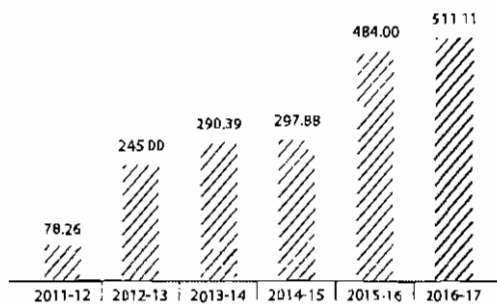


EBITDA has grown at a CAGR of 45% in last five years, reaching ₹ 1,722 million in FY2017

STANDALONE FINANCIAL PERFORMANCE

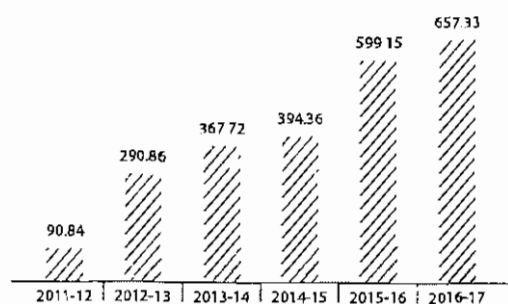
Figures in crores

SHAREHOLDER FUNDS



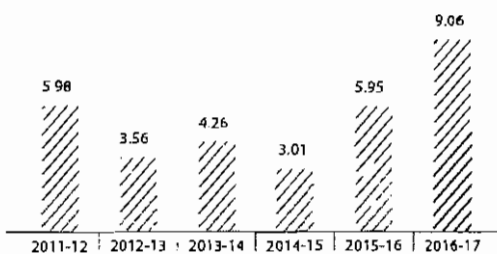
CONSOLIDATED FINANCIAL PERFORMANCE

Figures in crores

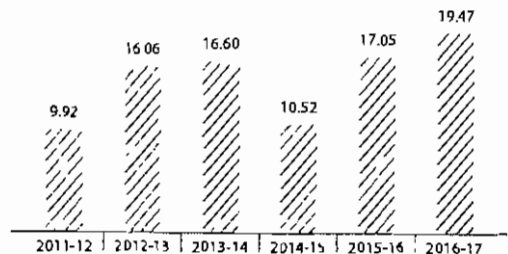


₹ per share on face value of ₹ 5, adjusted for bonus shares

EARNING PER SHARE



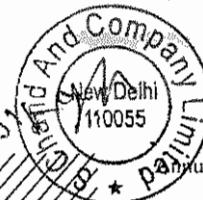
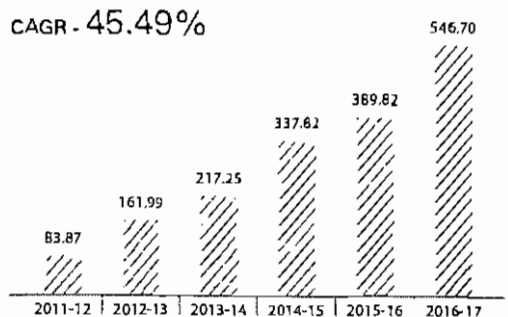
₹ per share on face value of ₹ 5, adjusted for bonus shares



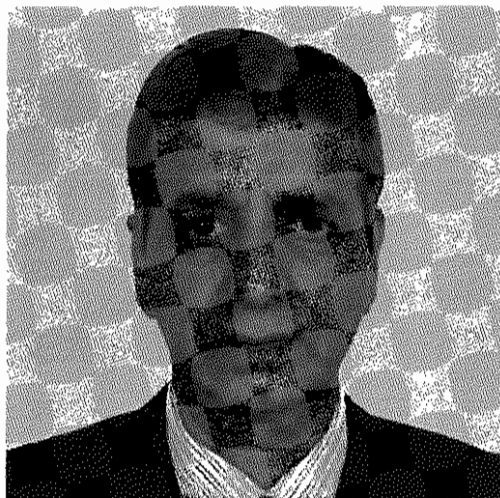
Figures in crores

CAGR - 45.49%

K-12 REVENUES



CHAIRMAN'S MESSAGE



“S Chand has made strategic investments to meet the challenges of doing business in a dynamic market. We believe in continuously keeping in touch with changing trends, and responding with necessary actions from our side.

D R Dogra
Chairman

Dear Shareholders,

I am delighted to present S Chand's maiden Annual Report for FY17 after our successful IPO this year, which made it a momentous year for all of us. Your company has been in existence for over 70 years and has now entered the 'corporate frame' after going public. This gives greater recognition to our brand, but also imposes additional responsibility on the management to keep performing better all the time.

The brand of S Chand is very well established in the education space and a sizeable part of the populace has been exposed directly or indirectly to the education material published by us, which has actually made S Chand literally a household name. Your support in making our IPO successful gives us more confidence to aim for higher levels of achievement as this is the only way that we can meet the expectations of all our shareholders.

In our kind of business the stakeholders are all the nameless institutions, teachers and students who are constantly looking for access to education material which is of high quality which meets the requirements

of the system. Our line of business is different from conventional ones which are linked to the economy or market forces. The universe of students is always expanding and the demand for education books always increases. It is our endeavor to be there everywhere and provide the right material which meets this requirement. We are aware that the scope and quality of education has been changing and it is in our interest to meet these varying demands. Hence our business becomes dynamic where the twin challenges are gauging the requirements, both present and future, and providing for the same so as to deliver value.

We have made strategic investments to meet these challenges and in this context believe in continuously keeping in touch with schools, teachers and students so as to gauge the changing trends which necessitate action from our side. We at S Chand can assure you that your company is nimble footed and is constantly on the move and tuned to these changes which are taking place. We are also cognizant of the technological changes taking place

in this field and are suitably equipped to leverage the same to deliver better results. We are confident that we will be the preferred choice for our three major stakeholders which in turn will ensure that we deliver value for our shareholders.

The clue of our success is to have the best quality talent working with us and it is here we can say with pride that we have the best qualified personnel working with us all through these years which has ensured we reach the position we are in today. We do have the right human resources who are constantly exploring the market to gauge the requirements, and then ensuring that the demand is met appropriately. This involves a constant two-way multi-pronged communication with the market which involves taking feedback all the time and fine-tuning our production and processes to the same. Needless to say, the success of your company is due to the untiring efforts put in by our People, who we consider our biggest asset.

I would like to take this opportunity to thank all the members of the Board as well as our bankers and employees for their contribution in taking the company successfully forward. I would also like to thank the shareholders for reposing their faith in the management of this company which will encourage us to work harder towards fulfilling our promises.

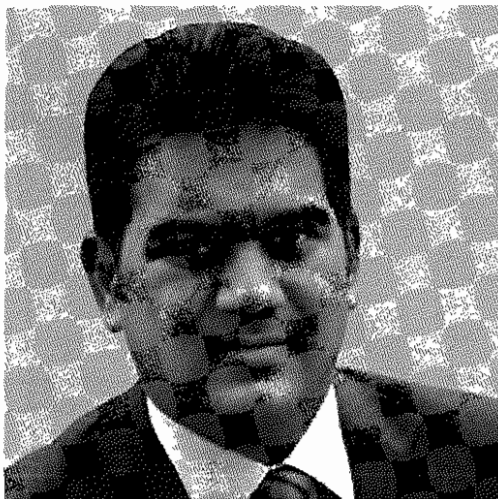
D R Dogra
Chairman



“Our brand is very well established in the education space. A sizeable part of the market has been exposed directly or indirectly to the education material published by us, making S Chand a household name.”



FROM THE DESK OF MANAGING DIRECTOR



“At S Chand, we play a central role in the changing Indian education sector. We are committed to helping the young, future workforce of India achieve their education and career goals.

Himanshu Gupta
Managing Director

Dear Shareholders,

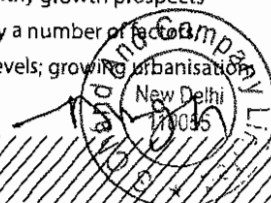
I am honoured to present you with the first Annual Report of S Chand And Company Limited after the successful listing of our equity shares in the Indian stock exchanges in May 2017. I record my sincere thanks and appreciation to all those who applied for our IPO and placed their faith in our Company. I welcome the new share-owners to our family with warmth and gratitude. At S Chand, we are committed to be a value producer and an excellent long-term wealth creator for all our stakeholders.

Over the next few years, the education sector in India is expected to go through a transformative phase. With growing disposable incomes and attractive employment prospects in the service sector, Indian parents are becoming more attuned to the importance of a quality education. In the past decade, the industry has witnessed a shift in student enrolment from government to private schools. As this trend strengthens, private schools are expected to become the dominant providers of education by the end of the next decade. As the number of private and public schools are increasing, so are the

enrolment rates in private institutions, resulting in more and more students graduating every year.

Aside from making content more accessible, technology is playing a larger role in the education sector. As per industry estimates, India's online education market is set to grow to US\$ 1.96 billion and around 9.6 million users by 2021. With digital portable devices become increasingly common, the consumption medium of content is changing, adding value and opportunity to the education experience. I believe that this paints a picture of phenomenal opportunity for S Chand in the years to come.

Your Company has a strong market position across the formal, informal and ancillary markets. We are a leader, catering to the full spectrum of customer needs - be it print (text books) or digital content, available in multiple subjects and languages. We believe that there are healthy growth prospects for our business, driven by a number of factors, including rising income levels; growing urbanisation



the mainstreaming of the rural economy; evolving technology & its rapid adoption; and government policy initiatives like the Goods & Services Tax. Our large size, capital base, extensive distribution network, diversified portfolio, presence across the education sector and adoption of technology, positions us very well to leverage the growth opportunities across the economy. I look forward to your continued support in this journey.

Financial Overview

Despite certain big-ticket policy changes like demonetisation, we have had a successful operational year in FY2016-17. Total revenue for the financial year stood at ₹ 685 crores, as compared to ₹ 541 crores in the previous financial year. Commensurately, our EBITDA grew by 34% year on year, from ₹ 128 crores in FY 2015-16 to ₹ 172 crores in FY 2016-17. Your Company registered a 25% growth in net profit (after minority interest) from ₹ 47 crores in FY2015-16 to ₹ 58 crores in FY2016-17. We attribute this growth to the increase in the number of students attending private schools, as well as our strategic expansion plans into new geographies and markets. I am pleased to inform you that the Board has agreed to declare and pay a final dividend of ₹ 1.25 per equity share.

Your company raised ₹ 325 crores from its IPO in May 2017, of which ₹ 255 crores was utilised to repay debt and deleverage the balance sheet. This will help us save substantially on the interest cost, consequentially impacting our profitability. Proceeds raised from the IPO also gives us access to surplus funds, which we intend to utilise in pursuit of our growth strategy to become a more relevant player in the educational content market, while simultaneously focusing on digital technologies to supplement our content portfolio.

The Way Forward

At S Chand, we believe that we play a central role in the changing Indian education sector. We are committed to helping the young future workforce of India achieve their education and career goals. With this immense growth opportunity in mind, we have implemented focused strategies to widen and deepen our presence across India. We also believe in creating stronger relationships with our students and teachers, throughout their educational lifecycle. I strongly believe that our more than 7 decades' experience places us in a sweet spot to continue playing a transformative role in this industry.

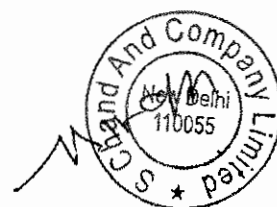
Our digital strategy over the next few years is innovative and flexible, allowing us to remain receptive to the market needs, much suited to our long-term growth plans. We have strategically invested in early stage education companies, pairing our expertise, content library, distribution reach and brand equity, with innovative technology driven solutions. We aim to be prepared to capitalise on the digital trend, as and when the marketplace crosses the tipping point of universal adoption.

Acknowledgement

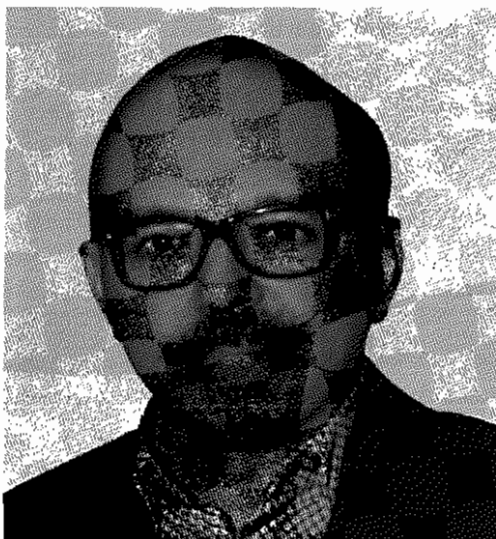
Finally I would like to thank our employees, whose hard work at every level of the business has allowed us to achieve a set of strong annual results amidst a challenging macro scenario. I would also like to thank our stakeholders for their support, and assure them that we will remain focused on our journey of growth in the years ahead.

Sincerely,

Himanshu Gupta
Managing Director



IN CONVERSATION WITH MR. DINESH KUMAR JHUNJHNUWALA,
EXECUTIVE DIRECTOR



“Barring our acquisition of Chhaya in West Bengal, our K-12 business grew by around 21% organically, higher than our projection of 18-20%.

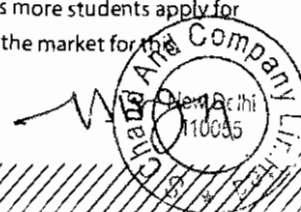
Mr. Dinesh Kumar Jhunjhnuwala
Executive Director

Q How was the year under review in terms of performance? What were the key factors which contributed to the performance?

A FY2017 was a very important year for us. We scaled our operations and expanded our presence in the state board content market. Barring our acquisition of Chhaya in West Bengal, our K-12 business grew by around 21% organically, higher than our projection of 18-20%. We are satisfied with this performance as the segment contributes about 80% of our total business. This has been possible due to our strong promotions and various sales and marketing initiatives, as well as our product development team. The products have managed to achieve a strong brand recall in the market. All the companies that we acquired in the past have delivered good performance.

We acquired 74% ownership of Chhaya Prakashani Private Limited in December last year, which helped us expand our establishment in the Eastern region. Chhaya is the largest player in the West Bengal state board market and covers over 8,000 schools in the region. It is our first acquisition in the state board content market, very much in accordance with our strategy to build a presence in certain identified regional markets that cater to a large number of schools and students. The financials of Chhaya were consolidated with our group financials from December onwards (from the date of acquisition), contributing around ₹ 75 crores to consolidated revenues.

The Test-Prep segment of Higher Education witnessed single digit growth over the past year, and is a segment of great revenue potential for a company like S Chand. As more students apply for government sector jobs, the market for the



sub-segment is expanding, increasing the demand for online test preparation solutions, in addition to standard solutions.

Lastly, the professional, technical and college content subsegment of our higher education business witnessed some challenges owing to industry headwinds. The industry is going through a consolidation phase and a number of engineering and management colleges have closed down. However, this change was needed to phase out low quality institutions that were unable to equip students for proper job opportunities and they lacked proper facilities. Nevertheless, the worst seems to be over now, and going forward, the sector is expected to witness positive growth.

Q Can you share the current potential of the Indian market, specifically the education sector? How will this affect your Company?

“The education sector in India is still at a very nascent stage. We see real growth happening in the next 5 to 10 years.

The current scenario for the Indian education sector is very positive. An increased number of students are moving towards private schools. Parents across the socio-economic pyramid of India are realising the importance of attending English medium schools, wanting their children to become doctors or engineers. This has resulted in the mushrooming of more private schools, which is a good sign for private companies in the publishing sector, such as ours. More the number of students entering the sector, higher the purchase of books.

We believe the education sector in India is still at a very nascent stage, and real growth is seen happening in the next 5-10 years. There is ample room for growth in the Indian education market, as there are 260 million students going to school, and more than 1.5 million schools in the country.

“With the consolidation of Chhaya, we cover around 40,000 institutions, catering to more than 25 million students. However, our five-year vision is to touch 100,000 institutions, catering to more than 70 million students.

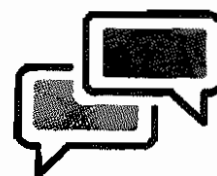
There have been companies in the past who have played very short-lived roles in the education sector. Ours is an exactly contrary case. We have been working in the education sector for close to 8 decades, and are much more stable. We are going to be around for this growth trend and recognise it as an immense opportunity for our business. Post consolidation of Chhaya, we cover around 40,000 institutions, catering to more than 25 million students. However, our five-year plan is to cover a total of 100,000 institutions, catering to more than 70 million students.

Q What is the broad business outlook of your Company for the next three to five years? What is your business strategy for future growth?

A We have an aggressive plan for growth over the next few years. Our aim is to focus more on the state board/regional school market for inorganic growth opportunities. We are also considering to expand in test preparation in the higher education segment. Obviously, we are also looking to invest more in the digital education sector through strategic investments, increasing and upgrading our own portfolio of products.



IN CONVERSATION WITH MR. DINESH KUMAR JHUNJHNUWALA,
EXECUTIVE DIRECTOR (contd.)



“We hope that our expansion plan will widen our canvas across the Indian market, while also creating a pipeline of users for our value-added services, generating new streams of revenue.

We hope our expansion plan for future growth will widen our canvas across the Indian market, while also creating a fresh pipeline of users for the value-added services. This will lead to generation of new streams of revenue. This pipeline will not only create an increase in purchase of print content (books), but will also help us sell our digital and hybrid offerings through the year, while strengthening our relationship with the marketplace.

Q Can you list out some advantages of being around in the education industry for almost 80 years?

A By virtue of being around in the school and college sector for almost 80 years, we are very well known and renowned. Children have grown up reading our books and content, establishing a strong brand recall throughout their education life-cycle. We also have a huge branding advantage, as far as authorship is concerned. The books authored by some of our authors are considered as the bible in their respective subjects. We have a dominating presence in core subject titles including science, mathematics, English grammar and Hindi.

“The books authored by some of our authors are considered as the bible for studying their respective subjects. This is what has given us the requisite strength.

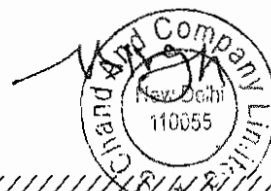
Q Could you please elaborate on the digital division of S Chand and how it is poised for future growth?

A Over the past eight decades, S Chand has established itself as a leader in content and publishing services. However, in the past decade we have noticed the world is moving towards different forms of content consumption. As this happens, the leadership that we have acquired in the past decades is seen transferring into this new world. This was one of the key motivators to start the digital division.

“Meeting the needs of our clients is extremely important to the health of our business. As they search for content in more than one format, our content should be adaptable as well as easy to access and use.

A key take-home message is that at S Chand we provide end-to-end services. For example, one of the businesses we started during the year under review in the digital and services vertical is Mylestone, which provides end-to-end curriculum services. This includes customizing and combining print and digital content as per the prescribed curriculum, assigning workbooks, practice tests and exams, and all the other features of teacher training and support.

“The idea is not to be entirely digital or offline, but to see how each division of S Chand, including digital, can be used to provide a better solution to the customers.



As the market matures, we expect our end-to-end services to become the new norm. This is the reason we are utilizing the strengths of the entire group to provide such services. The idea is not to be entirely digital or offline, but to see how each division of S Chand, including digital, can be utilised to provide a better solution to our customers. Instead of predicting the sector's digital transformation, we are leveraging on the outlet stage. We are aiming to build on the capability of our content and digital services to provide better solutions to our customers.

Q How is India's changing technological landscape affecting S Chand's digital strategy?

A In the current environment, there is a huge penetration of mobile devices, especially smartphones. The decrease in prices and increase in connectivity presents a huge opportunity for S Chand over the next 5-10 years. Mobile devices will be central to disseminate our content, enabling us to create new revenue streams.

“We believe mobile devices will become central to disseminate our content, allowing us to create new streams of revenue.

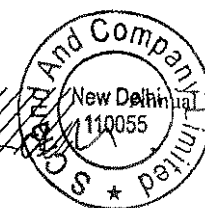
Mobile apps are also becoming central to our strategy. We recently launched an app called MyStudyGear. Apart from being an online content library, the app links our textbooks to relevant digital content with the help of QR codes. We have also added digital assessments and assignments to enhance the learning experience. The entire idea is to integrate the app with our books, given that we publish around 50 million books touching over 25 million students. If we are able to connect with that number of students through the app, it will provide

We plan to
integrate our
books with apps,
making it easier
for the 20 million
plus students that
access our content.

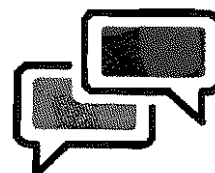
a huge reach in distribution. The network will be used to not only disseminate the value-added services, but also for e-commerce.

We also have a significant minority ownership in Ignitor, an interactive learning platform that enables mobile devices to be used to deliver an enhanced learning experience. Ignitor delivers enriched textbooks from multiple publishers embedded with rich media, interactive quizzes and weblinks. They are the largest player in this sub-segment of digital education and help extend our digital offering.

“If we are able to connect with approximately 20 million students through our app, it will increase our distribution immensely. This network will not only be used to disseminate our value-added services, but also for e-commerce.



IN CONVERSATION WITH MR. DINESH KUMAR JHUNJHNUWALA,
EXECUTIVE DIRECTOR (contd.)



Q In your digital evolution, what is expected to be the tipping point for S Chand, enabling it to be classified as a tech company and not just a book publisher?

A Interestingly, our investments in the sector are a part of our long-term growth strategy. We think that results from digital products will become more promising over the next five years or so.

“The transition to digital is not a pan-India phenomenon. It is occurring in layers, and is varying across different sub segments of the education industry.

Q Can you share some key highlights of the past financial year, apart from the overall performance and your successful IPO?

A Over the past year we ticked certain boxes with respect to some of our goals.

To start with, we successfully launched a new product “Mylestone” which is impressively operational in 68 schools. We also successfully acquired a majority ownership in Chhaya, which was our foray into the state board content market and gave us increased access to the West Bengal market.

We were also able to achieve our growth targets in the K-12 business, which is our mainstay and contributes to around 80% of consolidated revenues. A good product and talented teams are helping us achieve this.

Our production capacity established two years ago is now operating at an efficient capacity, and takes care of around 70% of our production needs. While focusing on expanding our digital offerings, we are also creating additional value-added material for teacher support, including textbooks, worksheets, digital plans, digital videos and app support.

Q How would you summarise the investment case for S Chand?

A Firstly, investors need to realise that the education industry is very different from the FMCG or IT sectors. In order to consider S Chand, investors need to have a medium to long-term investment horizon.


“The education industry is very different from the likes of FMCG or IT. It is a more mid-to-low kind of investment, for which investors should have a medium and long-term investment plan.

Secondly, investors should consider the pedigree of this company as well as its management expertise. S Chand has entrenched itself in the education market over the past 78 years, and has always valued its expert leadership team.


Lastly, investors need to believe in the transformational phase of the education sector. They also need to recognise S Chand’s strategy to play a prominent role in the near and long-term future.



Q Are there any noteworthy board related matters that took place during FY2017?

 We are very excited to have welcomed three Independent Directors to our board during the year. All these are extremely respectable names in their respective industries. Mr. D. R. Dogra, who has joined as the Chairman, was previously the CMD of Credit Analysis and Research Limited (CARE); Mr. Sanjay Bhandarkar was the managing director of Rothschild India and continues to advise them; and last but not the least, Ms. Archana Capoor was the former MD of Tourism Finance Corporation of India Limited.

Q What would you identify as the key business risks in each of your divisions? How do you plan to go about mitigating them?

 When considering the digital sector, we are not sure about the exact trajectory of this "digital transformation". It may happen faster than we think, or our products may remain obsolete for long periods of time. Secondly, the business models in the digital sector are emerging in nature. They are not as mature as the book/print business model. This requires running the risk of new investments, and fine-tuning the model over a period of time. In order to lessen the risk, we have been very conservative with our investments and have been growing this segment effectively, but prudently.

The uncertainty of government regulations is a risk for the publishing part of our business. Tomorrow, the government may limit the consumption of privately published books by a certain section of schools, which may adversely affect our sales. Syllabuses keep changing, and we have to keep changing our products to accommodate. However this is part and parcel of an ongoing cycle, and we will keep carrying on.

We are entering a transformational phase within the education sector. We intend to play a prominent role in shaping this market.

We will continue to focus on the quality of our offerings and fostering good relationships with our customers. Building our rapport with the customers instils confidence and trust. We now offer more and more teacher training programs and workshops in order to send a positive message to the market.



empowering
YOUNG MINDS



AUTHOR RELATIONSHIPS
2017

millions

GROSS COPIES SOLD
2017



Leadership

IN EDUCATIONAL
CONTENT

A LEADER IN CONTENT CREATION

We are a leading education content creator with a sustained leadership position that spans more than 7 decades within the Indian marketplace. Our philosophy is underpinned on having the most compelling, high-quality content, and on strong, deep-rooted relationships with the most renowned authors in the business.

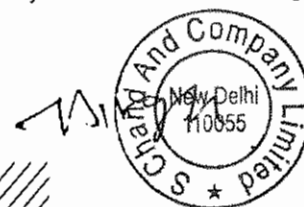
We are using our strong brand presence to build symbiotic relationships with our authors. Joining hands with us, they are able to further their scale by leveraging our strong brand recognition and entrenched presence within the vast majority of central curriculum schools across India.

For the past seven decades, S Chand has established a pervasive presence across the entire Indian education market place. Consistently working toward adding value to our brand and increasing consumer recall, we have a content repository of over 12,000 titles and managed to sell over 48 million copies (gross) of our titles in 2017. As leaders in the K-12 segment of the education content market, we aim to implement robust strategies to widen and deepen our pan-India presence.

Chhaya Acquisition. In order to increase our presence in the West Bengal market, we acquired 74% of Chhaya Prakashani Private Limited in December 2016. Now, apart from the 55 established brands associated with S Chand,

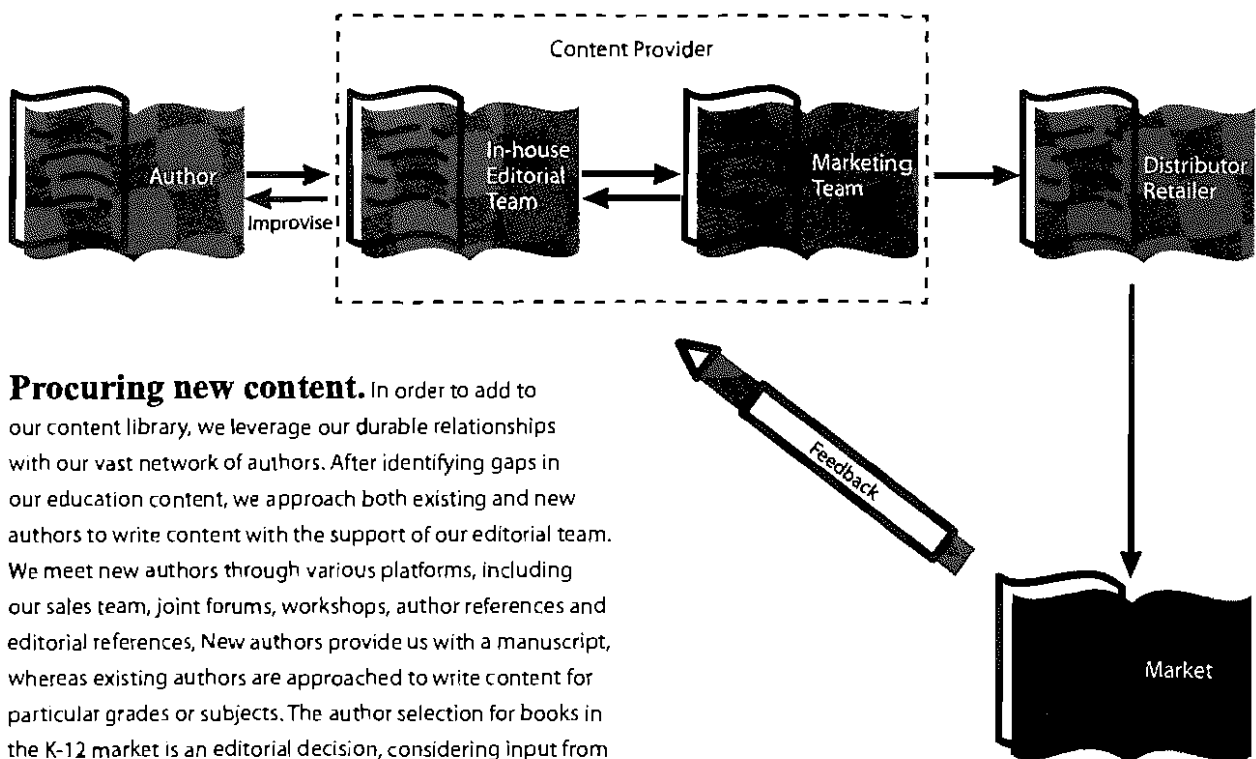
we offer four Chhaya brands, including Chhaya and IPP. This new relationship added 8.13 million copies in sales of 478 titles in Fiscal 2017.

Relationship with Authors. With our highly established brand in the education sector, S Chand has the ability to procure and retain some of the best authoring talent in the industry. As of March 2017, we have contractual relationships with 2,434 authors (including co-authors). S Chand retains and attracts the best authors and talent by elevating their careers. We provide authors with professional editorial support to assist authors when updating existing content or developing new content, while working closely with faculty members and experts. We also believe in continuously interacting with our authors, giving them constant feedback and inviting them to participate in workshops. Our authors are compensated through royalties linked to content sales.



Leadership (contd.)

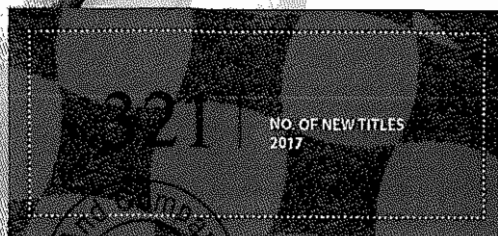
S Chand's Content Creation Process



Procuring new content. In order to add to our content library, we leverage our durable relationships with our vast network of authors. After identifying gaps in our education content, we approach both existing and new authors to write content with the support of our editorial team. We meet new authors through various platforms, including our sales team, joint forums, workshops, author references and editorial references. New authors provide us with a manuscript, whereas existing authors are approached to write content for particular grades or subjects. The author selection for books in the K-12 market is an editorial decision, considering input from our sales and marketing teams.

“With contracted rights to an enormous bank of knowledge products under our belt, we are continuously filling any content gaps that appear in the market. This has ensured that we enjoy the largest portfolio of products in the industry. Our on-going product life-cycle management ensures that our content remain current and relevant. We are also ensuring that, as real demand surfaces for the digital version of our content, we are ready to deliver such content in the medium of choice.

[Signature]
S Chand and Company Ltd.



empowering

We intend to expand our reach to over 100,000 institutions, which will cater to approximately 70 million students.



Growth

TO MATCH INDIA'S
DEMOGRAPHIC DIVIDEND



IN TANDEM WITH INDIA'S GROWTH STORY

India holds an important place in the global education industry. With more than 1.5 million schools enrolling over 260 million students; and with over 750 universities, and 35,000 colleges, India has one of the largest education systems in the world.

At S Chand, as a group today, we have access to approximately 40,000 institutions across country, allowing us to reach more than 25 million students. Nevertheless, in the next five years, we endeavour to expand our reach to over 100,000 institutions, which will cater to approximately 70 million students.

The education sector has also seen a host of reforms and improved financial outlays in recent years, possibly transforming the country into a knowledge haven. With human resource increasingly gaining significance in the overall development of the country, development of education infrastructure is expected to remain the key focus in the current decade. In this scenario, infrastructure investment in the education sector is likely to see a considerable increase.

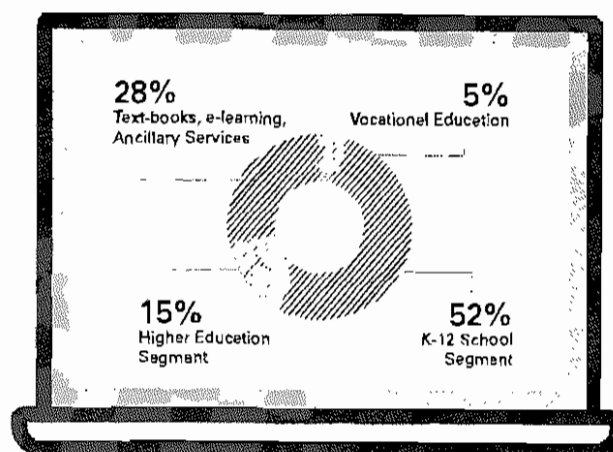
Moreover, the availability of English speaking tech-educated talent, democratic governance and a strong legal and intellectual property protection framework are expected to enable world class product development.

Entrenched in the Indian education industry for the past seven decades, S Chand is in a position to significantly benefit from this renewed focus and growth. With forward looking and

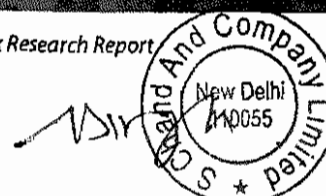
pervasive strategies to widen our pan-India presence, as well as deepen our existing relationships with students and schools, we plan to further our leadership position and grow as the Indian education market grows.

Market Size. The education sector in India is poised to witness major growth in the years to come. By the end of 2020, India is expected to have the world's largest tertiary-age population and second largest graduate talent pipeline.

Education Sector Market Size 2016-17

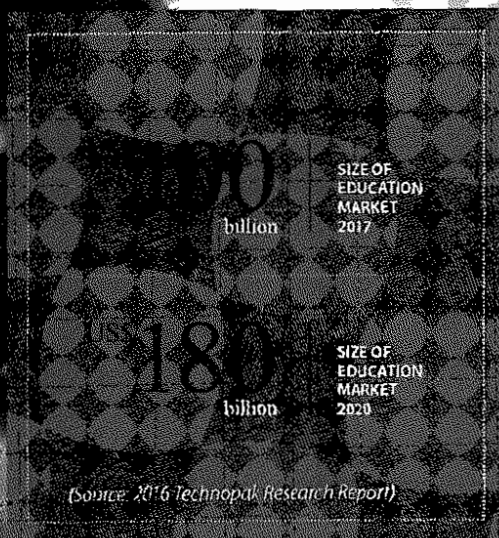


Source: Technopak Research Report



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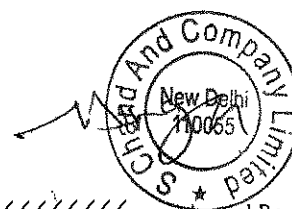
Growth (contd.)

More importantly, apart from the increasing total market size, enrolment in the K-12 sub-segment is shifting its focus. Over the past few years, enrolment in English medium Private Schools has significantly increased, and government run schools are becoming less popular. As a leader in the K-12 private school sector, S Chand is poised to benefit from this change in the education landscape.

Investment. The total amount of Foreign Direct Investments (FDI) inflow into the education sector in India stood at US\$ 1.42 billion from April 2000 to March 2017, according to data released by Department of Industrial Policy and Promotion (DIPP). With the government implementing policies to encourage FDI in the Indian economy, this trend is expected to continue.

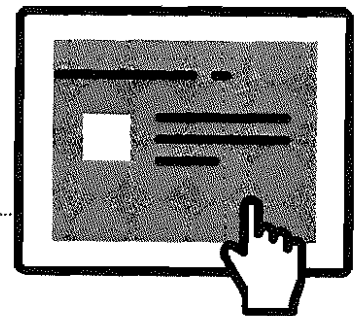
Road Ahead. Various government initiatives are being adopted to boost the growth of distance education market, besides focusing on new education techniques, such as E-learning and M-learning. The Government of India has taken several additional steps, allocating educational grants for research scholars in most government institutions. Furthermore, with online modes of education being used by several educational organisations, the higher education sector in India is set for some major changes and developments in the years to come.

“India has become one of the largest markets for e-learning after the US and China. The government has also set a goal to raise the country’s current gross enrolment ratio to 30%. This is likely to further fuel the growth of education in India, making for an exciting and vibrant marketplace. (Source: Technopak Research Report)



Pipeline

HOST OF PRODUCTS
FOR NEW VALUE STREAMS



INNOVATING ALTERNATIVE VALUE STREAMS

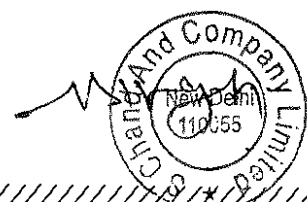
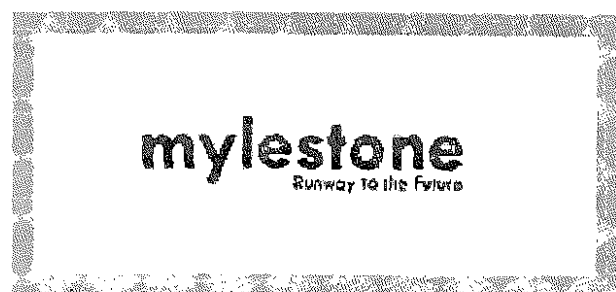
The trend of content consumption in India is changing. The online education market is set to grow to US\$ 1.96 billion and around 9.6 million users by 2021, from US\$ 247 million and around 1.6 million users in 2016.

(Source: KPMG & Google report).

Taking advantage of this digital trend within the education industry, S Chand is developing new innovative products to capitalise on them. These products are laying the foundation for new sources of revenue streams that can be earned throughout the year.

S Chand has strategically invested in multiple early stage technology companies, to innovate and be a part of this digital trend. By leveraging the strength of its brand, its distribution network, its relationship with authors and the market place, and its vast content library, the Company has positioned itself to take these technologies to new levels.

Milestone: As an end-to-end curriculum service, this program includes customised print and digital content including textbooks, workbooks, activity kits, teaching supplements and practice tests in compliance with the prescribed curriculum, as well as, teacher training and support resources. As the market matures, we believe that end-to-end services will become expected of content providers, and we are efficiently using the entire spectrum of the S Chand Group's capabilities to provide them.



S Chand has strategically invested in multiple early stage technology companies, innovating to cater to the digital demands of the education sector.





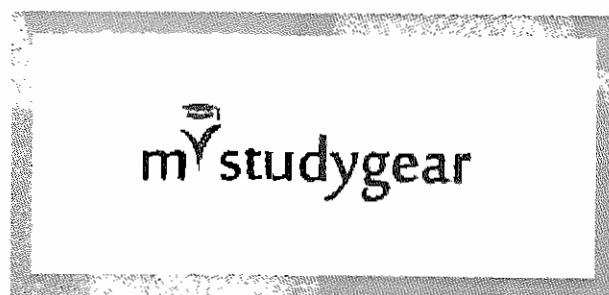
empowering
YOUNG MINDS

Building our customer network through technology like our app will open doors to new opportunities in the future.



Pipeline (contd.)

myStudygear: Taking advantage in the growing number of hand held devices with the student population, this mobile application links print content in our text books to specially curated digital supporting content. This includes supplementary videos, assessments and assignments, all available through simply scanning a QR code. As we publish approximately 50 million books, reaching over 25 million students, connecting with this network through an app will provide S Chand with a higher reach in distribution. In the future, this network could be leveraged to provide additional value added services to these students, and may even be used for e-commerce.



We believe that our business is a key beneficiary of the increasing share of discretionary expenditure on education, and our presence across the student lifecycle allows us to generate recurring revenue throughout a student's life.

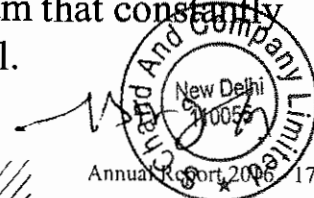
Catering to the Education Lifecycle

At S Chand, we are focused on the consumer, both students and educators, and we believe in developing and nurturing our relationships. By doing so, we have realised a more sustainable source of revenue, ensuring our content solutions and service address the entire education lifecycle, from early learning and K-12, to the higher education segments. This has not only helped us establish a strong brand equity, but also provides S Chand with a strategic advantage over competitors focused only on individual segments of the education lifecycle.

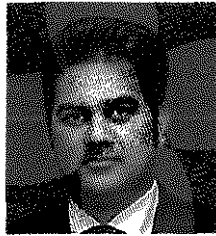
Stronger Relationships with the Education Market

Our dedicated sales and marketing team work hard to create and maintain relationships with students, authors and schools. By doing so, we aim to create a pipeline of customers, that are not only going to purchase books, but will also benefit from other value added services, breaking the cyclical nature of the K-12 and higher education markets.

“While working towards adding new products to our digital and hybrid content portfolio, we also emphasise the importance of building and maintaining strong relationships with faculties, parents and other influencers within the market place. We have a dedicated sales and marketing team that constantly works towards achieving this goal.



BOARD OF DIRECTORS



Mr. Himanshu Gupta - *Managing Director*

Mr. Himanshu Gupta, aged 38 years, is the Managing Director of our Company. He holds a Bachelor's degree in Commerce from the University of Delhi and has over 15 years of experience in the knowledge products and the services industry. He is a recipient of the 'Young Publisher Award' by the Federation of Educational Publishers in India for the year 2011.



Mr. Dinesh Kumar Jhunjhnuwala - *Executive Director*

Mr. Dinesh Kumar Jhunjhnuwala, aged 56 years, is an Executive Director of our Company. He has been associated with our Company since 2004 and has over 11 years of experience in the knowledge products and services industry.



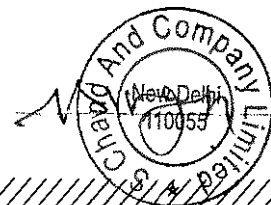
Mr. Desh Raj Dogra - *Independent Director and Chairman*

Mr. Desh Raj Dogra, aged 62 years, is an Independent Director and Chairman of our Company. He holds a Bachelors's and Master's degree in Science and a Master's degree in Business Administration from the University of Delhi. He has over 38 years of experience in the financial sector and credit administration and previously served as the CEO and Managing Director at Credit Analysis and Research Limited (CARE).



Ms. Archana Capoor - *Independent Director*

Ms. Archana Capoor, aged 58 years, is an Independent Director of our Company. She holds a Bachelor degree in Science, as well as a Masters of Business Administration. She has over 34 years of experience across various sectors and previously served as the Managing Director of Tourism Finance Corporation of India Limited.





Mr. Sanjay Vijay Bhandarkar - *Independent Director*

Mr. Sanjay Vijay Bhandarkar, aged 49 years, is an Independent Director of our Company. He holds a Bachelor's degree in Commerce from the University of Pune and a Post-graduate diploma in Management from XLRI Jamshedpur. He has over 26 years of experience in the financial sector and is a Senior Advisor at Rothschild India.



Mr. Deep Mishra - *Non-Executive and Nominee Director*

Mr. Deep Mishra, aged 44 years, is a Non-Executive and nominee Director of our Company. He holds a degree in Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology, Kanpur, as well as a Post-graduate Diploma in Management from the Indian Institute of Management, Calcutta. He has 20 years of experience in the financial sector and is currently the Managing Director (Private Equity) at Everstone Capital Advisors Private Limited.



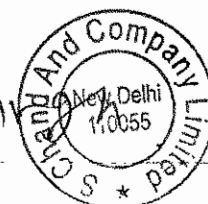
Mr. Gaurav Kumar Jhunjhnuwala - *Non-Executive Director*

Mr. Gaurav Kumar Jhunjhnuwala, aged 30 years, is a Non-Executive Director of our Company. He has over 5 years of experience in the knowledge products and services industry and has been with our Company since 2011.



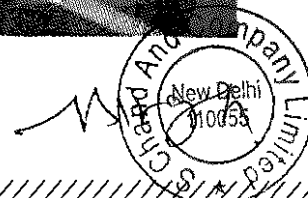
Ms. Savita Gupta - *Non-Executive Director*

Ms. Savita Gupta, aged 67 years, is a Non-Executive Director of our Company. She holds a Bachelors and Masters Degree in English Literature, and is associated with our Company since 1989.



MANAGEMENT DISCUSSION & ANALYSIS

S Chand is a leading education content company, with an operating history of more than seven decades. It leverages its established presence over multiple recognized brands, pan India sales network and strong author relationships.



prospects of the Indian economy are driven by this young population, rising affluence, increasing GDP per capita, rising disposable income levels, healthy savings and investment rates, and increasing spend in the discretionary income.

India's current consumption expenditure as a percentage share of the total GDP is 54%. Although currently lower than industrialised countries, it is estimated that India's household consumption expenditure will increase from US\$1,234 billion in 2016 to US\$1,580 billion by 2020 and will surpass the household consumption expenditure of other comparable newly industrialised economies such as Brazil (Source: Technopak Research Report).

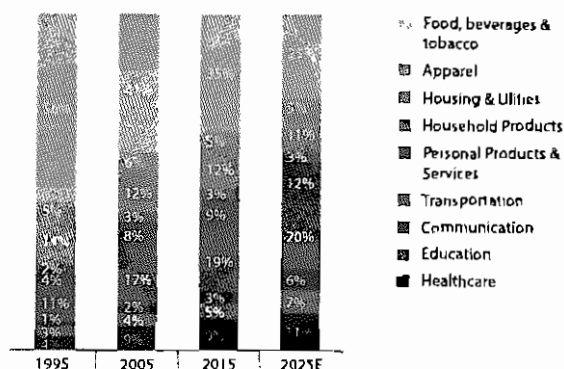
INDIAN ECONOMY OVERVIEW

As one of the fastest growing economies in the world, India has experienced a 7.6% real GDP growth rate in FY2016, and a World Bank real GDP growth forecast of 7.2% for FY2017.

Several factors paint a favourable picture for India's GDP growth. These include positive macroeconomic indicators; the Indian government adoption of reforms on foreign direct investment in various sectors; the passage of the Goods and Services Tax Bill; the proliferation of public sector investments coupled with a low fiscal deficit; low crude prices with a reduced import bill; declining inflationary pressures; and the gradual improvement in business confidence. It is estimated that the Indian economy will become the world's 3rd largest economy by the next decade. (Source: Nielsen Research Report)

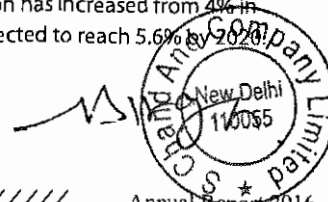
India offers significant market potential due to its sizeable population, a burgeoning middle class and its young population, the largest in the world, with a median age of 27.6 years (Source: CIA Fact Book). The long-term growth

Shift In Household Consumption Expenditure



India's increasing GDP growth has aided the rise in income levels and spending power. As India's per capita GDP levels and spending levels have increased, the share of spend in discretionary items has also increased from 53% in 2005 to 59.4% in 2016. Discretionary items include non-basic goods and services, including education, communication, transportation and medical care.

The education sector has been a key beneficiary of India's economic growth and favourable demographic profile, illustrated by the fast growth of education amongst other discretionary expenditure items. As shown by the table below, the share of spend on education has increased from 4% in 2005 to 5% in 2015, and is expected to reach 5.6% by 2020.



MANAGEMENT DISCUSSION & ANALYSIS (contd.)

India - Expenditure as a % of GDP (Source Technopak Research Report)

| Particulars (% of GDP) | 2005 | 2012 | 2013 | 2014 | 2015 | 2016 | 2020(P) |
|--|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Non-Discretionary | | | | | | | |
| Food, Beverages and Tobacco | 41% | 34.2% | 35.4% | 34% | 35% | 33.7% | 32.3% |
| Clothing and Footwear | 6% | 4.9% | 5.1% | 4.9% | 5% | 4.8% | 4.6% |
| Total Non-Discretionary | 47% | 39.2% | 40.5% | 38.9% | 40.0% | 38.5% | 36.9% |
| Discretionary | | | | | | | |
| Housing and Utilities | 12% | 11.2% | 11.8% | 11.5% | 12% | 11.7% | 12% |
| Household Products | 3% | 2.8% | 2.9% | 2.9% | 3% | 2.9% | 3% |
| Personal Products & Services | 8% | 8.1% | 8.6% | 8.5% | 9% | 8.9% | 9.5% |
| Medical Care and Health Services | 7% | 7.8% | 8.4% | 8.4% | 9% | 9% | 10.2% |
| Transport | 17% | 17.1% | 18.2% | 18% | 19% | 18.8% | 20.1% |
| Communication | 2% | 2.5% | 2.7% | 2.8% | 3% | 3.1% | 3.7% |
| Education | 4% | 4.4% | 4.7% | 4.7% | 5% | 5% | 5.6% |
| Total Non-Discretionary | 53% | 53.9% | 57.3% | 56.7% | 60% | 59.4% | 63.1% |
| Private Final Expenditure in the Domestic Market | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

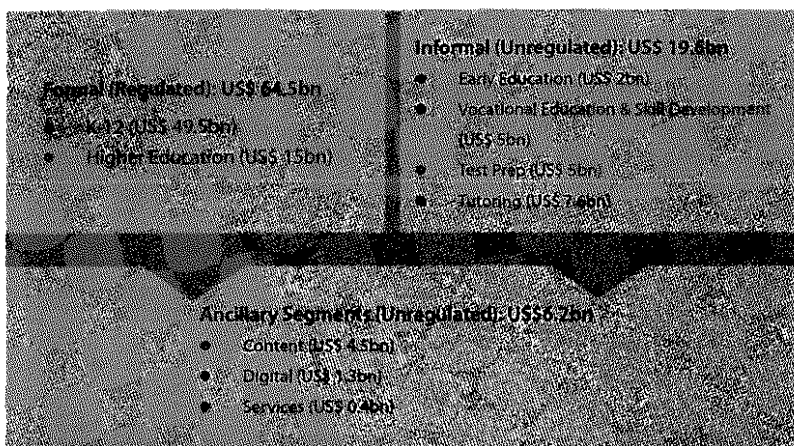
INDUSTRY OVERVIEW

Education Sector in India

The education sector in India can be broadly classified into 3 categories; the formal and informal segments, both of which are supported by the ancillary segment.

Segmentation and Market Sizing of Indian Education Sector

(Source: Technopak Research Report)



The Formal Education Segment comprises of K-12 schools (including secondary and senior secondary schools) and higher education institutions (colleges, higher education institutes).

The Informal Segment comprises test preparation, tutoring, early education and vocational/skill-based training services.

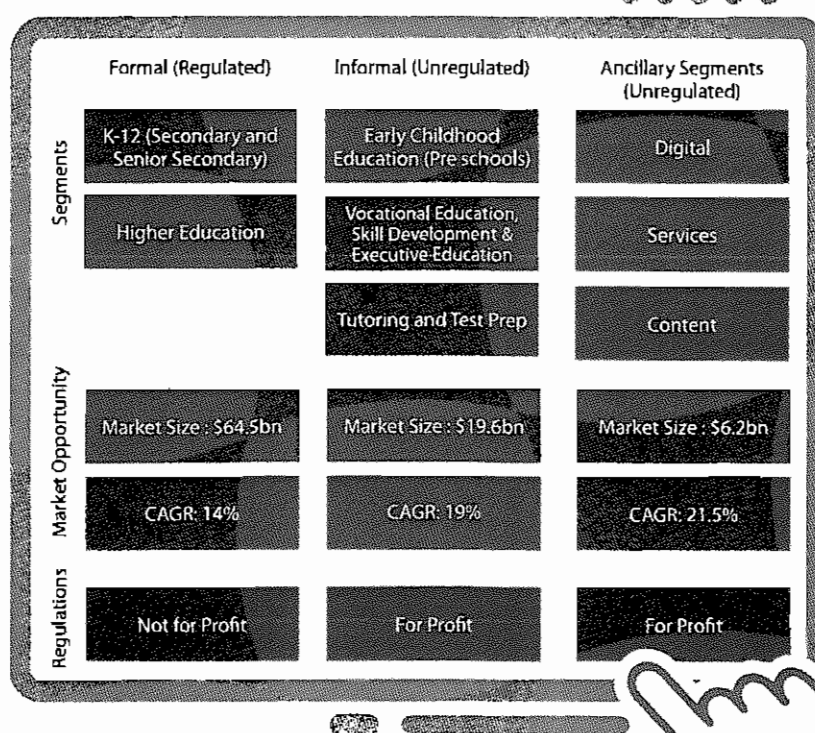
The Ancillary Segment consists of industries that are related and supplementary to the formal and informal education segments. The ancillary segment includes content/publishing, digital content and services such as curriculum management, facilities management among others. It is believed that ancillary or peripheral services are taking on an increasingly 'central' role in education. The ancillary segment is expected to increase the overall quality of education provided in India and stands to benefit from the

large-scale growth in the formal and informal education segments.

The formal, informal and ancillary segments are collectively estimated to reach US\$188 billion by 2020. India has a large population in the education age bracket, consisting of students aged 5-24, which stood at approximately 520 million as of 2016. This is expected to grow to approximately 534 million in 2020. (Source: Technopak Research Report)

An increase in household expenditure on education, the growth of the Indian population, and a decrease in drop-out rates are all factors that will contribute to the market size, particularly favouring the formal education segment. As a result, the ancillary segment catering to the formal education sector is expected to see a surge in growth, especially in the content creation and digital sub-segments.

Market Size (Source: Technopak Research Report)



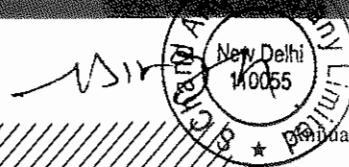
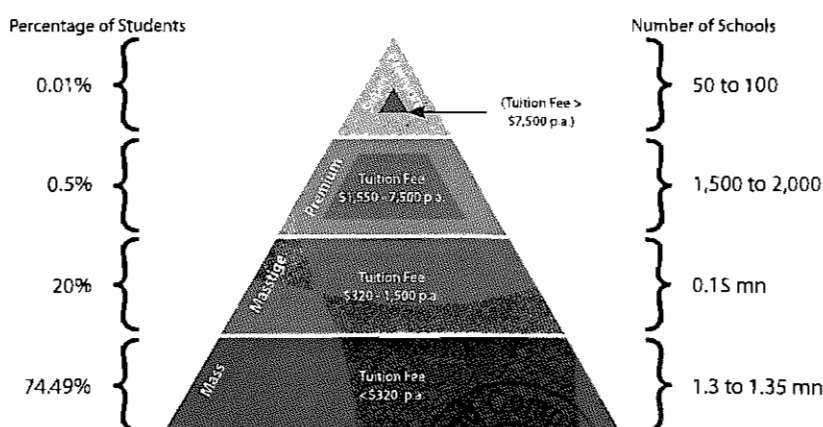
Formal Education Segment K-12

The Formal Education segment can be classified into the K-12 and Higher Education sub-segments. The K-12 education system in India is one of the largest in the world, with a market size of US\$49.5 billion, comprising 1.1 million government schools and 0.4 million private schools.

Most K-12 schools in India are affiliated to one of three main governing bodies: the state level board of secondary/senior secondary education; the Central Board of Secondary Education ("CBSE"); and the Council of Indian School Certificate Examination ("CISCE" or "ICSE").

Conversion Rate = 1\$=65 INR

K-12 Market: Fee-wise Distribution of Schools and Students in India (Source: Technopak Research Report)

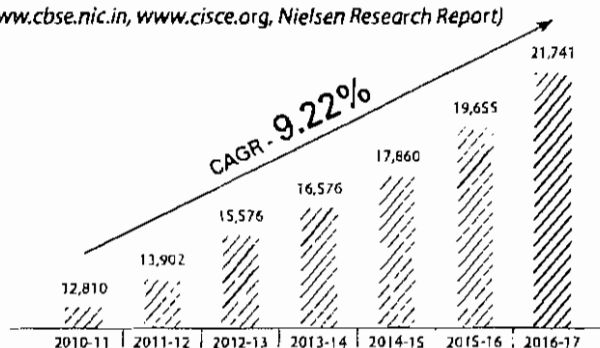


MANAGEMENT DISCUSSION & ANALYSIS (contd.)

Due to superior quality of curriculum and pedagogy, CBSE and ICSE schools are increasing in popularity and presence, with a respective 9.4% and 7.2% CAGR growth from 2010-11 to 2016-17.

Growth in CBSE and ICSE Schools

(Source: www.cbse.nic.in, www.cisce.org, Nielsen Research Report)



The main advantages of attending a central curriculum (CBSE/ICSE) school is the standardised syllabus set by a central board, as opposed to individual state governments. This sense of uniformity helps students maintain a level, transferable playing field throughout K-12. Apart from content, a schooling system using English as its medium of instruction is better suited to the needs of modern-day India. Additionally, with better teacher to student ratios, comparatively cleaner and hygienic facilities, and a focus on personal development and extra curricular activities, the infrastructure of CBSE/ICSE schools are better than state board affiliated schools.

The K-12 segment is expected to grow due to rising disposable incomes, changing consumer preferences that favour private schools, and more and more government initiatives promoting primary education.

Higher Education

The higher education sub-segment includes undergraduate, graduate and post-graduate studies conducted at degree and diploma institutions in India. Contributing to approximately 33% of India's GDP in 2016, the service sector in India has become more and more attractive to work in, resulting in the setting up of several new higher education facilities. In addition, rising disposable income of average Indian families and the incumbent urbanisation of Indian society has helped expand the size of the Higher Education segment.

India has one of the largest higher education systems in the world, with 34.2 million students enrolled across 777 universities, 38,498 colleges and 12,276 stand-alone institutions. India's higher education segment is currently estimated at around

US\$ 15 billion (not including the private spend of Indian students studying abroad). This US\$ 15 billion estimate is indicative of the robust status of the higher education market both in terms of the number of students and in terms of private spend.

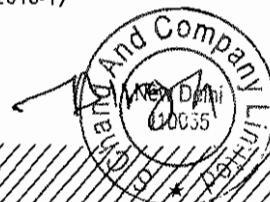
The higher education segment in India is projected to see a buoyant growth trajectory in coming years. Enrolments, which grew at a CAGR of 5.6% between 2010 and 2014, is expected to increase by a CAGR of more than 6% from 2015 to 2020. In addition, higher education segment should benefit from the increased enrolments in senior secondary which grew at a CAGR of 4.8% between 2010 and 2015 (Source: Technopak Research Report)

Informal Education Segment Test Preparation

As India transitions into a knowledge-based economy, an increasing number of students are engaging in technical/professional course entry exams, as well as employment related exams. Currently, it is estimated that over 26 million students take these exams in order to gain admission into professional and post graduate courses for engineering, management, medicine, law and/or accounting, in addition to applying for public sector jobs.

21,741

NUMBER OF ICSE AND
CBSE SCHOOLS IN INDIA
2016-17

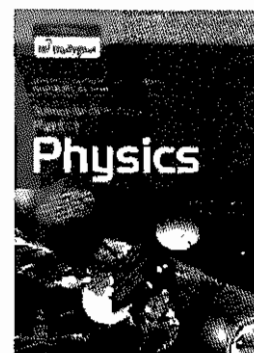


Over the past few years, a host of renowned chains of coaching classes and digital learning solutions have transformed this sector. While print continues to be the main means of instruction, modern technology has positively infiltrated the segment. Students are no longer restricted to study notes, but can access course material digitally, through a host of online portals or smartphone applications. Furthermore, tests themselves are undergoing a transition, moving away from the written format to computer based exams, highlighting the digital transition of this sector.

With an estimated CAGR of 30% over 2016-2020, growth in the test prep market is expected to be driven by a rising share of enrolments in private institutions, as well as an increase in the number of exams going online. The shift to online testing has led students to opt for digital test preparation and online coaching, along with physical books, to familiarise themselves with the digital format of the examinations. (Source: Technopak Research Report)

Early Learning

The Early Learning sub-segment caters to the the 5-year-old and under age group. As literacy is being recognised as a vital part of a child's future success, the number of pre-schools and child care facilities are increasing in India. With an increase in private investments, and a rising working parent population, the revenue from this segment in India is currently estimated at US\$2 billion, growing at a CAGR of 15%. (Source: Technopak Research Report)



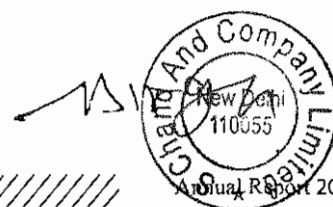
Content and technology are key growth drivers in the Indian education sector. Content providers with sound digital offerings are likely to sustain their position in the marketplace.

Vocational / Skill Based Learning

As the Indian economy changes, the need for skilled and highly trained workers is increasing. Currently, nearly 26% of the employment eligible population is unemployed, and 90% of those employed need vocational training to harness the necessary skills. The employability of India's population indicates a huge growth potential for India's vocational education and skill development segment. With a growing working age population, increased job creation by governmental institutions, and high growth in key economic sectors, this sub-segment is slated to grow at an annual CAGR of 18% from 2015-2020. (Source: Technopak Research Report)

Ancillary Segment Content

The content providers' role is central to the education industry. As a part of the Ancillary Segment, the role of the content provider is to aid both, the formal and informal segments of the education industry to meet their content requirements. Content providers often operate with in-house editorial teams working alongside authors, leveraging their distribution strength to reach out to consumers, including students, educators and educational institutions. Additionally, the content provider acts on consumer feedback, allowing the authored content to reach its maximum value.



MANAGEMENT DISCUSSION & ANALYSIS (contd.)

The importance of content providers is growing due to a number of factors, including a growing literacy rate, growth in the number of schools, and improving Gross Enrolment Ratios (GER). Additionally, a decline in drop-out-ratios is expected to boost the education industry in general, proving beneficial to content providers. These factors, along with an increase in spending on education and growing urbanization has positively contributed to the need for content providers to equip the Indian education industry with knowledge resources.

Digital

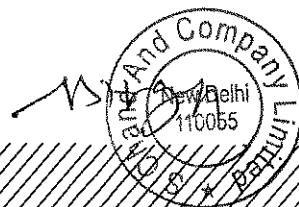
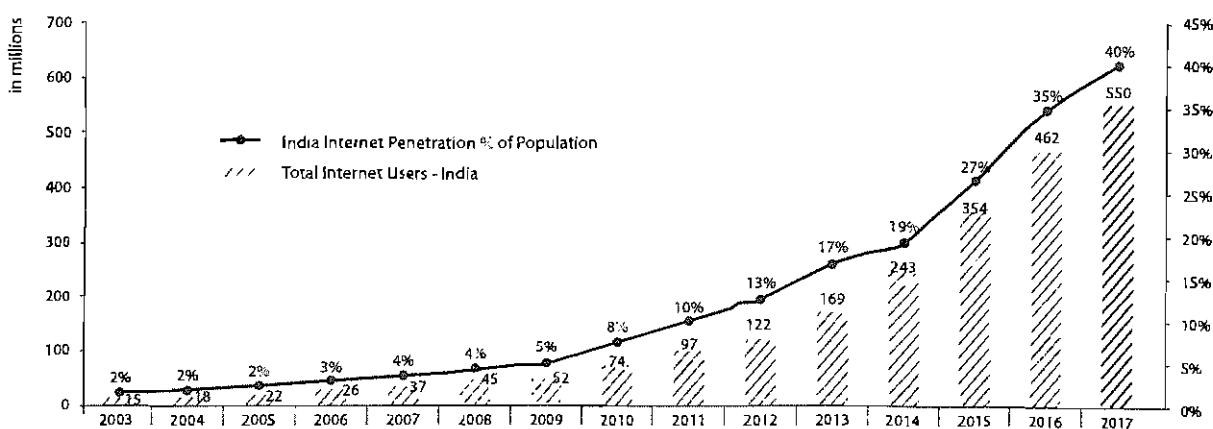
With the increasing use of device based learning; mobile learning applications; online test platforms; and online marketplaces connecting students with teachers; the importance of digital education offerings as supplemental learning tools is irrefutable. As access to technology is on the rise in the Indian economy, this segment is expected to witness consistent growth in size and importance.

Currently, most content providers are digitising content through hybrid solutions that include both print content along with content on a CD or through a digital platform. Content providers are looking to leverage their brand and position themselves strongly in the digital education space to capitalise on the rapid growth of these supplementary innovative digital offerings. Given that content and technology are key growth drivers in the Indian education sector, content providers with sound digital offerings are likely to sustain their position in the marketplace.

Other Services

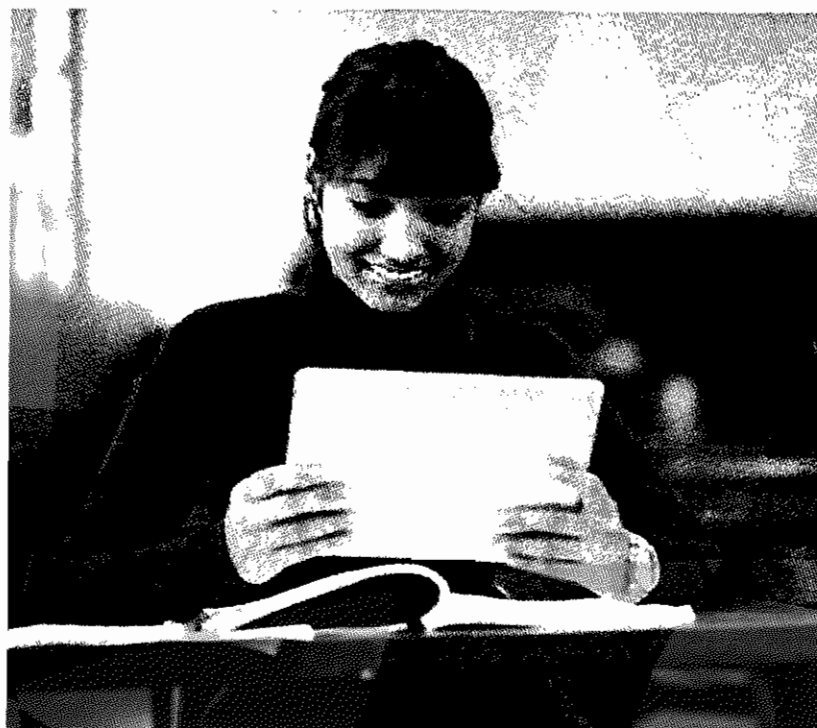
Others services include offerings such as curriculum management, sports management, and certain non-core services including school transport and facility management. The core service offerings are seeing an increased adoption by schools, becoming essential to private sector schools. By offering these services, content providers deepen their relationship with educators and educational institutes, thereby increasing their presence and penetration across content, digital and other service offerings. Growth in this segment is supported by the increase in the number of private institutions, the rising expenditure by parents on education, the competitive intensity between private schools and students, and the lack of quality teachers and tutors.

India's Internet Penetration (Source: Technopak Research Report)



BUSINESS OVERVIEW

S Chand And Company Limited is a leading education content company within India. The Company focuses on the fully integrated creation and dissemination of educational content and solutions, to all parties involved in the education industry. It produces products suitable for all ages, ranging from early learning and K-12, to content for various graduate and post graduate courses including test preparation content, thereby covering the entire education life cycle. As leaders in the K-12 sub-segment of the education industry, its content is used predominantly within CBSE/ICSE affiliated schools, while becoming increasingly popular in state board affiliated schools across India. The Company's wide range of products cater to students throughout their educational lifecycle resulting in enhanced brand recall and long student lifetime value.



Today, S Chand represents 59 consumer brands providing knowledge products and services, some of which include Vikas, Madhubun, Saraswati, Chhaya, Destination Success and Ignitor. All of these brands benefit from the Company's management philosophy, ensuring regular checks on the quality and relevance of their content. As the incorporation of technology becomes synonymous with remaining relevant, S Chand is pioneering the transformation from print to hybrid and digital solutions.

The Company's products are sold pan-India, with the help of a network of sales offices, distributors and dealers. In

FY2017 the Company sold 48.3 million gross copies of 13,033 titles. S Chand had several top best-selling titles, and 15 of the authors sold over one million copies of their titles during the last five fiscal years.

Understanding the importance of quality of educational content, S Chand has established strong relationships with 2,434 authors (including co-authors). Acknowledging the mutual benefit of high quality content, the Company encourages advancing the careers of all the authors, providing them with hands-on editorial support, helping them create new products and solutions while refreshing existing products.

₹546.7
crores

K-12 REVENUE FY2017

Furthermore, authors gain access to S Chand's established distribution platform, accessing a larger number of students and schools with the credibility of the Company's brand. This attracts and helps S Chand retain the best talent in their respective fields, increasing the Company's credibility.

S Chand has developed a robust supply chain by integrating the procurement,

Signature
S. Chand and Company Limited
New Delhi
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MANAGEMENT DISCUSSION & ANALYSIS (contd.)

manufacturing, and logistics of disseminating its content. In fiscal 2017, over 70% of the Company's printing requirements were met by S Chand's own facilities located in Shahibabad and Rudrapur. Its print facilities and distribution networks are supported by its logistics network, comprising of 42 warehouses located in 19 states, allowing for pan India coverage. The Company's paper purchases are integrated as well, helping it to achieve economies of scale, improving its bargaining power with raw material suppliers.

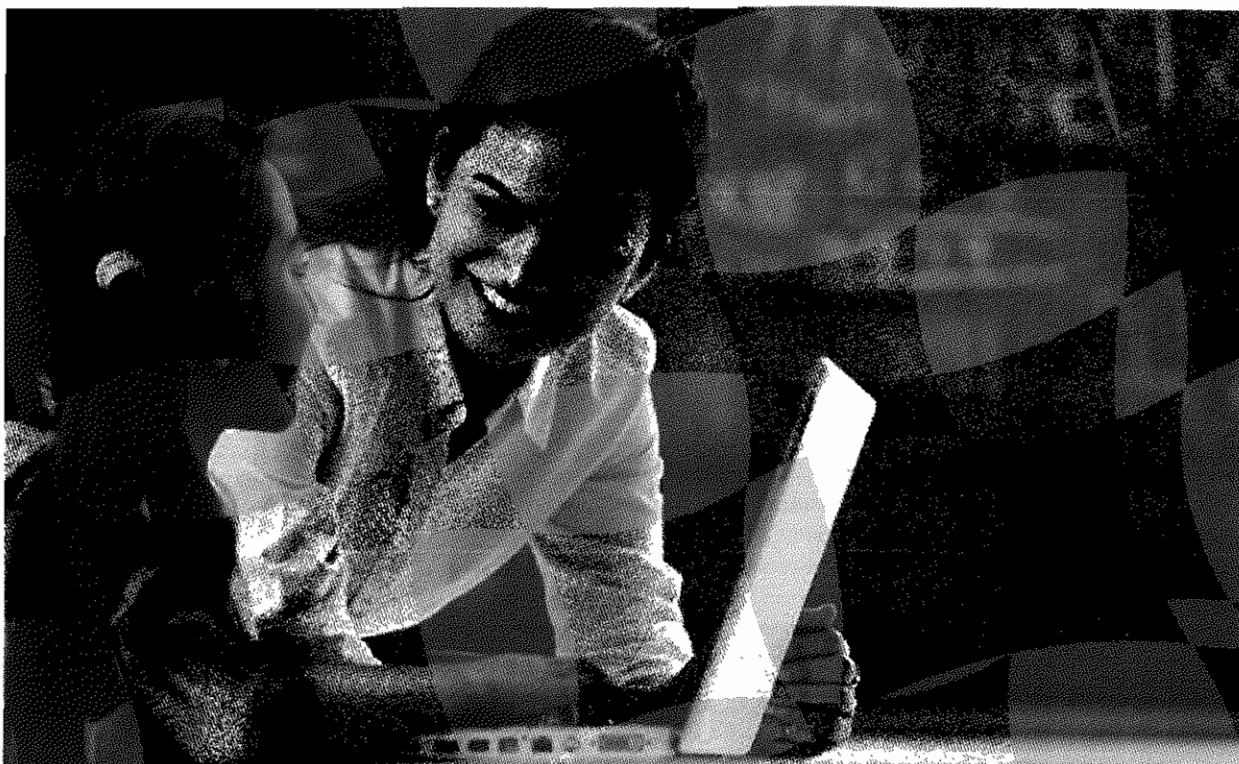
As of March 31, 2017, S Chand's distribution network consisted of 6,557 distributors and dealers, including an in-house sales team of 905 professionals,

In order to reach a larger number of schools and students, S Chand plans to increase its presence in the state board K-12 market.

marketing from 52 offices across India. During the year, S Chand acquired Chhaya thereby expanding its presence in Eastern India to cover an additional over 8,000 schools in the West Bengal market. With teachers and students as the Company's "touch points", its sales team is responsible for forging relationships in the K-12, higher education, and early learning segments of the education industry, keeping S Chand relevant throughout the education lifecycle of a student.

K-12

S Chand is the leading education content company in the K-12 segment, contributing to 80% of S Chand's consolidated operating revenue, amounting to ₹ 546.7 crores. From fiscal 2012 to 2017, the Company's K-12 revenue grew at a CAGR of 45.5%. The Company conducts business predominantly with CBSE/ICSE affiliated schools, it is also working towards building its position with unaffiliated and state board schools. The recent acquisition of Chhaya Prakashani helped the Company foray into state



board schools in the Eastern region and expand its distribution reach.

The Company's K-12 content portfolio includes titles developed by authors and by its in-house content team. S Chand offers core textbooks, reference materials, hybrid and digital content products to schools and students.

Our Strategy. To complement and diversify its home-grown product portfolio and the S Chand brand, the Company acquired well known brands Madhubun and Vikas in Fiscal 2013, pursuant to the acquisition of Vikas Publishing House, bolstering its Hindi language titles. In Fiscal 2015, the Company acquired New Saraswati House for their strength in the languages and arts & crafts titles. These acquisitions are a part of the Company's strategy to increase its share of content used by CBSE/ICSE schools. Through the recent acquisition of Chayya, the Company diversified into the state board content market and increased its presence in Eastern India. With the aim of filling portfolio gaps with respect to individual subject strengths in mind, S Chand now has an expansive product range and strong brands across multiple subject offerings, allowing the company to cross-sell their content to schools, throughout the education lifecycle.

In order to reach a larger number of schools and students, S Chand also plans to increase its presence in the state board K-12 market. By acquiring leading regional content houses in attractive markets, S Chand will be able to increase their market share and acquire distribution networks catering to state board affiliated schools, while

simultaneously leveraging its content capability to enhance the product offerings.

S Chand's business strategy in this sector has compelled the Company to be more attuned to the needs of the K-12 segment, helping it focus on graduating from only-print, to producing "hybrid content", which includes digitally enabled content alongside print, increasing its supplemental services in digital education domains.

Higher Education

The market for higher education, unlike K-12, has a larger scope for the range of content demanded. S Chand offers products to help students with test preparation as well as their university, technical & professional coursework, contributing to 17.8% of its consolidated operating revenue, amounting to ₹ 122 crores. From Fiscal Years 2012 to 2017 this segment registered a revenue CAGR of 7.9%.

Experiencing lower seasonality in the higher education segment than in the K-12 segment, the Company sells its content directly to the end consumer through a combination of distributors, retailers and online sales platforms.

Our Strategy. With one of the largest higher education systems in the world S Chand plans to further its presence in the higher education business, particularly the test preparation market. Although the Company already has a strong offering of subject based test preparation content, S Chand plans to now create content for specific examinations for civil service and public sector jobs. Additionally, as

29.3%

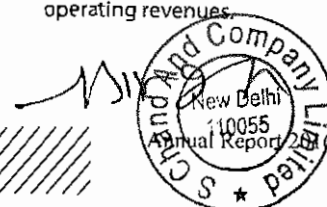
DIGITAL & HYBRID CONTENT
CONTRIBUTION TO
CONSOLIDATED REVENUES
(FISCAL 2017).

job applicants and students show an increasing preference for taking online tests as a form of test preparation, S Chand hopes to capture this market by offering online content and online assessment options. By investing in education technology companies, and pairing their innovative technology with the Company's content and industry experience, S Chand hopes to gain an edge in this sector.

Focusing on Digital

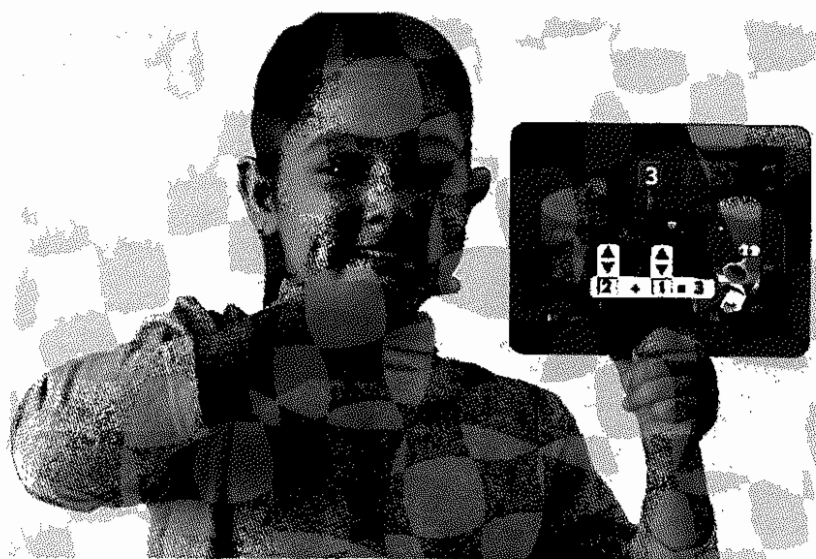
With advances in technology, the use of digital learning tools is becoming increasingly popular in classrooms. This is true especially in the K-12 segment and the test preparation sub-segment for higher education. Digital education offerings are increasingly seen as an important supplement to education content in the formal and informal education segments. Including device based learning, learning management systems, online test platforms, and online marketplaces connecting students with tutors, digital education in India is still at a nascent stage when compared to global markets.

In Fiscal 2017, S Chand's hybrid offering contributed 27.6% of its consolidated operating revenue from the K-12 segment, and purely digital offerings contributed 4.6% of our consolidated operating revenues.



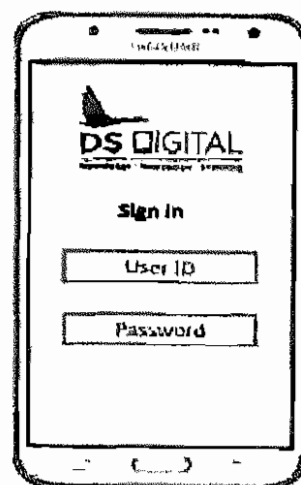
MANAGEMENT DISCUSSION & ANALYSIS (contd.)

Destination Success is a digital learning solution with over 8,000 hours of content, focusing on the K-12 segment. This learning solution is currently deployed in more than 650 schools in India and the Middle East.



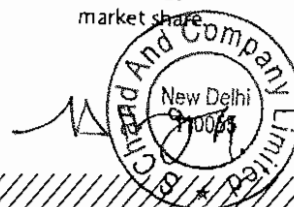
Our Strategy. Over the last three years, S Chand has coupled its print content with digital and interactive methods of learning, increasing the flexibility with which students are able to access and use its products. The Company's aim is to deliver end-to-end content solutions through existing and innovative digital technology, allowing their customers to consider S Chand as the single source for education content.

To achieve this strategy, the Company provides its customers with the necessary training tools to effectively utilise the developed content solutions. Through digital and interactive learning in the classroom and portable devices, the Company engages directly with the end-user throughout the year. This helps S Chand to strengthen their relationship with schools for the complete academic year.



To grow this sector of the business, apart from focusing on organic growth, S Chand has focused on investing in early stage education companies and education related technology with

hopes to leverage their strong content offering, as well as their sales and distribution network, as these new technology driven offerings capture market share.



S CHAND'S GROWTH STRATEGY

Consolidate leadership position in Central Board schools as a preferred content partner.

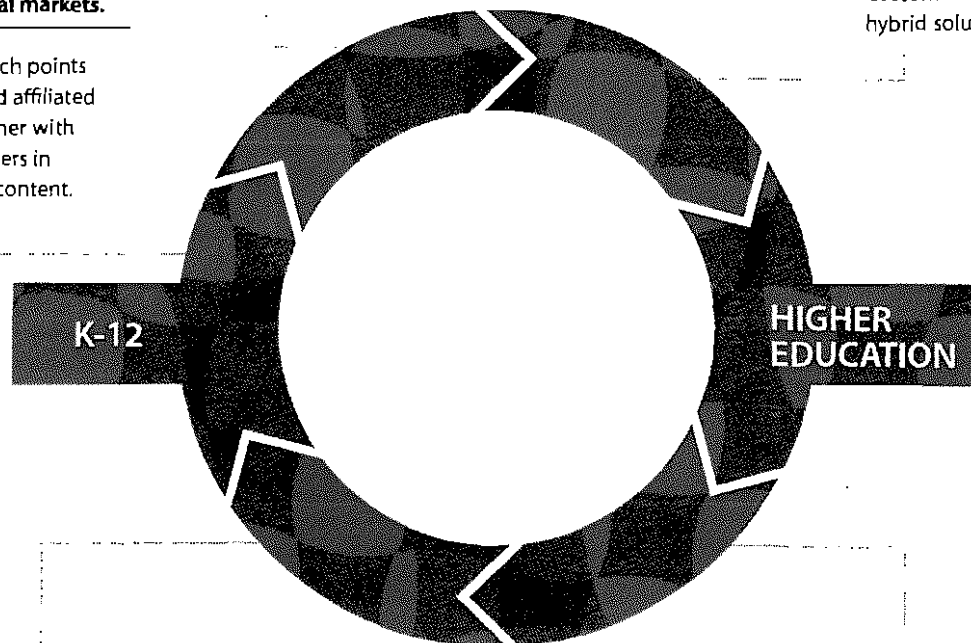
Introduce new titles, wider range of subjects, hybrid offerings and services.

Increase presence in large regional markets.

Establish touch points in state board affiliated schools. Partner with regional leaders in educational content.

Institutional partnerships.

Customized content/ hybrid solutions.



Focus on digital to expand reach and product offering.

Leverage content to expand into digital offerings

Exam Oriented Content For Test Preparation.

Cater to exam specific content. capture larger share of the job vacancy market.



MANAGEMENT DISCUSSION & ANALYSIS (contd.)

PRODUCT PORTFOLIO

The following table sets forth the principal brands that S Chand represents, and the business segments in which they are present:

| Brand | K12 | Higher Education | Early Learning |
|--|-----|------------------|----------------|
| S Chand | ✓ | ✓ | |
| Vikas | | ✓ | |
| Madhubun | ✓ | | |
| Saraswati | ✓ | | |
| Blackie | ✓ | | |
| Chhaya | ✓ | | |
| IPP | ✓ | | |
| Brands specializing in e-content and services | | | |
| Destination Success | ✓ | | |
| Mylestone | ✓ | | |
| mystudygear | ✓ | | |
| Ignitor* | ✓ | ✓ | |
| Testbook* | | ✓ | |
| Online Tyari* | | ✓ | |
| BPI* | | | ✓ |
| Smartivity* | | | ✓ |
| Risekids | | | ✓ |
| Flipclass* | ✓ | | |

* Investee Company

While each sub segment of the Company's business in the formal education sector of the industry includes products to meet their unique requirements, each of the above brands play a specialised role in providing either print, new media, hybrid or digital content to their respective sub-markets. This strategy targets the whole spectrum of educational services that can be provided to the entire formal education sector.



K-12

S Chand's K-12 content portfolio is offered to students from ages four through eighteen years, including numerous instructional resources across hundreds of programs, covering nearly all subjects offered in the K-12 segment. Through the S Chand's pan-India sales teams, the Company markets its brands and content to schools, educators and students, acquiring places on prescribed and recommended reading lists. It sells the requested K-12 content to the Company's distributors for re-sale to K-12 institutions and students. S Chand's relationships with schools allows it to work closely with schools and teachers to customise the content to their curriculum, and provide these schools with engaging learning methods and teacher support material.

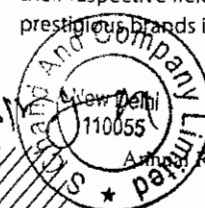
In fiscal 2017, over 70% of the Company's printing requirements were met by S Chand's own facilities located in Shahibabad and Rudrapur. Its print facilities and distribution networks are supported by its logistics network, comprising of 42 warehouses located in 19 states, allowing for pan India coverage.

Print Content

Print content represents the largest portion of S Chand's consolidated operating revenue in the K-12 segment. In Fiscal 2017, operating revenue from print content contributed to 66.7% of consolidated operation revenues from the K-12 segment. In Fiscal 2017, consolidated operating revenue from the hybrid offerings contributed 27.6%

of its consolidated operating revenue from the K-12 segment.

S Chand's print content portfolio includes a library of titles that covers the full spectrum of subjects, written by some of the top authors and experts in their respective fields. The Company's prestigious brands include some of the



MANAGEMENT DISCUSSION & ANALYSIS (contd.)

21,000
students

NOW USING MYLESTONE
THROUGH 68 SCHOOLS.

best-selling and popular print content in the K-12 market, such as S Chand, Madhubun, Saraswati and Chhaya.

New Media Learning Solutions

The digital platforms and services that S Chand has developed in-house include Destination Success, Mylestone, Intellilab and Mystudygear. They provide students with rich multimedia content and assessment solutions, practice material and tests, and interactive videos for a variety of subjects.

To expand its digital offerings, the Company has invested in early stage education companies. These investments seek to pair the Company's experience, content, distribution reach and brand equity with innovative technology driven solutions. For the K-12 market, S Chand has invested in Ignitor (a mobile learning platform) and Flipclass (a technology platform connecting students to tutors).

Hybrid Materials

Hybrid print and digital products complement the Company's existing print content with online applications and interactive learning. Print content is being modified and enriched with digital videos and online applications to enable interactive learning through digitally enabled books. Over 20% of the K-12 product portfolio today comprises of hybrid print products, which contributed to over ₹ 150 crores in operating revenues for the last fiscal year.

Educational Services

In addition to the numerous print and digital products S Chand offers, it is looking to develop educational services programmes, such as curriculum management, to deepen the Company's engagement with students, educators and institutions. Currently, it has developed a comprehensive curriculum solution, Mylestone that includes books, e-content, teacher training content and assessment tools for the K-8 classes. Having launched successfully, S Chand has implemented Mylestone in 68 schools (covering around 21,000 students) in the first year of commercial launch. These additional services help the Company cement its positioning as a knowledge partner for the education industry and focus on improving the education outcome for students and schools.

Higher Education Business

S Chand's higher education segment is the second largest segment by consolidated revenue, and comprises two components: (1) test preparation and (2) college and university/technical and professional.

Test Preparation

The Company is a provider of print content and digital products required by students, instructors and institutions for

test preparation in competitive exams, including entrance examinations and examinations required for government positions.

The Company publishes niche test preparation titles in print for popular professional and entrance examinations in India, including competitive and reference books for government and public sector entrance examinations. S Chand's products cover reference books for several entrance examinations, including Graduate Aptitude Test In Engineering, Management Aptitude Test (for entrance in management colleges), AIEEE, AMU, Union Public Service Commission, Bachelors of Business Administration, Masters of Business Administration, and Bank Probationary Officer Exams. The key brand for test preparation titles in print content is S Chand. Popular test preparation subjects catered to by S Chand include quantitative aptitude, modern approach of verbal and non-verbal reasoning and mathematics.

As an increasing number of exams are moving online, the test preparation market has an enhanced demand for online content and assessment solutions. S Chand has started offering both online test preparation and assessment through its investee platforms – Testbook, a web and

To expand its digital offerings, the Company has invested in early stage education companies. These investments seek to pair the Company's experience, content, distribution reach and brand equity with innovative technology driven solutions.



mobile platform that provides online preparation for competitive exams and Online Tyari, a mobile based test preparation platform for competitive exams, available in a variety of languages.

College And University/ Technical And Professional

The Company provides students, instructors and institutions with customised content for their coursework, as well as books that can be used for distance learning. It also offers technical and engineering content for professional courses.

S Chand offers content from graduation level to post graduation in various subjects such as accounting, business studies, economics, physics, chemistry, mathematics, botany, zoology and medicine. It also offers medical, technical and engineering content for students enrolled in these courses. The Company's sales teams work directly with higher education institutions, from which they receive content development requests. They develop the requested content and sell it directly to the institutions with which the Company is partnered.

For students enrolled in technical and professional programs, S Chand provides technical and professional books, including those specific to Bachelors of Engineering, Bachelors of Technology, Bachelors of Architecture, and other engineering courses such as applied sciences and computer sciences. The Company's print content is based on the recent question papers and examination patterns and provide readers with multiple choice questions to confirm

their knowledge and understanding of the provided content.

While the S Chand brand has a strong presence in biology, chemistry, commerce, management, physics and engineering, the Vikas brand has as strong presence in academic and reference books that cover engineering, management, computer science, sociology education and humanities, with an emphasis on content specific to management and commerce. The Vikas brand also provides customised print content for students enrolled in distance learning (higher education) courses.

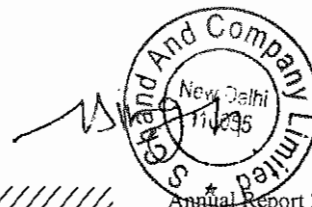
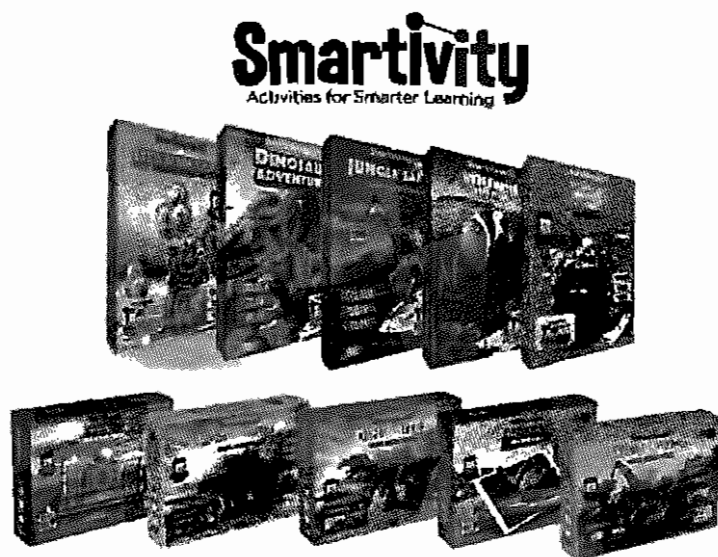
Our Early Learning Business

The early learning business caters to S Chand's youngest customer market (0-4 years of age) and exposes them

to the Company's brands, products and services at the beginning of their student career. S Chand has early learning brands targeted to specific product and service categories.

The Company's early learning business brands are set forth below.

- **BPI:** BPI sells children's books, educative board games, activity packs and puzzles.
- **Smartivity:** Smartivity offers activity based 'experimental' learning, including 'do-it-yourself' kits and augmented reality enabled products.
- **RiseKids:** RiseKids operates seven pre-school centres in the National Capital Region.



MANAGEMENT DISCUSSION & ANALYSIS (contd.)

FINANCIAL PERFORMANCE

For the year under review, S Chand reported consolidated revenues of ₹ 685 Crores as against ₹ 541 crores in the comparable period of the previous year, registering a growth of 26.8%.

- Revenue from K-12 segment increased from ₹ 389 crores in FY 2015-16 to ₹ 547 crores in FY 2016-17, a year on year growth of 40.6%. The K-12 segment is the largest revenue contributor - over 80% of consolidated revenues.
 - Revenues from K-12 include first time consolidation of revenues of Chhaya Prakashani Private Limited from the date of acquisition (6 December 2016), adding ₹ 75 crores to the consolidated revenues of FY 2016-17.
 - Organically, the K-12 segment reported a year on year revenue growth of 21.3%.
 - Revenue from digital content and services (K-12) increased 39% year on year to ₹ 31 crores in FY 2016-17.
- Revenue from the Higher Education segment decreased 5% year on year to ₹ 122 crores in FY 2016-17, impacted by a challenging industry environment.

Consolidated EBITDA for FY 2016-17 stood at ₹ 172 crores as compared to ₹ 12B crores in the comparable period of previous year. The Company reported a consolidated post tax profit (net of minority interest and share of loss in

associate companies) of ₹ 58 crores compared to an amount of ₹ 47 crores in the comparable period of previous year.

This growth can be attributed to the increase in the number of students attending central curriculum (CBSE/ ICSE) schools, as well as strategic expansion of the group into new geographies and markets.

BUSINESS OUTLOOK

India's economy is expected to grow considerably over the next decade. A young population with rising disposable income levels, a healthy savings rate, and an increase in GDP per capita indicate favourable long-term economic growth prospects for the Indian economy. The formal, informal and ancillary segments of the education sector are collectively estimated to reach US\$188 billion by 2020 (Source: Technopak Research Report). With a rise in the number of private schools, an increase in household expenditure on education, a decrease in drop-out-rates, the increasing use of technology, and a new wave of policy reform, the Indian education sector is expected to undergo a transformative phase, helping India position itself for the future. S Chand, as an established and leading content creator and publisher, recognises that the Indian education segment is dynamic and evolving, and plans to leverage its expertise to adapt to the new-age students' and teachers' needs.

Over the past eight decades, the Company has established a strong brand in the Indian education market, known for producing quality authored content

with the help of a professional editorial team. Having built an extensive content library, sales distribution network, brand equity and strong relationships with schools, S Chand has strategised to expand its leadership position in the K-12 and Test Preparation markets, while focusing on being a comprehensive education content provider through all media channels, including digital.

As content consumption trends change, a large part of S Chand's digital strategy is to take care of its future. By using technology to innovate methods of learning and content delivery, it endeavours to build and deepen the Company's relationships with students and schools across the education lifecycle. Over the last three years, the Company has accentuated its print content with digital and interactive methods of learning, increasing the flexibility with which it delivers content to students. Hybrid print and digital products complement existing print content with online applications and interactive learning, as well as support for teachers through training programs and online seminars. While the pace and extent of this transition is uncertain, S Chand endeavours to position itself to be prepared for technological change, giving the Company the chance to maintain its leadership position. The Company has also made certain organic

26.8%

GROWTH (YOY) IN CONSOLIDATED REVENUES FOR FY 2017



and inorganic investments to fill any gaps in its product portfolio, helping it to diversify in terms of subjects offerings, market segments, geographies and market share.

S Chand's philosophy is tightly wound around giving customers the complete knowledge platform required to develop and educate themselves, establishing a sense of trust between S Chand and its customer stakeholders. The Company aims to remain imaginative, nimble and adaptive towards new market trends, continuing to produce and deliver high quality content. S Chand has grown its consolidated revenues at a CAGR of 31% over the past five years, and has positioned itself well to tackle the wave of demand that the Indian education market is expected to witness in the near future.



HUMAN RESOURCES

S Chand prides itself on its strong and motivated workforce, and its ability to attract and train new talent with maximum retention. To facilitate growth, the company has hired experienced employees across all sectors of its business. As of March 2017, the Company has 2,389 employees, including a sales and marketing team of 905 employees, and an editorial team of 305 employees.

At S Chand, significant resources are devoted to training employees. A continuous learning program help the Company's employees to meet the ever-growing demands of the education industry. It believes that the human resources and compensation practices proactively address the factors

S Chand's philosophy is based on giving customers the complete knowledge platform required to develop and educate themselves, establishing a sense of trust between S Chand and its customer stakeholders.

that impact retention. A rewards, recognition program and adequate growth opportunities help to ensure that the employees are motivated and performance oriented. For example, pursuant to the Employee Stock Option Scheme, certain of the employees are eligible for options convertible into equity shares of the Company, which vest based on continued employment and/or the individual's job performance. Additionally, the Company also offer an incentive program to its sales employees, pursuant to which sales

executives and managers receive additional financial remuneration if they achieve a defined percentage of their annual sales targets and budget.

S Chand has established extensive requirements relating to workplace safety. To ensure that the Company adheres to all statutory laws and regulations on environment, health and safety, its has implemented an environmental, health and safety program. Under this program, it has created a health and safety committee,

MANAGEMENT DISCUSSION & ANALYSIS (contd.)

which comprises of both management and non-management employees, who meet quarterly to discuss problems related to these aspects. The Company has also implemented a system to conduct paid medical examinations of all employees, including contract employees. In addition, S Chand has implemented additional programs including those related to electrical safety, the handling of equipment and materials, the handling of hazardous chemicals, fire safety, monitoring of the work environment (including air quality, ambient noise and the quality of drinking water), first aid, hazardous waste disposal and housekeeping. The Company has also implemented a system of accident reporting and investigation, pursuant to which all accidents, both fatal and non fatal are reportable to health and safety authorities. Employees are also encouraged to report on "near miss" accidents.

To ensure the reduction of energy consumption, the Company has implemented an energy efficiency program. Under this program, the lighting systems, electrical systems, power quality and consistency, HVAC, and water consumption are all kept in check. Training programs for all employees encourage greater awareness of the energy efficiency program and the importance of periodical monitoring of the Company's energy consumption habits.

RISKS & CONCERNS

S Chand is closely linked to the central curriculum academic cycle, which is seasonal in nature. The seasonality in the K-12 market has a direct impact

on the Company's operating revenue, margins and cashflows on a quarterly basis. There are several underlying strategies undertaken to mitigate this risk. The Company is focused on growing its higher education business, which experiences limited seasonality. With the help of retailers and an online sales platform, sales in this sector are relatively more steady, with slightly lower sales in the first and third quarters. The Company has also introduced certain products for schools and students that make it more relevant throughout the school year.

A significant portion of the Company's revenues are dependent on the titles of a few top authors. To maintain on-going harmonious relationships, the Company ensures that its authors are compensated well. It believes in maintaining mutually beneficial relationships, helping authors advance their careers while remaining a part of the strong S Chand brand. In parallel, the Company continues to widen and expand its content and author base on a continuous basis. To protect its content ownership and dissemination, S Chand has a dedicated legal team that vehemently manages its Intellectual Property Rights on an ongoing basis.

The Company views the advent of disruptive digital technologies and the development of open-source content, more as a business opportunity, rather than a threat. It has launched an online content application called "Mystudygear", which is a strategic assertion of S Chand's presence in the online education content space. S Chand maintains a sustainable and pro-active strategy toward the digital distribution and access of its content.

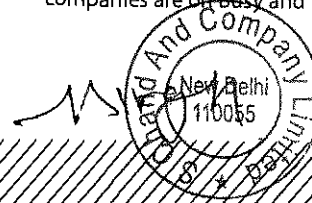
INFORMATION TECHNOLOGY

S Chand deploys its own servers for SAP, ERP, and content (text, animation, videos ect.), as well as other office data. The e-mail and CRM servers are on the Cloud, while regular back ups are conducted on company servers. A cloud based SAP disaster recovery is also in place with the help of a third party company.

Some key investments that enhanced S Chand's IT framework include:

- The enhancement of the Adobe licenses to keep up with technical enhancements in the field of digital content creation.
- The enhancement of the Microsoft Licenses on the Microsoft Exchange Platform.
- The company has invested in the IPR module and GST Upgradation of SAP and the other ERPs used.
- An SAP disaster recovery on the cloud (third party).
- A CRM system was deployed for DS Digital (Microsoft.Net Application).
- Ordering APP for customers that SCOT created.
- Outsourcing the payroll processing, as well as using a third party human resources application for employee claims and reimbursements.
- A new group website was launched: www.schandgroup.com

SAP ECC 6.0 is deployed across all major group companies, while a couple of companies are on Busy and Tally ERP



(upgraded for GST). To protect the servers and data from hacking or data loss, S Chand has firewalls and SAP / ERP access is largely through VPN for all company locations. This is in accordance with the IT Policy guidelines that are in place.

INTERNAL RISK CONTROL

The following list highlights S Chand's comprehensive Internal Control Framework:

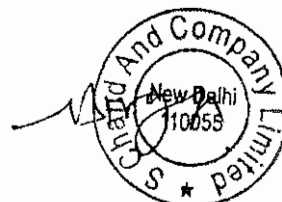
- Policies are formulated, circulated, approved and reviewed annually, in addition to being published online.
- The Authorization Matrix is clearly defined.
- Internal Control Testing is conducted by Internal Auditors, DHC Baker Tilly, with low failures under the Risk Control Matrix process.
- An Internal Audit Department independently audits for NCR Locations for processes, etc.
- An Internal Audit is conducted by DHC Baker Tilly for the material subsidiaries throughout the year, with External Software from Compliance Matra to track Statutory Compliances.
- A robust Corporate Governance approach is followed, with Independent Directors in Company and all material subsidiaries.
- Related Party Transactions are approved by Audit Committee and Board wherever required.

The Company is focusing on growing the higher-education business, which experiences limited seasonality. It has also introduced products for schools and students that are relevant throughout the academic year.

- An arms length approach is followed, even between subsidiaries and the holding company.

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of S Chand, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of S Chand's Annual Report, FY2017.



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present 46th Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2017.

1. FINANCIAL PERFORMANCE

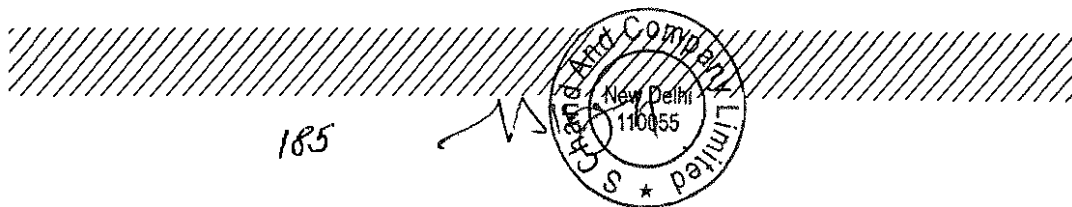
Figures in ₹ Crores

| Abridged Profit And Loss Statement | Consolidated | | Standalone | |
|---|---|---|---|---|
| | FY Ended 31 st March 2017 | FY Ended 31 st March 2016 | FY Ended 31 st March 2017 | FY Ended 31 st March 2016 |
| Revenue from operations | 684.15 | 537.60 | 301.35 | 279.56 |
| Other income | 1.33 | 3.06 | 1.50 | 2.77 |
| Total Revenue | 685.48 | 540.66 | 302.85 | 282.32 |
| Profit before interest, tax, depreciation and amortization (EBIDTA) | 172.21 | 128.09 | 57.64 | 38.01 |
| Depreciation and amortization expenses | 28.18 | 25.91 | 7.26 | 7.40 |
| Finance cost | 35.57 | 30.58 | 14.90 | 13.93 |
| Interest income | (0.63) | (0.93) | (7.95) | (8.98) |
| Profit before tax, minority interest and share of associate company | 109.09 | 72.53 | 43.42 | 25.66 |
| Exceptional items | - | (0.51) | - | - |
| Tax expense | 43.60 | 23.74 | 16.32 | 9.39 |
| Profit after tax and before minority interest and share of associate company | 65.49 | 49.30 | 27.10 | 16.27 |
| Share in loss of associate company | (1.83) | (2.72) | - | - |
| Profit for the year | 63.66 | 46.58 | 27.10 | 16.27 |
| Profit for the year attributable to | | | | |
| Owners of the parent | 58.20 | 46.57 | - | - |
| Minority interest | 5.46 | (0.01) | - | - |
| Balance of profit brought forward from previous years | 170.08 | 123.51 | 59.04 | 42.77 |
| Net surplus in the statement of profit and loss account | 228.29 | 170.08 | 86.14 | 59.04 |
| Appropriations: | | | | |
| Interim equity dividend | (1.01) | - | (1.01) | - |
| Tax on interim equity dividend | (0.20) | - | (0.21) | - |
| Balance Carried to Balance Sheet | 227.08 | 170.08 | 84.92 | 59.04 |

2. OPERATIONS

Your Company delivered a profitable growth performance during FY 2016-17 and further strengthened its position in the educational content market. The Company, on a consolidated basis, earned total revenues of ₹ 685.48 crores during the year as compared to ₹ 540.66 crores in the previous year, registering a year-on-year growth of 26.79%.

Revenue growth during the year was positively impacted by the acquisition of Chhaya Prakashani Private Limited, which was consolidated with the group with effect from 06th December 2016 with a total contribution of ₹ 75 crores to consolidated revenues of FY 2016-17 (previous year NIL). Profit (after tax) for the year, on a consolidated basis, for FY 2016-17 was ₹ 63.66 crores as compared to ₹ 46.58 crores in the previous year.



Your Company is amongst the largest education content company in the country, according to Nielsen, with a strong presence in the CBSE/ ICSE affiliated schools. We continue to focus on expanding our reach across schools, teachers and students using our nation-wide distribution network and by actively engaging with our customers. Your Company is the preferred content partner for a large number of schools and educators, with a comprehensive portfolio of print titles (including several subject best-sellers) and digital content. During the year under review, your Company introduced over 321 new titles as well as modified and enriched several existing print titles with digital content and videos. Currently, over 20% of our total print titles are digitally enabled, which helps us to provide a more fulfilling learning experience to students.

In the year under review, your Company successfully launched its curriculum management business under the brand "Milestone", catering to classes K to 5. During the year we signed up with 68 schools for the Milestone product suite, covering over 21,000 students. For the digital classroom product, "Destination Success", your Company was successful in signing up 1,700 new classrooms during the year, taking our total coverage to 4,630 classrooms and covering over 185,000 students.

Your Company has minority investments in five digital companies, namely, Smartivity Labs Private Limited, Testbook Edusolutions Private Limited, Edutor Technologies (India) Private Limited, Gyankosh Solutions Private Limited and Next Door Learning Solutions Private Limited. These companies continue to scale up their business and capture a larger size of the market. During the year under review, three of these investee companies raised further equity capital from financial investors, while your Company continues to be a minority shareholder in these platforms in line with our strategy to support digital platforms that are supplementary to our content offering.

Your Company was also conferred with the "Business Superbrand" status by Superbrands India, which is valid till the end of calendar year 2017. This is a recognition of the strong brand equity and customer recall of the products of the S Chand group.

3. DIVIDEND

During the year, your Board declared an interim dividend of ₹ 25 per share on 403,304 equity shares of face value of ₹ 5/- each for the financial year 2016-17. The said interim

dividend was declared out of the accumulated profits of the Company. The said interim dividend has been paid to the members whose name were appearing in the Register of Members as on April 28, 2016.

Your Directors have recommended a final dividend of ₹ 1.25/- per share on 34,839,172 equity shares of face value of ₹ 5/- each (ranking pari-passu to all the members) for the financial year 2016-17. Total outflow towards dividend (both interim and final) on equity shares for the year, if approved and declared by the members at the ensuing Annual General Meeting, would be ₹ 6.45 crores (including dividend tax).

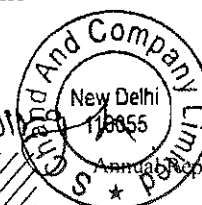
The dividend, if approved at the ensuing Annual General Meeting, will be paid to those members whose names appear in the register of members of the Company as on September 18, 2017.

4. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT

Your Company completed its maiden initial public issue (Public Offer) of its equity shares after completion of financial year ending March 31, 2017. The Public Offer comprised of 4,850,746 fresh equity shares and an offer for sale of 6,023,236 equity shares by existing members of the Company. The Public Offer opened for subscription on 26th April, 2017, (for Anchor Investors, the Offer opened and closed on 25th April, 2017) and closed on 28th April, 2017 and was oversubscribed to the extent of 60.0646 times. Pursuant to the Public Offer, equity shares of the Company got listed for trading at the BSE Limited and National Stock Exchange of India Limited on May 09, 2017. Out of proceeds of Public Offer your Company and its subsidiaries have prepaid their term loans equivalent to ₹ 255 crores which will reduce finance cost of the Company at consolidated level in coming years.

5. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business.



BOARD'S REPORT (contd.)

6. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/TRIBUNALS

There are no significant material orders passed by any Regulator/Court/Tribunal against the Company which would impact the going concern status of the Company and its future operations.

7. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial control system and processes. Internal Control policies and procedures have been adopted by the Company 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. The Internal Auditor of the Company M/s DHC Baker Tilly, Chartered Accountants, audited and reviewed the internal controls, operating systems and procedures of the Company. The reports on findings of Internal Auditor have been reviewed by the Audit Committee periodically.

8. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has 12 (twelve) subsidiaries as on March 31, 2017. During the year, the Board of Directors reviewed the affairs of its subsidiaries. The Consolidated Financial Statements of your Company for the financial year 2016-17 are prepared in compliance with the applicable provisions of the Companies Act, 2013, Accounts Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which shall be placed before the members in their ensuing Annual General Meeting.

Subsidiaries:

a) Blackie & Son (Calcutta) Private Limited

Blackie & Son (Calcutta) Private Limited reported total revenues of ₹ 26.68 lakhs in the financial year 2016-17 as compared to the total revenues of ₹ 82.60 lakhs in the previous financial year. The company has also reported a net profit (after tax) of ₹ 11.54 lakhs in 2016-17 as compared to a net profit (after tax) of ₹ 5.90 lakhs in the previous financial year.

b) BPI (India) Private Limited

BPI (India) Private Limited reported total revenues of

₹ 14.17 crores in the financial year 2016-17 as compared to total revenues of ₹ 16.69 crores in the previous financial year. The Company has also reported a net profit (after tax) of ₹ 61.40 lakhs in 2016-17 as compared to a net loss (after tax) of ₹ 0.91 lakhs in the previous financial year.

c) Chhaya Prakashani Private Limited

Chhaya Prakashani Private Limited became a subsidiary of the Company with effect from 05th December 2016. It reported total revenues of ₹ 101.68 crores in the financial year 2016-17 as compared to total revenues of ₹ 127.01 crores in the previous financial year. The company reported a net profit (after tax) of ₹ 21.54 crores in 2016-17 as compared to a net profit (after tax) of ₹ 30.68 crores in the previous financial year.

d) DS Digital Private Limited

DS Digital Private Limited reported total revenues of ₹ 29.32 crores in the financial year 2016-17 as compared to total revenues of ₹ 23.43 crores in the previous financial year. The company reported a net loss (after tax) of ₹ 6.59 crores in 2016-17 as compared to a net loss (after tax) of ₹ 3.31 crores in the previous financial year.

e) Eurasia Publishing House Private Limited

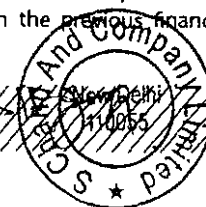
Eurasia Publishing House Private Limited reported total revenues of ₹ 2.12 crores in the financial year 2016-17 as compared to total revenues of ₹ 2.22 crores in the previous financial year. The company reported a net loss (after tax) of ₹ 94.33 lakhs in 2016-17 as compared to a net profit (after tax) of ₹ 13.48 lakhs in the previous financial year.

f) Publishing Services Private Limited

Publishing Services Private Limited reported total revenues of ₹ 2.06 crores in the financial year 2016-17 as compared to total revenues of ₹ 2.04 crores in the previous financial year. The company reported a net profit (after tax) of ₹ 15.53 lakhs in 2016-17 as compared to a net profit (after tax) of ₹ 7.41 lakhs in the previous financial year.

g) Indian Progressive Publishing Co Private Limited

Indian Progressive Publishing Co Private Limited reported total revenues of ₹ 1.10 crores in the financial year 2016-17 as compared to total revenues of ₹ 2.65 crores in the previous financial year. The company



reported a net loss (after tax) of ₹ 10.87 lakhs in 2016-17 as compared to a net profit (after tax) of ₹ 34.77 lakhs in the previous financial year.

h) New Saraswati House (India) Private Limited

New Saraswati House (India) Private Limited reported total revenues of ₹ 143.26 crores in the financial year 2016-17 as compared to total revenues of ₹ 129.45 crores in the previous financial year. The company reported a net profit (after tax) of ₹ 7.79 crores in 2016-17 as compared to a net profit (after tax) of ₹ 10.64 crores in the previous financial year.

i) Nirja Publishers & Printers Private Limited

Nirja Publishers & Printers Private Limited reported total revenues of ₹ 25.45 crores in the financial year 2016-17 as compared to total revenues of ₹ 48.79 crores in the previous financial year. The company reported a net profit (after tax) of ₹ 3.86 crores in 2016-17 as compared to a net profit (after tax) of ₹ 12.59 crores in the previous financial year.

j) S Chand Edutech Private Limited

S Chand Edutech Private Limited reported total revenues of ₹ 13.26 lakhs in the financial year 2016-17 as compared to total revenues of ₹ 60.15 lakhs in the previous financial year. The company reported a net loss (after tax) of ₹ 3.00 lakhs in 2016-17 as compared to a net profit (after tax) of ₹ 73.49 lakhs in the previous financial year.

k) Safari Digital Education Initiative Private Limited

Safari Digital Education Initiative Private Limited reported total revenues of ₹ 6.63 crores in the financial year 2016-17 as compared to total revenues of ₹ 3.22 crores in the previous financial year. The company reported a net loss (after tax) of ₹ 3.24 crores in 2016-17 as compared to a net loss (after tax) of ₹ 1.99 crores in the previous financial year.

l) Vikas Publishing House Private Limited

Vikas Publishing House Private Limited reported total revenues of ₹ 250.62 crores in the financial year 2016-17 as compared to total revenues of ₹ 209.35 crores in the previous financial year. The company reported a net profit (after tax) of ₹ 17.96 crores in 2016-17 as compared to a net profit (after tax) of ₹ 19.86 crores in the previous financial year.

During the year consequent to acquisition of majority stake in Chhaya Prakashani Private Limited (Chhaya), two of wholly owned subsidiaries of Chhaya viz. Publishing Services Private Limited and Indian Progressive Publishing Co Private Limited have become subsidiaries of the Company. In accordance with section 129 (3) a statement containing salient features of financial statements of each of the subsidiary in the prescribed Form AOC-1 is annexed to this report as Annexure-A. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of the subsidiary will be available on the website of the Company (www.schandgroup.com). These documents will also be available for inspection during business hours at the registered office of the Company.

9. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the purview of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

10. AUDITORS

Statutory Auditor

Pursuant to Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Reg. No. 101049W) as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors of the Company at their meeting held on August 09, 2017 on the recommendation of the Audit Committee, have made its recommendation for re-appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Reg. No. 101049W), as the Statutory Auditors of the Company by the members at the forthcoming Annual General Meeting of the Company for another term of 5 (five) years.

The Company has received a written consent and a certificate from auditors that they satisfy the criteria provided under Section 141 of the Act and that their re-appointment, if made by the members, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. Accordingly, pursuant to Section 139 of the Companies Act, 2013, a resolution, proposing the



BOARD'S REPORT (contd.)

appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Reg. No. 101049W) as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of the ensuing 46th Annual General Meeting till the conclusion of 51st Annual General Meeting of the Company to be held in 2022 forms part of the Notice of the ensuing Annual General Meeting of the Company.

The auditor's report submitted by the Statutory Auditors on the financial statements of the Company for the year ended March 31, 2017 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their report. The auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act and no comment of Board on audit report is required to be given.

Secretarial Auditor

The Board had appointed Mr. R.S. Bhatia, Company Secretary in Practice (CP No. 2514) as Secretarial Auditor. The secretarial audit report submitted by the Secretarial Auditor for the financial year 2016-17 is annexed as Annexure-B and forms an integral part of this report.

There has been no qualification, reservation or adverse remark or disclaimer in their report. During the year under review, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

11. CHANGES IN SHARE CAPITAL

During the year under review the authorised and paid up equity share capital of the Company was restructured in order to increase the capital base of the Company. The Company, with approval of the members in the general meeting, sub-divided share capital of the Company from ₹ 10/- per equity share to ₹ 5/- per equity share and also increased its authorised share capital to ₹ 20,00,00,000 (Twenty Crores) divided into 4,00,00,000 (Four Crores) equity shares of ₹ 5/- each. During the year, the Company issued 2,94,41,192 bonus equity shares of ₹ 5/- each. Post issue of bonus shares, the issued, subscribed and paid up equity share capital of the Company as on March 31, 2017 was ₹ 149,22,480 divided into 29,844,496 equity shares of face value of ₹ 5/- each.

12. EXTRACTS OF ANNUAL RETURN

The details forming part of the extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure- C which forms part of this report.

13. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not carry any manufacturing activity, thus, disclosure requirements under Section 134 (3) (m) of the Companies Act 2013 read with Rule 8 (3) of the Companies Accounts Rules, 2014 are not applicable to the Company. However, wherever possible and feasible, continuous efforts have been made for conservation of energy and to minimize energy cost and to upgrade the technology with a view to increase the efficiency and to reduce cost of operations. The Company has not carried out any R&D activity during the year.

During the year under review, the Foreign Exchange earnings and outgo are as follows:

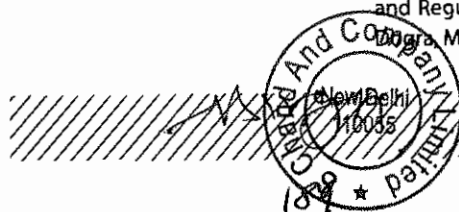
- i) Foreign Exchange earnings: ₹ 28,10,478/-
- ii) Foreign Exchange outgo: ₹ 6,56,843/-

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company is managed and controlled by the Board comprising an optimum blend of Executives and Non-Executive Professional Directors. As on March 31, 2017, the Board of Directors consists of 8 (eight) Directors consisting of a Managing Director, Whole time Director and 6 (six) Non-executive Directors, out of which 3 (three) are Independent Directors (including one Woman Director). The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Companies Act, 2013. All the Directors possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Appointment

Pursuant to Section 2(47), 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, Mr. Desh Raj Dogra, Mr. Sanjay Vijay Bhandarkar and Ms. Archana Kapoor



have been appointed as the Independent Directors on the Board of the Company with effect from November 10, 2016 for a term of five years.

Resignation

Due to pre-occupation and other commitments, Ms. Nirmala Gupta, Ms. Neerja Jhunjhnuwala and Ms. Ankita Gupta resigned from the Board with effect from May 20, 2016 and Mr. Vishal Sharma resigned with effect from November 23, 2016. The Board placed on record its appreciation for the services rendered by them during their association with the Company.

Further, during the year Ms. Savita Gupta and Mr. Gaurav Kumar Jhunjhnuwala resigned from the position of Whole-time Directors but continued to act as Non-Executive Directors.

Retirement by rotation

In terms of section 152 of the Companies Act, 2013 Ms. Savita Gupta will retire by rotation at the ensuing Annual General Meeting ("AGM") and is eligible for re-appointment. The Board recommends her re-appointment and the same is included in the notice of the ensuing AGM forming part of the Annual Report.

Further, sub-section (13) of Section 149, provides that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Companies Act, 2013 shall not apply to the Independent Directors. Hence, none of the Independent Directors retire at the ensuing AGM.

Independent Directors' Declarations

The Independent directors have given a declaration that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

Board Evaluation

In compliance with the Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors for the year under review. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The evaluation involves self-evaluation by the Board Members

and subsequent assessment by the Board of Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Board Meetings

During the year under review the Board of Directors met 10 (ten) times, details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

15. DETAILS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 14, 33 and 12 respectively to the standalone financial statements.

16. RELATED PARTY TRANSACTIONS

The Company has formulated a policy on related party transactions which is also available on Company's website at www.schandgroup.com. This policy deals with the review and approval of related party transactions.

During the year under review, all related party transactions entered by the Company were in ordinary course of the business and on arm's length basis. No material related party transactions were entered during the financial year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

17. INFORMATION REGARDING EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as Annexure-D.

During the year under review, there are employees drawing remuneration aggregating to more than ₹ 1,02,00,000 (Rupees One Crore Two Lakhs) per annum, employed for whole of the financial year or ₹ 8,50,000 (Rupees Eight Lacs Fifty Thousand) per month, employed for a part of the year. The disclosure pursuant to Rule 5 (2) the Companies



BOARD'S REPORT (contd.)

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as Annexure-E.

Managerial Remuneration

During the year under review, the Board of Directors in their meeting held on May 20, 2016 restructured the remuneration of the Directors of the Company in accordance with section 196 of the Companies Act, 2013 read with applicable rules thereunder details of which are given in the notes to financial statements of the Company forming part of this report.

Sexual Harassment Policy

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". During the year under review, there was no sexual harassment complaint reported to the Board.

Details of ESOPS

The underlying objectives of Employees Stock Option Scheme 2012 (ESOP 2012) is to attract, motivate, retain and reward employees for high levels of individual performance and share the wealth that they have created for the Company and its members. During the year under review, the Company had granted 156,954 stock options to the employees of the Company and its subsidiaries.

However, none of the option holders have exercised the vested options during the year under review and no shares were allotted pursuant to the exercise of stock options. Relevant disclosures pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and the Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits), Regulation 2014 is given as Annexure-F.

18. RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of risk. The business risks inter-alia includes increase in raw material and printing cost, change in curriculum, higher borrowing cost, competition from other players and violation of intellectual property rights of the Company. The risk management framework defines the risk management approach of the Company which includes periodic review of such risks, mitigation controls and reporting mechanism of such risks. The Board of Directors,

Audit Committee and the senior management evaluates the operations to identify potential risks and take necessary actions to mitigate the same. The Company also has in place a Risk Management Policy and the Audit Committee to ensure implementation of appropriate risk management framework for the Company.

19. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Companies Act, 2013 the Company has a Corporate Social Responsibility Committee ("CSR Committee"), which comprises Mr. Desh Raj Dogra- Chairman and Independent Director, Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director and Mr. Deep Mishra, Non-Executive Director. The terms of references of the CSR Committee is provided in the Corporate Governance Report which forms part of this report.

The Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at www.schandgroup.com. The Annual Report on the CSR activities is attached as Annexure-G forming part of this report.

During the year under review, the Company has contributed an amount of ₹ 2,719,186/- as compared to the recommended amount of ₹ 3,440,000/- by the CSR Committee. The contributed amount is less than the aggregate of 2% average net profits of the Company in the preceding three years. The Company has made CSR initiatives through registered trusts/societies in the following programmes/projects:

- i) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; and
- ii) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

20. VIGIL MECHANISM

The Company has adopted the Vigil Mechanism by way of formulating a Whistle Blower Policy. The policy provides a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code

of Conduct or ethics policy. The Policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Head of Human Resources of the Company. The Whistle Blower Policy is available on the website of the Company at www.schandgroup.com.

21. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. In terms of Regulation 34 of the Listing Regulations, a report on the Corporate Governance along with a certificate of practicing company secretary on compliance is attached as Annexure-H and forms an integral part of the report.

22. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report, highlighting the performance of the Company and its business prospects, is provided in a separate section and forms an integral part of this annual report.

23. AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and one Non-Executive Director namely Mr. Desh Raj Dogra (Chairman-Non-Executive, Independent Director), Ms. Archana Capoor (Member- Non-Executive, Independent Director) and Mr. Deep Mishra (Member-Non-Executive, Non-Independent Director). The details of the Audit Committee are included in the Corporate Governance Report.

24. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration to Directors, Managerial Personnel and senior management of the Company. The policy lays down the criteria for selection and appointment of Board members, Key Managerial Person and employees.

25. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed

along with proper explanation relating to material departures;

- (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 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 this 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;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

26. ACKNOWLEDGMENTS

Your Directors wish to express their thanks to members, bankers, financial institutions, customers, suppliers, government and other regulatory authorities for their continued support. Your Directors place on record their appreciation to the employees at all levels for their committed services to the Company.

On behalf of the Board of Directors
For S Chand And Company Limited

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Dinesh Kumar Jhunjhnuwala
 Whole-time Director
 DIN: 00282988

Place: New Delhi
 Date: August 09, 2017



BOARD'S REPORT (contd.)

ANNEXURE-A

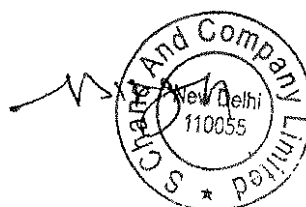
Form AOC-1

(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

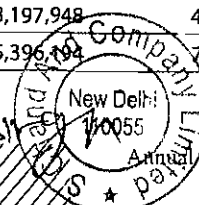
(Information in respect of each subsidiary to be presented with amounts in ₹)

| Sl. No. | Particulars | | | |
|---------|---|---|--|---|
| 1 | Sl. No. | 1 | 2 | 3 |
| 2 | Name of the subsidiary | S. Chand Edutech Pvt. Ltd. | Safari Digital Education Initiatives Pvt. Ltd. | DS Digital Pvt. Ltd. |
| 3 | The date since when subsidiary was acquired | 30/03/2011 | 07/02/2011 | 03/07/2014 |
| 4 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | N.A. | N.A. | N.A. |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. | N.A. | N.A. |
| 6 | Share capital | 212,700 | 443,692,680 | 568,993,200 |
| 7 | Reserves & surplus | (28,496,378) | (63,929,859) | (319,585,773) |
| 8 | Total assets | 8,226,780 | 738,080,776 | 528,208,105 |
| 9 | Total Liabilities | 36,510,458 | 358,317,955 | 278,800,679 |
| 10 | Investments | Nil | 485,662,761 | Nil |
| 11 | Turnover | 1,298,697 | 59,643,926 | 292,714,580 |
| 12 | Profit before taxation | (299,775) | (32,394,562) | (65,921,959) |
| 13 | Provision for taxation | Nil | Nil | Nil |
| 14 | Profit after taxation | (299,775) | (32,394,562) | (65,921,959) |
| 15 | Proposed Dividend | Nil | Nil | Nil |
| 16 | Extent of shareholding (in percentage) | 73.53% is held by Safari Digital Education Initiatives Pvt. Ltd. (a wholly owned subsidiary of the Company) | 40.08% is held by Nirja Publishers & Printers Pvt. Ltd. (wholly owned subsidiary) and the Company holds 59.92% | 40.75% is held by Safari Digital Education Initiatives Pvt. Ltd. (wholly owned subsidiary) and the Company holds 59.20% |



| Sl. No. | Particulars | | | |
|---------|---|---------------------------------------|------------------------------------|------------------------------------|
| 1 | Sl. No. | 4 | 5 | 6 |
| 2 | Name of the subsidiary | Nirja Publishers & Printers Pvt. Ltd. | Eurasia Publishing House Pvt. Ltd. | Blackie & Son (Calcutta) Pvt. Ltd. |
| 3 | The date since when subsidiary was acquired | 30/03/2010 | 25/09/2012 | 25/09/2012 |
| 4 | Reporting period for the subsidiary concerned, if different from the holding company's reporting | N.A. | N.A. | N.A. |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. | N.A. | N.A. |
| 6 | Share Capital | 1,20,000 | 1,06,000 | 1,49,000 |
| 7 | Reserves & Surplus | 685,893,464 | 164,090,140 | 67,378,875 |
| 8 | Total assets | 752,724,837 | 784,667,406 | 68,491,007 |
| 9 | Total Liabilities | 66,711,373 | 620,471,266 | 9,63,132 |
| 10 | Investments | 20,65,92,165 | 700,203,978 | 4,53,34,214 |
| 11 | Turnover | 253,967,411 | 16,017,521 | 2,667,468 |
| 12 | Profit Before Taxation | 54,794,634 | (8,489,521) | 1,738,512 |
| 13 | Provision for taxation | 16,200,668 | 9,43,357 | 584,293 |
| 14 | Profit after taxation | 38,593,966 | (9,432,878) | 1,154,219 |
| 15 | Proposed Dividend | N.A. | N.A. | N.A. |
| 16 | Extent of Shareholding (in percentage) | 100% | 100% | 100% |

| Sl. No. | Particulars | | | |
|---------|---|-----------------------|-----------------------------|---------------------------------------|
| 1. | Sl.No. | 7 | 8 | 9 |
| 2. | Name of the subsidiary | BPI (India) Pvt. Ltd. | Chhaya Prakashani Pvt. Ltd. | New Saraswati House (India) Pvt. Ltd. |
| 3. | The date since when subsidiary was acquired | 25/09/2012 | 05/12/2016 | 17/05/2014 |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | N.A. | N.A. | N.A. |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. | N.A. | N.A. |
| 6. | Share capital | 11,250,000 | 14,828,400 | 2,05,000 |
| 7. | Reserves & surplus | 59,375,304 | 373,026,334 | 558,932,227 |
| 8. | Total assets | 266,633,559 | 857,027,299 | 1,965,853,815 |
| 9. | Total Liabilities | 196,008,255 | 469,172,565 | 1,406,716,588 |
| 10 | Investments | NIL | 155,111,816 | NIL |
| 11 | Turnover | 140,712,742 | 1,009,887,896 | 1,432,579,246 |
| 12 | Profit before taxation | 9,435,506 | 333,594,142 | 119,681,290 |
| 13 | Provision for taxation | 3,295,457 | 118,197,948 | 41,732,941 |
| 14 | Profit after taxation | 6,140,050 | 215,396,194 | 77,948,349 |



BOARD'S REPORT (contd.)

| Sl. No. | Particulars | | | |
|---------|--|--|---|---|
| 15 | Proposed Dividend | NIL | NIL | NIL |
| 16 | Extent of shareholding (in percentage) | 51% is held by Blackie & Son (Calcutta) Pvt. Ltd. (a wholly owned subsidiary of the Company) | 30.47% with Eurasia Publishing House Pvt. Ltd. (wholly owned subsidiary) and the Company holds 43.53% | 23.90% is held by Vikas Publishing House Pvt. Ltd. (wholly owned subsidiary) and the Company holds 76.10% |

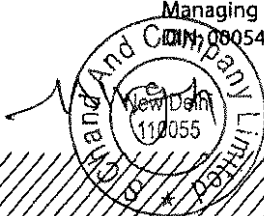
| Sl. No. | Particulars | | | |
|---------|---|---|---|---|
| 1. | Sl.No. | 10 | 11 | 12 |
| 2. | Name of the subsidiary | Vikas Publishing House Pvt. Ltd. | Publishing Services Pvt. Ltd. | Indian Progressive Publishing Co Pvt. Ltd. |
| 3. | The date since when subsidiary was acquired | 10/10/2012 | 05/12/2016 | 05/12/2016 |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | N.A. | N.A. | N.A. |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. | N.A. | N.A. |
| 6. | Share capital | 40,14,000 | 5,00,000 | 1,17,100 |
| 7. | Reserves & surplus | 1,210,683,831 | 22,96,042 | 4,66,150 |
| 8. | Total assets | 3,174,399,747 | 64,26,702 | 34,29,357 |
| 9. | Total Liabilities | 1,959,701,916 | 36,30,660 | 28,46,107 |
| 10. | Investments | 70,001,000 | NIL | NIL |
| 11. | Turnover | 2,461,556,493 | 2,05,81,034 | 1,06,41,088 |
| 12. | Profit before taxation | 273,940,036 | 17,59,439 | (10,46,921) |
| 13. | Provision for taxation | 94,358,930 | 2,06,161 | 40,262 |
| 14. | Profit after taxation | 179,581,106 | 15,53,278 | (10,87,183) |
| 15. | Proposed Dividend | NIL | NIL | NIL |
| 16. | Extent of shareholding (in percentage) | 2% is held by Nirja Publishers & Printers Pvt. Ltd. (wholly owned subsidiary) and the Company holds 98% | 100% is held by Chhaya Prakashani Pvt. Ltd. (subsidiary of the Company) | 100% is held by Chhaya Prakashani Pvt. Ltd. (subsidiary of the Company) |

On behalf of the Board of Directors
For S Chand And Company Limited

Place : New Delhi
Date : August 09, 2017

sd/-
Himanshu Gupta
Managing Director
CIN: 08054015

sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988



ANNEXURE-B

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 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]

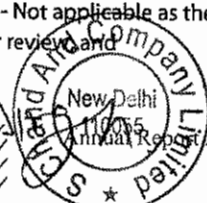
The Members,
S Chand And Company Limited
Ravindra Mansion, Ram Nagar
New Delhi -110055
CIN No.: L22219DL1970PLC005400

I have conducted the Secretarial Audit in respect of compliance with specific applicable statutory provisions and adherence to good corporate practices by "S Chand And Company Limited" formerly known as "S Chand And Company Private Limited" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct /statutory compliance and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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:

I 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 according to the provisions of:

- (i) The Companies Act, 1956 and Companies Act, 2013 ("the Acts") and the rules made thereunder, as applicable;
- (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;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review;



BOARD'S REPORT *(contd.)*

- h. Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:
 - a. The Legal Metrology Act, 2009 & Rules
 - b. The Child Labour (Prohibition and Regulation Act), 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
Based on my 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, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2017 complied with the aforesaid laws.

Based on the information received and records made available, I 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. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Acts and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

Adequate notice was given to all the Directors regarding holding of the Board Meetings. Agenda was sent in advance before the meeting. There exists a system for Directors to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

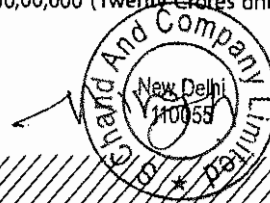
Decisions at the Board Meetings were taken unanimously and recorded as part of the Minutes of the Meetings; (No dissent was there nor any dissent recorded)

In my opinion, 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 and applicable general laws like labour laws, environmental laws and competition laws etc.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Managing Director, Company Secretary and Chief Financial Officer taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines as mentioned in this report and applicable general laws like labour laws competition laws, environmental laws, etc.

I further report that:

- a) The Company is converted from Private limited to Public limited Company and consequently the name of Company has been changed from S Chand and Company Private Limited to S Chand And Company Limited.
- b) The Company has altered object clause of Memorandum of Association of the Company and has deleted other objects clause III C of the Memorandum of Association of the Company.
- c) The Company has sub-divided each Authorized, Issued, subscribed and Paid up equity shares of the Company of face value ₹ 10/- each into 1 equity share of face value of ₹ 5/- each.
- d) The Company has increased its authorized share capital to ₹ 20,00,00,000 (Twenty Crores only) divided into 4,00,00,000 (Four Crores) equity shares of face value of ₹ 5/- each.



- e) The Company has allotted 29,441,192 equity shares as Bonus Shares of ₹ 5/- each to the existing shareholders, whose names appeared in the Register of Members as on record date i.e. April 19, 2016.
- f) The Company has granted aggregate of 4800 Employees stock options to the employees of subsidiaries of the Company.
- g) The Company had filed a Draft Red Herring Prospectus with SEBI on December 16, 2016 for issuance of equity shares to public by way of an Initial Public Offer.

For the said purpose M/s AZB & Partners carried a due diligence and issued a certificate dated 16th December, 2016 confirming compliance of the relevant provisions of Companies Act, 2013. I have relied on the said certificate.

- h) The Company together with its subsidiary Eurasia Publishing House Private Limited has acquired 74% equity shareholding of Chhaya Prakashani Pvt. Ltd. with effect from 5th December, 2016. Post this acquisition of equity shares Chhaya Prakashani Pvt. Ltd. has become a subsidiary of the Company.
- i) The Company has paid an interim dividend of ₹ 25 per share on 403,304 equity shares of ₹ 5/- each for the financial year 2016-17 out of the accumulated profits of the Company.
- j) The Company took approval from shareholders for compliance under section 180(1)(a) and 180(1)(c) of Companies Act, 2013 when it was a Private Limited Company.

sd/-

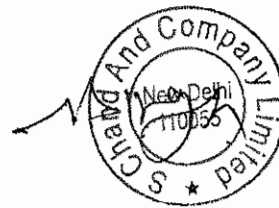
R. S. Bhatia

Practicing Company Secretary

CP No: 2514

Place: New Delhi

Dated: August 07, 2017



BOARD'S REPORT (contd.)

Annexure I

To,
The Members
S Chand And Company Limited
Ravindra Mansion, Ram Nagar
New Delhi -110055
CIN No: L22219DL1970PLC005400

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, device 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.

Auditor's Responsibility

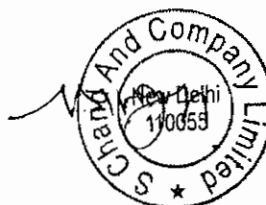
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whether required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place: New Delhi
Dated: August 07, 2017

sd/-
R. S. Bhatia
Practicing Company Secretary
CP No: 2514



Annexure - C

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN****AS ON THE FINANCIAL YEAR ENDED 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)

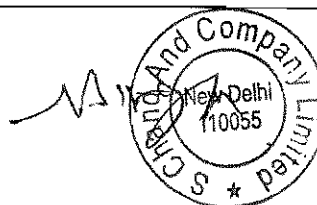
I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|--|--|
| i) | CIN: | L22219DL1970PLC005400 |
| ii) | Registration Date | September 09, 1970 |
| iii) | Name of the Company | S Chand And Company Limited |
| iv) | Category/Sub-category of the Company | Public Company limited by shares |
| v) | Address of the Registered Office and Contact Details | Ravindra Mansion, Ram Nagar, New Delhi-110055 Tel. +91 11 6667 2000 Fax: +91 11 2367 7446 E-mail:- investors@schandgroup.com |
| vi) | Whether shares listed on recognized Stock Exchange(s) (Yes/No) | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd 44, Community Centre, 2 nd Floor, Near PVR Naraina, Phase-I Naraina Industrial Area, New Delhi - 110028. Phone: +91 11 4141 0592, 93,94 Fax: +91 11 4141 0591 E-mail: delhi@intime.co.in Website: www.linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S.No | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|------|--|-------------------------------------|---------------------------------------|
| 1 | Publishing of educational books | 5811 | 99.35% |



BOARD'S REPORT (contd.)

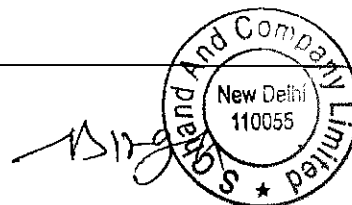
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary / Associate | % of shares held | Applicable Section |
|--------|--|-----------------------|---------------------------------|------------------|--------------------|
| 1. | Blackie & Son (Calcutta) Pvt. Ltd. 7361 Ravindra Mansion, Ram Nagar, New Delhi 110 055 | U22190WB1979PTC032281 | Subsidiary | 100 | 2(87) |
| 2. | BPI (India) Pvt. Ltd. First Floor, Plot No. B-1/ A-26, Mohan Co-operative Industrial Estate, New Delhi 110 044 | U22190DL1999PTC288852 | Subsidiary | 51 | 2(87) |
| 3. | Chhaya Prakashani Pvt. Ltd. 1, Bidhan Sarani, Collage Street, Kolkata 700 073, West Bengal | U22122WB2006PTC111821 | Subsidiary | 74 | 2(87) |
| 4. | DS Digital Pvt. Ltd. 7361, Ravindra Mansion, Ram Nagar, New Delhi 110 055 | U72200DL2008PTC173250 | Subsidiary | 99.96 | 2(87) |
| 5. | Eurasia Publishing House Pvt. Ltd. 7361, Ram Nagar, Qutab Road, New Delhi 110 055 | U74899DL1961PTC003552 | Subsidiary | 100 | 2(87) |
| 6. | Indian Progressive Publishing Co Pvt. Ltd. 1, Rajendra Dev Road, Kolkata, West Bengal 700 007 | U22219WB1961PTC025317 | Subsidiary | 100 | 2(87) |
| 7. | New Saraswati House (India) Pvt. Ltd. A - 27, 2 nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110 044 | U22110DL2013PTC262320 | Subsidiary | 100 | 2(87) |
| 8. | Nirja Publishers & Printers Pvt. Ltd. 7361 Ram Nagar, Qutab Road, New Delhi 110 055 | U74899DL1971PTC005776 | Subsidiary | 100 | 2(87) |
| 9. | Publishing Services Pvt. Ltd. BF - 90, Salt Lake City, Sector - 1, Kolkata, West Bengal 700 064 | U22222WB2004PTC099639 | Subsidiary | 100 | 2(87) |
| 10. | S. Chand Edutech Pvt. Ltd. 7361, Ram Nagar, Paharganj, New Delhi 110 055 | U80302DL2010PTC206251 | Subsidiary | 74 | 2(87) |
| 11. | Safari Digital Education Initiatives Pvt. Ltd. 7361, Ravindra Mansion, Ram Nagar, New Delhi 110 055 | U80904DL2010PTC204512 | Subsidiary | 100 | 2(87) |
| 12. | Vikas Publishing House Pvt. Ltd. 7361, Ravindra Mansion, Ram Nagar, New Delhi, 110 055 | U74899DL1971PTC005766 | Subsidiary | 100 | 2(87) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

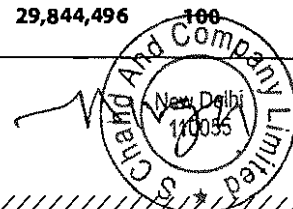
A) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during The year |
|---|---|----------|---------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 84,146 | - | 84,146 | 41.73 | 13,785,608 | - | 13,785,608 | 46.19 | 4.45 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt. (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks/FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(1):- | 84,146 | - | 84,146 | 41.73 | 13,785,608 | - | 13,785,608 | 46.19 | 4.45 |
| (2) Foreign | | | | | | | | | |
| a) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other- Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A)=A1 + A2 | 84,146 | - | 84,146 | 41.73 | 13,785,608 | - | 13,785,608 | 46.19 | 4.45 |



BOARD'S REPORT (contd.)

| | | | | | | | | | |
|---|----------------|----------|----------------|--------------|-------------------|----------|-------------------|--------------|---------------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. (s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | | | | | | | | | |
| International Finance Corporation | 18,958 | - | 18,958 | 9.40 | 2,805,784 | - | 2,805,784 | 9.40 | 0 |
| Sub-total (B)(1):- | 18,958 | - | 18,958 | 9.40 | 2,805,784 | - | 2,805,784 | 9.40 | - |
| 2. Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | 65,064 | - | 65,064 | 32.27 | 9,629,472 | - | 9,629,472 | 32.27 | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹ 1lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh | 33,484 | - | 33,484 | 16.60 | 3,623,632 | - | 3,623,632 | 12.14 | (4.46) |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | 98,548 | - | 98,548 | 48.87 | 13,253,104 | - | 13,253,104 | 44.41 | (4.46) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 117,506 | - | 117,506 | 58.27 | 16,058,888 | - | 16,058,888 | 53.81 | (4.46) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 201,652 | - | 201,652 | 100 | 29,844,496 | - | 29,844,496 | 100 | 0 |



B) Shareholding of Promoters

| S. No | Shareholder's Name | Shareholding at the beginning of the year (as on April 01, 2016) | | | Shareholding at the end of the year (as on March 31, 2017) | | | |
|-------|-------------------------------|--|----------------------------------|--|--|----------------------------------|--|--|
| | | 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 | % change in shareholding during the year |
| 1. | Mr. Himanshu Gupta | 36,674 | 18.19 | - | 6,167,752 | 20.67 | - | 2.48 |
| 2. | Mr. Dinesh Kumar Jhunjhnuwala | 23,465 | 11.64 | - | 4,064,820 | 13.62 | - | 1.98 |
| 3. | Ms. Neerja Jhunjhnuwala | 24,007 | 11.90 | - | 3,553,036 | 11.90 | - | - |

C) Change in Promoters' Shareholding (please specify, if there is no change)

| S. No. | PARTICULARS | Shareholding at the beginning of the year (as on April 01, 2016) | | Cumulative Shareholding during the year | |
|--------|--|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year | | | | |
| | Mr. Himanshu Gupta | 36,674 | 18.19 | 6,167,752 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala | 23,465 | 11.64 | 4,064,820 | 13.62 |
| | Ms. Neerja Jhunjhnuwala | 24,007 | 11.90 | 3,553,036 | 11.90 |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease | | | | |
| | i) Inter se transfer of equity shares amongst the shareholders of the Company | | | | |
| | Transfer of 4000 equity shares by Ms. Nirmala Gupta to Mr. Dinesh Kumar Jhunjhnuwala on April 5, 2016 | 27,465 | 13.62 | 27,465 | 13.62 |
| | Transfer of 5000 equity shares by Ms. Savita Gupta to Mr. Himanshu Gupta on April 9, 2016 | 41,674 | 20.67 | 41,674 | 20.67 |
| | 20.04.2016 | | | | |
| | ii) Sub-division of equity share capital into 1 equity share of ₹ 5/- each | | | | |
| | Mr. Himanshu Gupta | 83,348 | 20.67 | 83,348 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala | 54,930 | 13.62 | 54,930 | 13.62 |
| | Ms. Neerja Jhunjhnuwala | 48,014 | 11.90 | 48,014 | 11.90 |
| | 29.04.2016 | | | | |
| | iii) Issue of bonus shares to the equity shareholders in the ratio of 73:1 | | | | |
| | Mr. Himanshu Gupta | 6,167,752 | 20.67 | 6,167,752 | 20.67 |
| | (issued 6084404 bonus shares) | | | | |
| | Mr. Dinesh Kumar Jhunjhnuwala | 4,064,820 | 13.62 | 4,064,820 | 13.62 |
| | (issued 4009890 bonus shares) | | | | |
| | Ms. Neerja Jhunjhnuwala | 3,553,036 | 11.90 | 3,553,036 | 11.90 |
| | (issued 3505022 bonus shares) | | | | |
| 3 | At the end of the year | | | | |
| | Mr. Himanshu Gupta | 6,167,752 | 20.67 | 6,167,752 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala | 4,064,820 | 13.62 | 4,064,820 | 13.62 |
| | Ms. Neerja Jhunjhnuwala | 3,553,036 | 11.90 | 3,553,036 | 11.90 |

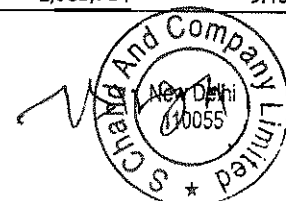


BOARD'S REPORT (contd.)

D) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | At the beginning of the year | | | | |
| | Ms. Ankita Gupta | 2331 | 1.16 | 984,348 | 3.30 |
| | Ms. Nirmala Gupta | 12,866 | 6.38 | 720,168 | 2.41 |
| | Everstone Capital Partners II LLC | 65,064 | 32.27 | 9,629,472 | 32.27 |
| | International Finance Corporation. | 18,958 | 9.40 | 2,805,784 | 9.40 |
| 2. | Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.) | | | | |
| | i) Inter se transfer of equity shares amongst the shareholders of the Company | | | | |
| | Transfer of 8000 equity shares by Ms. Nirmala Gupta to Mr. Dinesh Kumar Jhunjhnuwala (4000) and Mr. Gaurav Kumar Jhunjhnuwala (4000) on April 5, 2016 | 4,866 | 2.41 | 4,866 | 2.41 |
| | Transfer of 4320 equity shares by Ms. Savita Gupta to Ms. Ankita Gupta on April 9, 2016 and April 11, 2016 | 6,651 | 3.30 | 6,651 | 3.30 |
| | 20.04.2016 | | | | |
| | ii) Sub-division of equity share capital into 1 equity share of ₹ 5/- each | | | | |
| | Ms. Ankita Gupta | 13,302 | 3.30 | 13,302 | 3.30 |
| | Ms. Nirmala Gupta | 9,732 | 2.41 | 9,732 | 2.41 |
| | Everstone Capital Partners II LLC | 130,128 | 32.27 | 130,128 | 32.27 |
| | International Finance Corporation | 37,916 | 9.40 | 37,916 | 9.40 |
| | 29.04.2016 | | | | |
| | iii) Issue of bonus shares to the equity shareholders in the ratio of 73:1 | | | | |
| | Ms. Ankita Gupta (issued 971046 bonus shares) | 984,348 | 3.30 | 984,348 | 3.30 |
| | Ms. Nirmala Gupta (issued 710436 bonus shares) | 720,168 | 2.41 | 720,168 | 2.41 |
| | Everstone Capital Partners II LLC (issued 9499344 bonus shares) | 9,629,472 | 32.27 | 9,629,472 | 32.27 |
| | International Finance Corporation (issued 2767868 bonus shares) | 2,805,784 | 9.40 | 2,805,784 | 9.40 |
| 3. | At the End of the year (or on the date of separation, if separated during the year) | | | | |
| | Ms. Ankita Gupta | 984,348 | 3.30 | 984,348 | 3.30 |
| | Ms. Nirmala Gupta | 720,168 | 2.41 | 720,168 | 2.41 |
| | Everstone Capital Partners II LLC | 9,629,472 | 32.27 | 9,629,472 | 32.27 |
| | International Finance Corporation | 2,805,784 | 9.40 | 2,805,784 | 9.40 |



E) Shareholding of Directors and Key Managerial Personnel**S. For Each of the Directors and KMP**

| S. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | At the beginning of the year | | | | |
| | Directors | | | | |
| | Mr. Himanshu Gupta | 36,674 | 18.19 | 6,167,752 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala | 23,465 | 11.64 | 4,064,820 | 13.62 |
| | Ms. Savita Gupta | 16,867 | 8.36 | 1,312,316 | 4.40 |
| | Mr. Gaurav Kumar Jhunjhnuwala | 100 | 0.05 | 606,800 | 2.03 |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | | |
| | Directors | | | | |
| | i) Inter se transfer of equity shares amongst the shareholders of the Company | | | | |
| | Transfer of 4000 equity shares by Ms. Nirmala Gupta to Mr. Dinesh Kumar Jhunjhnuwala on April 05, 2016 | 27,465 | 13.62 | 27,465 | 13.62 |
| | Transfer of 4000 equity shares by Ms. Nirmala Gupta to Mr. Gaurav Kumar Jhunjhnuwala on April 05, 2016 | 4,100 | 2.03 | 4,100 | 2.03 |
| | Transfer of 5000 equity shares by Ms. Savita Gupta to Mr. Himanshu Gupta on April 09, 2016 | 41,674 | 20.67 | 41,674 | 20.67 |
| | Transfer of 4,320 equity shares by Ms. Savita Gupta to Mr. Ankita Gupta on April 09, 2016 and April 11, 2016 | 8,867 | 4.40 | 8,867 | 4.40 |
| | 20.04.2016 | | | | |
| | ii) Sub-division of equity share capital into 1 equity share of ₹ 5/- each | | | | |
| | Mr. Himanshu Gupta | 83,348 | 20.67 | 83,348 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala | 54,930 | 13.62 | 54,930 | 13.62 |
| | Ms. Savita Gupta | 17,734 | 4.40 | 17,734 | 4.40 |
| | Mr. Gaurav Kumar Jhunjhnuwala | 8,200 | 2.03 | 8,200 | 2.03 |
| | 29.04.2016 | | | | |
| | iii) Issue of bonus shares to the equity shareholders in the ratio of 73:1 | | | | |
| | Mr. Himanshu Gupta (issued 6,084,404 bonus shares) | 6,167,752 | 20.67 | 6,167,752 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala (issued 4,009,890 bonus shares) | 4,064,820 | 13.62 | 4,064,820 | 13.62 |
| | Ms. Savita Gupta (issued 1,294,582 bonus shares) | 1,312,316 | 4.40 | 1,312,316 | 4.40 |
| | Mr. Gaurav Kumar Jhunjhnuwala (issued 598,600 bonus shares) | 606,800 | 2.03 | 606,800 | 2.03 |
| | At the end of the year | | | | |
| | Directors | | | | |
| | Mr. Himanshu Gupta | 6,167,752 | 20.67 | 6,167,752 | 20.67 |
| | Mr. Dinesh Kumar Jhunjhnuwala | 4,064,820 | 13.62 | 4,064,820 | 13.62 |
| | Ms. Savita Gupta | 1,312,316 | 4.40 | 1,312,316 | 4.40 |
| | Mr. Gaurav Kumar Jhunjhnuwala | 606,800 | 2.03 | 606,800 | 2.03 |

BOARD'S REPORT (contd.)

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 | 33,31,60,870 | - | 6,20,000 | 33,37,80,870 |
| ii) Interest due but not paid | 8,298 | - | - | 8,298 |
| iii) Interest accrued but not due | 2,64,028 | - | - | 2,64,028 |
| Total (i+ii+iii) | 33,34,33,196 | - | 6,20,000 | 33,40,53,196 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 1,00,51,50,000 | - | 1,90,00,000 | 1,02,41,50,000 |
| Reduction | (2,79,63,756) | - | - | (2,79,63,756) |
| Net Change | 97,71,86,244 | - | 1,90,00,000 | 99,61,86,244 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,31,03,47,114 | - | 1,96,20,000 | 1,32,99,67,114 |
| ii) Interest due but not paid | 11,519 | - | - | 11,519 |
| iii) Interest accrued but not due | 83,664 | - | - | 83,664 |
| Total (i+ii+iii) | 1,31,04,42,298 | - | 1,96,20,000 | 1,33,00,62,298 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration paid to Managing Director, Whole-time Director and/or Manager

(Amount in ₹ per annum)

| S. No | Particulars of Remuneration | Mr. Himanshu Gupta | Mr. Dinesh Kumar Jhunjhnuwala | *Ms. Savita Gupta | *Ms. Nirmala Gupta | *Mr. Gaurav Kumar Jhunjhnuwala | *Ms. Neerja Jhunjhnuwala | *Ms. Ankita Gupta |
|-------|---|--------------------|-------------------------------|-------------------|--------------------|--------------------------------|--------------------------|-------------------|
| 1. | Gross salary | | | | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 10,192,000 | 10,192,000 | 400,000 | 164,516 | 200,000 | 164,516 | 164,516 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 incl. stock options | - | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - | - | - | - | - | - | - |
| 2. | Stock Options | - | - | - | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - | - | - | - |
| 4. | Commission | - | - | - | - | - | - | - |
| | - as % of profit | - | - | - | - | - | - | - |
| | - others, specify | - | - | - | - | - | - | - |
| 5. | Others | - | - | - | - | - | - | - |
| | Total | 10,192,000 | 10,192,000 | 400,000 | 164,516 | 200,000 | 164,516 | 164,516 |

Ceiling as per the Act @ 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013- in ₹)
₹ 4.67 crores

*Ms. Savita Gupta, Ms. Ankita Gupta, Ms. Neerja Jhunjhnuwala and Ms. Nirmala Gupta were paid the aforesaid remuneration as Executive-Directors from April 01, 2016 till May 31, 2016. The Company was a private limited Company during the said period and the ceiling of net profit pursuant to section 198 was not applicable on their remuneration.

B. Remuneration to Non-Executive Directors

(Amount in ₹ per annum)

| S. No. | Particulars of Remuneration | Name of Directors Amount (in ₹) | | | Total Amount |
|--------|---|---|---|---|--------------|
| | | Mr. Desh Raj Dogra | Mr. Sanjay Vijay Bhandarkar | Ms. Archana Capoor | |
| 1. | Independent Directors | | | | |
| | • Fee for attending Board / Committee Meeting | 250,000 | 200,000 | 200,000 | 6,50,000 |
| | • Commission | | | | |
| | • Others, Please Specify | | | | |
| | Total (1) | 250,000 | 200,000 | 200,000 | 6,50,000 |
| 2. | Other Non-Executive Directors | | | | |
| | • Fee for attending Board / Committee Meeting | | | | |
| | • Commission | | | | |
| | • Others, Please Specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B) = 1 + 2 | 250,000 | 2,00,000 | 2,00,000 | 6,50,000 |
| | Total Managerial Remuneration | 250,000 | 2,00,000 | 2,00,000 | 6,50,000 |
| | Overall Ceiling as per the Act | 1,00,000 per Board Meeting or Committee thereof | 1,00,000 per Board Meeting or Committee thereof | 1,00,000 per Board Meeting or Committee thereof | - |

C. Remuneration to Key Managerial Personnel other than MD/WTD

(Amount in ₹ per annum)

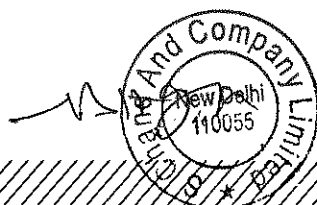
| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---------|---|--------------------------|-------------------|------------------|-------------------|
| | | CEO | Company Secretary | CFO | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 6,851,329 | 9,016,072 | 15,867,401 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | 562,312 | 416,356 | 978,668 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | |
| 2. | Stock Options | - | 7,400 | 85,618 | 93,018 |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission - as % of profit - others, specify... | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | - | 7,413,641 | 9,432,428 | 16,846,069 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

On behalf of the Board of Directors
For S Chand And Company Limited

Place : New Delhi
 Date : August 09, 2017



sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Dinesh Kumar Jhunjhnuwala
 Whole-time Director
 DIN: 00282988

BOARD'S REPORT (contd.)

Annexure-D

Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

| Name of the Director | Designation | Ratio to median remuneration of the employees |
|-------------------------------|---|---|
| Mr. Himanshu Gupta | Managing Director | 29.12 |
| Mr. Dinesh Kumar Jhunjhnuwala | Executive Director | 29.12 |
| Ms. Nirmala Gupta | Executive Director (Till May 20 th , 2016) | 3.43 |
| Ms. Savita Gupta | Executive Director (Till May 20 th , 2016) | 8.34 |
| Ms. Neerja Jhunjhnuwala | Executive Director (Till May 20 th , 2016) | 3.43 |
| Ms. Ankita Gupta | Executive Director (Till May 20 th , 2016) | 3.43 |
| Mr. Gaurav Kumar Jhunjhnuwala | Executive Director (Till May 20 th , 2016) | 4.17 |

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17:

| Name of the Employee | Designation | % increase in remuneration |
|-------------------------------|---|----------------------------|
| Mr. Himanshu Gupta | Managing Director | 183% |
| Mr. Dinesh Kumar Jhunjhnuwala | Executive Director | 183% |
| Ms. Nirmala Gupta | Executive Director (Till May 20 th , 2016) | 0% |
| Ms. Savita Gupta | Executive Director (Till May 20 th , 2016) | 22% |
| Ms. Neerja Jhunjhnuwala | Executive Director (Till May 20 th , 2016) | 0% |
| Ms. Ankita Gupta | Executive Director (Till May 20 th , 2016) | 0% |
| Mr. Gaurav Kumar Jhunjhnuwala | Executive Director (Till May 20 th , 2016) | 22% |
| Mr. Saurabh Mittal | Chief Financial Officer | 19% |
| Mr. Jagdeep Singh | Company Secretary | 97% |

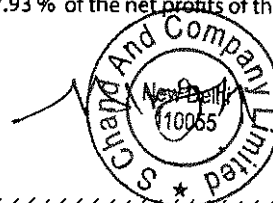
3. The percentage increase in median remuneration of employees in financial year 2016-17:
9.50 %

4. The number of permanent employees on the rolls of Company:
695

5. The explanation on the relationship between average increase in remuneration and Company performance:
The average increase in remuneration for financial year 2016-17 was 15.21 %. The average increase in remuneration is closely linked to and driven by achievement of annual budgets and overall business, financial and operational performance of the Company.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
The total remuneration of paid to Key Managerial Personnel constituted approximately 7.93 % of the net profits of the company for year as computed under section 197.

7. a) Variations in the market capitalization of the Company:
The Company was not listed during the Financial Year 2016-17



b) Price earnings ratio of the Company: (comparison between the closing date of financial year 2016-17 and financial year 2015-16)

The Company was not listed during the Financial Year 2016-17

c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Company was not listed during the Financial Year 2016-17

8. 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 percentile increase in the salaries of employees other than managerial personnel was 10.20%. Average Increase in the managerial remuneration of managerial personnel is 73.19 %. The increase is due to restructuring of remuneration of managerial personnel as earlier they were being partly paid through subsidiaries and post restructuring are being paid only from the Company.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

| Name of the Employee | Designation | % of Profits Computed u/s 197 |
|-------------------------------|---|-------------------------------|
| Mr. Himanshu Gupta | Managing Director | 2.11% |
| Mr. Dinesh Kumar Jhunjhnuwala | Executive Director | 2.11% |
| Ms. Nirmala Gupta | Executive Director (Till May 20 th , 2016) | 0.03% |
| Ms. Savita Gupta | Executive Director (Till May 20 th , 2016) | 0.08% |
| Ms. Neerja Jhunjhnuwala | Executive Director (Till May 20 th , 2016) | 0.03% |
| Ms. Ankita Gupta | Executive Director (Till May 20 th , 2016) | 0.03% |
| Mr. Gaurav Kumar Jhunjhnuwala | Executive Director (Till May 20 th , 2016) | 0.04% |
| Mr. Saurabh Mittal | Chief Financial Officer | 1.95% |
| Mr. Jagdeep Singh | Company Secretary | 1.53% |

10. The key parameter for any variable component of remuneration availed by the directors:

Executive directors are entitled to a variable component in the form of commission to be calculated on the basis of net profit of the Company. In the financial year 2016-17 both the executive directors of the Company have waived this variable component.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the financial year 2016-17:

0.82

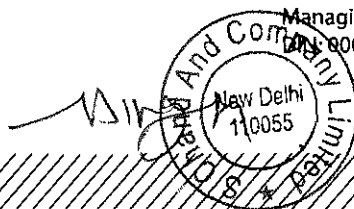
12. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

On behalf of the Board of Directors
For S Chand And Company Limited

Place : New Delhi
Date : August 09, 2017

sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988



BOARD'S REPORT (contd.)

Annexure-E

Statement as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Name of Employee | Designation | Remuneration (in ₹ per annum) | Nature of Employment | Qualification and experience | Date of Commencement of employment | Age (in years) | % of equity shares held by employees | Relative of any Director or Manager | Last Employment |
|------------------|---|----------------------------------|-------------------------|--|--|-------------------|--|---|--------------------|
| Samir Khurana | Group Head - Strategy & Investments | 1,25,03,316 | Permanent | B.Com from Delhi University(1999) and Chartered Accountant and Experience of 14.7 years. | 1 st August 2015 | 38 | NIL | NIL | Consultancy |

On behalf of the Board of Directors
For S Chand And Company Limited

sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

sd/-
Dinesh Kumar Jhunjhunwala
Whole-time Director
DIN: 00282988

Place : New Delhi
Date : August 09, 2017



Annexure-F

Statement as at March 31, 2017 pursuant to Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and the Regulations 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:

The position of the existing scheme is summarized as under:-

| S. No. | Particulars | Remarks |
|-----------|--|--|
| I. | Details of ESOP 2012 | |
| 1. | Date of Shareholder's Approval | 30-June-2012 |
| 2. | Total number of options approved under ESOP 2012 | *367,928 equity shares of face value ₹ 5 each |
| 3. | Vesting Requirements | Options vest over a maximum period of 5 years based on continued service and certain performance parameters. |
| 4. | The Pricing formula | Fair market value as determined by an independent valuer as on the date of grant. |
| 5. | Maximum term of Options granted (years) | 5 years from the date of grant. |
| 6. | Source of shares | Primary |
| 7. | Variation in terms of ESOP Scheme | The ESOP Scheme was amended in line with the provisions of Companies Act, 2013 and SEBI ESOP Regulations. |

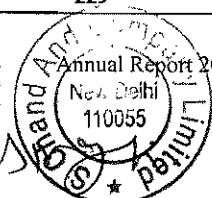
II. Option Movement during the year ended Mar 2017

| Sr. No | Particulars | No. of Options | Weighted Average Exercise Price (₹) |
|--------|---|----------------|-------------------------------------|
| 1 | No. of Options Outstanding at the beginning of the year | *223,480 | 223.72 |
| 2 | Options Granted during the year | *156,954 | 311.06 |
| 3 | Options Forfeited / Surrendered during the year | *12,506 | 256.60 |
| 4 | Options Exercised during the year | Nil | N.A |
| 5 | Total number of shares arising as a result of exercise of options | Nil | N.A |
| 6 | Money realised by exercise of options (₹) | Nil | N.A |
| 7 | Number of options Outstanding at the end of the year | *367,928 | 259.86 |
| 8 | Number of Options exercisable at the end of the year | *133,718 | 204.80 |

*Adjusted to reflect the split in face value of the equity shares and bonus issue of the shares of the company which occurred during the period.

Option Movement during the year ended Mar 2016

| Sr. No | Particulars | No. of Options | Weighted average Exercise Price (₹) |
|--------|---|----------------|-------------------------------------|
| 1 | No. of Options Outstanding at the beginning of the year | 1,548 | 13,683 |
| 2 | Options Granted during the year | 914 | 41,077 |
| 3 | Options Forfeited / Surrendered during the year | 952 | 9,110 |
| 4 | Options Exercised during the year | Nil | N.A |
| 5 | Total number of shares arising as a result of exercise of options | Nil | N.A |
| 6 | Money realised by exercise of options (₹) | Nil | N.A |
| 7 | Number of options Outstanding at the end of the year | 1,510 | 33,016 |
| 8 | Number of Options exercisable at the end of the year | 229 | 17,353 |



BOARD'S REPORT (contd.)

III. Weighted Average remaining contractual life

As on 31 March 2017

| Range of Exercise Prices | Weighted average contractual life (years) |
|---|---|
| Range of Exercise prices is ₹ 62 to ₹ 392 | The weighted avg. remaining contractual life for options outstanding is 2.91 years. |

As on 31 March 2016

| Range of Exercise Prices | Weighted average contractual life (years) |
|---|---|
| Range of Exercise prices is ₹ 9,110 to ₹ 45,000 | The weighted avg. remaining contractual life for options outstanding is 3.44 years. |

IV Weighted average Fair Value of Options granted during the year ended March 2017 whose

| | |
|---|-------|
| (a) Exercise price equals market price | ₹ 37 |
| (b) Exercise price is greater than market price | ₹ 134 |
| (c) Exercise price is less than market price | ₹ 37 |

Weighted average Fair Value of Options granted during the year ended March 2016 whose

| | |
|---|--------|
| (a) Exercise price equals market price | Nil |
| (b) Exercise price is greater than market price | Nil |
| (c) Exercise price is less than market price | 22,449 |

| | |
|--|-----|
| V The weighted average market price of options exercised during the year ended March 2017 | N.A |
| The weighted average market price of options exercised during the year ended March 2016 | N.A |

VI Employee wise details of options granted during the financial year 2016-17 to:

(i) Senior managerial personnel

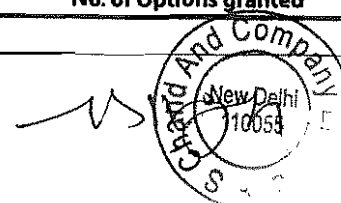
| Name of employee | No. of Options granted |
|--------------------|------------------------|
| Mr. Samir Khurana | 46,694 |
| Mr. Saurabh Mittal | 46,694 |

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

| Name of employee | No. of Options granted |
|--------------------|------------------------|
| Mr. Samir Khurana | 46,694 |
| Mr. Saurabh Mittal | 46,694 |
| Mr. Ashish Gupta | 51,060 |

(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

| Name of employee | No. of Options granted |
|------------------|------------------------|
| NONE | |



VII Method and Assumptions used to estimate the fair value of options granted during the year ended March 2017:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

| Variables | Weighted Average |
|--|------------------|
| 1. Risk Free Interest Rate | 6.69% |
| 2. Expected Life (in years) | 2.20 |
| 3. Expected Volatility | 0% |
| 4. Dividend Yield | 0% |
| 5. Exercise Price | 311 |
| 6. Price of the underlying share in market at the time of the option grant (₹) | 376 |

Method and Assumptions used to estimate the fair value of options granted during the year ended March 2016:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

| Variables | Weighted Average |
|--|------------------|
| Variables | Weighted Average |
| 1. Risk Free Interest Rate | 7.61% |
| 2. Expected Life(in years) | 2.83 |
| 3. Expected Volatility | 0% |
| 4. Dividend Yield | 0% |
| 5. Exercise Price | 41,077 |
| 6. Price of the underlying share in market at the time of the option grant.(₹) | 55,785 |

Assumptions:-

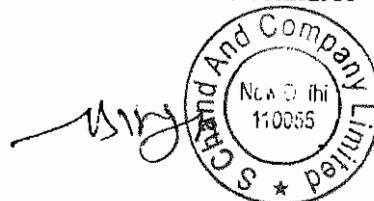
- Fair Market Value:** The fair market value considered is based on an independent valuation received from an Independent professional;
- Volatility:** Since the Company was unlisted as on the date of grant, the volatility has been considered to be zero;
- Risk-free rate of return:** Zero coupon yield curve as on the date of the grant has been used to calculate the risk-free rate. The risk-free rate for the period equal to the expected life has been considered; and
- Dividend yield:** Since the Company was a private limited company and the average market price data was not available, the dividend yield has been considered to be zero.

On behalf of the Board of Directors
For S Chand And Company Limited

Place : New Delhi
 Date : August 09, 2017

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Dinesh Kumar Jhunjhnuwala
 Whole-time Director
 DIN: 00282988



BOARD'S REPORT (contd.)

Annexure-G

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

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:

Policy Statement

The Corporate Social Responsibility Policy ("CSR Policy") of S Chand And Company Ltd. ("S Chand") is framed to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community in fulfilment of its role as a Socially Responsible Corporate.

Organization setup

The CSR projects in S Chand are implemented under the guidance of the CSR Committee which presently comprises three directors. The terms of reference of the Committee is given below:

- (i) Formulate and recommend CSR policy to the Board for approval;
- (ii) Recommend for approval of the Board the amount of expenditure to be incurred on the activities in a financial year along with projects to be undertaken earmarking funds for broad area wise projects; and
- (iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company.

The CSR activities of S Chand are as per Schedule VII of the Companies Act, 2013. Two major CSR activities carried out during the year are:

- (a) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; and
- (b) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

2. The Composition of CSR Committee:

The CSR Committee comprises of the following members:

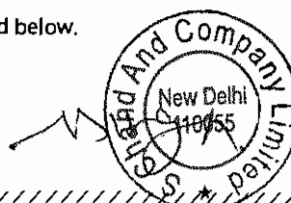
- i) Mr. Desh Raj Dogra, Chairman, Independent Director
- ii) Mr. Himanshu Gupta, Member
- iii) Mr. Dinesh Kumar Jhunjhnuwala, Member
- iv) Mr. Deep Mishra, Member

3. Average net profit of the Company for last three financial years: INR 171,881,698/-

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above): INR 3,437,634/-

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year; INR 3,440,000 through a registered trust or society.
- b) Amount unspent, if any; INR 720,814
- c) Manner in which the amount spent during the financial year is detailed below.



| S. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) Local area or other (2) Specify the State and projects or programs was undertaken | Amount outlay (budget) project or programs wise (in ₹) | Amount spent on the projects or programs (in ₹) Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads: | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|--------------|---|---|---|--|--|--|---|
| 1 | Contribution to the corpus of a registered society or trust for promoting education and eradicating poverty | Promoting Education and Eradicating Poverty | Allahabad Chandigarh Meghalaya Guwahati Kolkata Varanasi Bilaspur Bangalore New Delhi | 3,440,000 | 2,719,186 | 2,719,186 | Indirect |
| Total | | | | 3,440,000 | 2,719,186 | 2,719,186 | |

6. Reasons for not spending the 2% average net profit of last three financial years:

During the year under review the Company has reviewed various CSR projects but only few projects complied the criteria under the CSR Policy of the Company. Therefore, due to non-availability of adequate projects, the Company could not spend the recommended amount of CSR.

7. Responsibility statement of the CSR Committee:

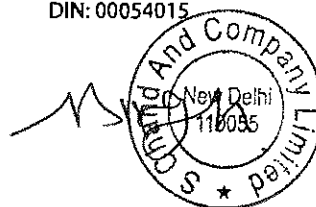
The implementation and monitoring of S Chand's CSR Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board of Directors
For S Chand And Company Limited

Place : New Delhi
 Date : August 09, 2017

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Dinesh Kumar Jhunjhunwala
 Whole-time Director
 DIN: 00282988



CORPORATE GOVERNANCE REPORT

On 2 September 2015, SEBI notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") to be effective from 1 December 2015, repealing the listing agreement with stock exchanges. These Listing Regulations have been structured to provide ease of reference by consolidating existing listing agreements across various types of securities listed on the stock exchanges into one single document.

This report is in compliance with Regulation 34 (3) read with Schedule V of the Listing Regulations.

As will be seen, the Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements in accordance with the provisions of the Listing Regulations.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to create enduring value for all.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is creation and enhancing long-term sustainable value for all stakeholders of the Company through ethically driven business process. At S Chand, it is imperative that our Company is managed in a fair and transparent manner. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders.

At S Chand, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

2. BOARD OF DIRECTORS

The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's Management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

a) Composition:

As on March 31, 2017, the Board of Directors consists of 8 (eight) Directors consisting of a Managing Director, Whole time Director and 6 (six) Non-executive Directors, out of which 3 (three) are Independent Directors. The Company has two women directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Companies Act, 2013.

b) Attendance of Directors:

The composition of the Board and category of Directors along with Attendance Status at the Board meeting and AGM are as under:



| Name of the Director | Category | Relationship with other directors | No. of Board Meetings held during the financial year 2016-17 | No. of Board Meeting entitled to attend during the financial year 2016-17 | No. of Board Meetings attended during the financial year 2016-17 | Attendance of each director at last AGM | Shareholding of Directors as on March 31, 2017 |
|---|--|--|--|---|--|---|--|
| *Mr. Desh Raj Dogra (DIN:00226775) | Chairman-Non-Executive, Independent Director | NA | 10 | 4 | 4 | No | NIL |
| Mr. Himanshu Gupta (DIN: 00054015) | Managing Director | Son of Ms. Savita Gupta & Husband of Ms. Ankita Gupta | 10 | 10 | 9 | Yes | 6,167,752 |
| Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988) | Whole-time Director | Father of Mr. Gaurav Kumar Jhunjhnuwala & Husband of Ms. Neerja Jhunjhnuwala | 10 | 10 | 9 | Yes | 4,064,820 |
| **Ms. Archana Capoor (DIN: 01204170) | Non-Executive, Independent Director | NA | 10 | 4 | 3 | No | NIL |
| ***Mr. Sanjay Vijay Bhandarkar | Non-Executive, Independent Director | NA | 10 | 4 | 3 | No | NIL |
| Mr. Deep Mishra (DIN: 02249582) | Non-Executive, Nominee Director | NA | 10 | 10 | 3 | No | NIL |
| Ms. Savita Gupta (DIN: 00053988) | Non-Executive, Non-Independent Director | Mother of Mr. Himanshu Gupta | 10 | 10 | 4 | Yes | 1,312,316 |
| Mr. Gaurav Kumar Jhunjhnuwala (DIN: 03518763) | Non-Executive, Non-Independent Director | Son of Mr. Dinesh Kumar Jhunjhnuwala & Ms. Neerja Jhunjhnuwala | 10 | 10 | 10 | Yes | 606,800 |
| # Ms. Nirmala Gupta (DIN: 00053972) | Managing Director | Mother of Ms. Neerja Jhunjhnuwala | 10 | 1 | 1 | No | 720,168 |
| ## Ms. Neerja Jhunjhnuwala (DIN: 00054038) | Whole-time Director | Daughter of Ms. Nirmala Gupta, Wife of Mr. Dinesh Kumar Jhunjhnuwala and Mother of Mr. Gaurav Kumar Jhunjhnuwala | 10 | 1 | 1 | No | 3,553,036 |
| ### Ms. Ankita Gupta (DIN: 00054090) | Whole-time Director | Wife of Mr. Himanshu Gupta | 10 | 1 | 1 | No | 984,348 |
| #### Mr. Vishal Sharma (DIN: 01599024) | Non-Executive, Nominee Director | NA | 10 | 6 | 0 | No | NIL |

* Appointed as an Independent Director with effect from November 10, 2016;

** Appointed as an Independent Director with effect from November 10, 2016;

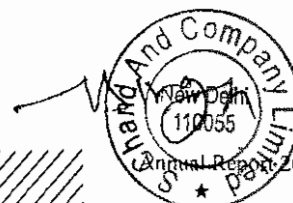
*** Appointed as an Independent Director with effect from November 10, 2016;

Resigned from the position of Director with effect from May 20, 2016;

Resigned from the position of Director with effect from May 20, 2016;

Resigned from the position of Director with effect from May 20, 2016;

Resigned from the position of Director with effect from November 23, 2016;



CORPORATE GOVERNANCE REPORT (contd.)

c) Directorship in other Public Limited Companies as on March 31, 2017:

| S. No. | Name of the Director | No. of Directorships* | No. of Committee positions held** | No. of Committees Chaired** |
|--------|-------------------------------|-----------------------|-----------------------------------|-----------------------------|
| 1. | Mr. Desh Raj Dogra | 9 | 1 | 1 |
| 2. | Mr. Himanshu Gupta | 11 | 1 | 0 |
| 3. | Mr. Dinesh Kumar Jhunjhnuwala | 8 | 0 | 0 |
| 4. | Ms. Archana Capoor | 8 | 2 | 0 |
| 5. | Mr. Sanjay Vijay Bhandarkar | 4 | 0 | 0 |
| 6. | Mr. Deep Mishra | 13 | 2 | 0 |
| 7. | Ms. Savita Gupta | 7 | 1 | 1 |
| 8. | Mr. Gaurav Kumar Jhunjhnuwala | 3 | 0 | 0 |

* The Directorship held by Directors as mentioned above includes all Companies except foreign company and Section 8 company.

** Committee of Directors includes Audit Committee & Stakeholders Relationship Committee

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

d) Number of Board Meetings and date of Board Meetings:

During the financial year 2016-17 ten (10) board meetings were held on April 29, 2016, May 20, 2016, August 05, 2016, August 23, 2016, September 19, 2016, November 03, 2016, November 30, 2016, December 08, 2016, March 02, 2017 and March 27, 2017. The maximum gap between any two Board meetings was less than 120 days.

e) Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Regulation 25 of the Listing Regulations. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and Regulation 25 of the Listing Regulations were issued.

f) Board's Procedures:

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, material investment proposals, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings. In addition to the information

required under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations, the Board is also kept informed of major events/items and approvals taken wherever necessary.

g) Number of equity shares held by Non-Executive Director

Ms. Savita Gupta and Mr. Gaurav Kumar Jhunjhnuwala hold 1,312,316 and 606,800 equity shares of the Company respectively. No other non-executive director holds any share in the company.

h) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the Board, in accordance with evaluation framework laid down by the Nomination and Remuneration Committee, has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The performance evaluation of the Board was carried out by the Independent Directors. The Board's functioning was evaluated on various aspects, including inter-alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, long term strategic planning etc.

The Committee evaluation was done on the basis of degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

Evaluation of Directors was done keeping in view the criteria laid down in the Board Performance Evaluation Framework of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

i) Maximum tenure of Independent Directors:

The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and the Listing Regulations.

j) Familiarisation Programmes for Independent Directors:

The Company has a familiarisation programme for the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, the business models of the Company etc., and the same is available on the website of the Company at www.schandgroup.com.

3. BOARD COMMITTEES

The Board of Directors has constituted Board committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board for their noting.

a) Audit Committee

Constitution and composition:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, an Audit Committee comprising of three Directors has been constituted to perform all such powers and functions as are required to be performed under the said provisions. There are three members of the Committee.

The Company has complied with the requirements of Regulation 18 of the Listing Regulations, as regard to the composition of the Audit Committee.

Meetings & Attendance:

The Audit Committee met three (3) times during the financial year 2016-17 on August 23, 2016, December 08,

2016 and March 27, 2017. The intervening period between two meetings was well within the maximum time gap of 120 days as prescribed under Listing Regulations. The constitution of Audit Committee and attendance of each member is as given below:

| Name of the Member | Category | No. of meetings attended |
|------------------------------------|--|--------------------------|
| * Mr. Desh Raj Dogra | Chairman - Non-Executive, Independent Director | 2 |
| ** Ms. Archana Capoor | Non-Executive, Independent Director | 2 |
| Mr. Deep Mishra | Non-Executive, Non-Independent Director | 2 |
| *** Mr. Himanshu Gupta | Managing Director | 1 |
| **** Mr. Dinesh Kumar Jhunjhnuwala | Whole-time Director | 1 |

* Mr. Desh Raj Dogra was appointed as Chairman of the Committee with effect from November 30, 2016;

** Ms. Archana Capoor was appointed as Member of the Committee with effect from November 30, 2016;

*** Mr. Himanshu Gupta ceased to be member of the Committee with effect from November 30, 2016; and

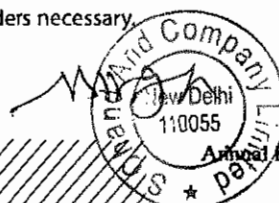
**** Mr. Dinesh Kumar Jhunjhnuwala ceased to be member of the Committee with effect from November 30, 2016.

The Audit Committee invites such executives, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meetings. The Company Secretary acts as the Secretary of the Audit Committee.

Terms of References:

A. Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.



CORPORATE GOVERNANCE REPORT (contd.)

B. Role of Audit Committee

The Role of Audit Committee shall inter-alia include the following:

1. To consider internal audit reports, reviews internal control and systems and provide guidance and direction to internal audit function. To review the corporate accounting and reporting practices and also consider changes in accounting policy, if any. Review, with the management, the quarterly/ half yearly financial statements before submission to the Board of Directors for approval.
2. To have an oversight of the Company's financial reporting process and the disclosure of its financial information so as to ensure that the financial statement is correct, sufficient and credible.
3. To review with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
 - a. Matters to be included in the Director's Responsibility Statement in the Board's Report;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Qualifications in the draft audit report, if any; and
 - g. Disclosure of any Related Party Transactions
4. To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
5. To review 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. It can have discussion with internal auditors regarding any significant findings and follow up there on.
6. To review 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 of Directors.
7. To have 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.
8. The Committee may also look into the reasons for substantial defaults in the payment to the depositors, debenture holders and shareholders (in case of non-payment of declared dividends).
9. The Committee shall mandatorily review 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 audit committee) submitted by the management;
 - c. Management Letters / Letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal Audit reports relating to internal control weaknesses;
 - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to the review by the audit committee; and
 - f. Statement of deviations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, shall be submitted to the relevant stock exchanges in terms of Regulation 32(1) of the Listing Regulations; and
 - ii. An annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, in terms of Regulation 32(7) of the Listing Regulations.
10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11. Examination of the financial statement and the auditor's report thereon;
12. Approval or any subsequent modification of transactions of the Company with related parties;



13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial control and risk management systems;
16. Monitoring the end use of funds raised through public offers and related matters;
17. Overseeing of the vigil mechanism along with making provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
18. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
19. Carry out additional functions as is contained in the listing agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
20. The recommendation for appointment, remuneration and terms of appointment of Auditors of the company.
21. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
22. Review, 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 the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter.
23. Approval of appointment of Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

**b) Nomination and Remuneration Committee
Constitution and composition:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee comprising of

three Directors has been constituted to perform all such power and functions as are required to be performed under the said provisions. There are three members of the Committee.

The Company has complied with the requirements of Regulation 19 of the Listing Regulations as regard to the composition of the Nomination and Remuneration Committee.

Meetings & Attendance:

No meeting of the Nomination and Remuneration Committee was convened during the financial 2016-17. The constitution of Nomination and Remuneration Committee is as given below:

| Name of the Member | Category |
|------------------------------------|---|
| * Ms. Archana Capoor | Chairperson - Non-Executive, Independent Director |
| ** Mr. Desh Raj Dogra | Non-Executive, Independent Director |
| Mr. Deep Mishra | Non-Executive, Non-Independent Director |
| *** Mr. Himanshu Gupta | Managing Director |
| **** Mr. Dinesh Kumar Jhunjhnuwala | Whole-time Director |

* Ms. Archana Capoor was appointed as Chairperson of the Committee with effect from November 30, 2016;

** Mr. Desh Raj Dogra was appointed as member of the Committee with effect from November 30, 2016;

*** Mr. Himanshu Gupta ceased to be member of the Committee with effect from November 30, 2016; and

**** Mr. Dinesh Kumar Jhunjhnuwala ceased to be member of the Committee with effect from November 30, 2016;

Terms of References:

The terms of references of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of Directors their appointment and/or removal;
2. To carry out evaluation of every Director's performance;

CORPORATE GOVERNANCE REPORT (contd.)

3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees such that its policies 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
4. To formulate the criteria for evaluation of Independent Directors and the Board of Directors;
5. To recommend to the Board of Directors 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;
6. To devise a policy on the diversity of the Board of Directors;
7. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
8. To carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To administration and superintendence the employee stock option scheme or employees benefit schemes as approved by Board of Directors of the Company; and
10. To formulate the detailed terms and conditions of such schemes, frame suitable policies and procedures to ensure that there is no violation of applicable laws.

Performance Evaluation criteria for Independent Directors:

The Nomination and Remuneration Committee of the Board has laid down the evaluation criteria for performance

evaluation of the Independent Directors. The detail pertaining to the evaluation of the performance of the Independent Directors is available on the website of the Company www.schandgroup.com.

c) Stakeholders Relationship Committee

Constitution and composition:

Pursuant to the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Company has a Stakeholders Relationship Committee. The Committee looks into the grievances of equity shareholders of the Company.

The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

| Name of the Member | Category |
|--------------------|---|
| Ms. Savita Gupta | Chairperson - Non-Executive, Non-Independent Director |
| Mr. Himanshu Gupta | Managing Director |
| Mr. Deep Mishra | Non-Executive, Non-Independent Director |

Meetings & Attendance:

The equity shares of the Company got listed on the Stock Exchanges on May 09, 2017. Hence, the Company did not meet during the financial year 2016-17.

Investor Grievances/Complaints:

There was no investor complaint during the financial year 2016-17.

Mr. Jagdeep Singh, Company Secretary is designated as Compliance Officer of the Company.

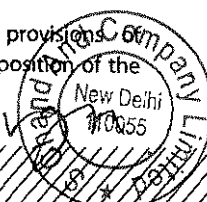
The Company has set up an email-id investors@schandgroup.com for the investors to send their grievances.

d) Corporate Social Responsibility Committee

Constitution and composition:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("CSR Committee") comprising of four Directors has been constituted to perform all such powers and functions as are required to be performed under the said provisions. There are four members of the Committee.

The Company has complied with the provisions of Companies Act, 2013 as regard to the composition of the CSR Committee.



Meetings & Attendance:

The CSR Committee met two (2) times during the financial 2016-17 on April 29, 2016 and March 31, 2017. The constitution of the CSR Committee is as given below:

| Name of the Member | Category | No. of meetings attended |
|---------------------------------|--|--------------------------|
| 1. Mr. Desh Raj Dogra | Chairman - Non-Executive, Independent Director | 0 |
| 2 Mr. Deep Mishra | Non-Executive, Non-Independent Director | 1 |
| 3 Mr. Himanshu Gupta | Managing Director | 1 |
| 4 Mr. Dinesh Kumar Jhunjhnuwala | Whole-time Director | 1 |

- 1 Mr. Desh Raj Dogra was appointed as Chairman of the Committee with effect from November 30, 2016;

Terms of References:

The terms of references of the CSR Committee are as under:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities undertaken by the Company;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time; and;
- To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the Corporate Social Responsibility of the Company.

d) Subsidiaries and Joint Ventures Governance Committee Constitution and composition:

Pursuant to the Articles of Association of the Company, the Subsidiaries and Joint Ventures Governance Committee comprising of four Directors has been constituted to perform all such power and functions as per its terms of reference as determined by the Board of Directors of the Company. There are four members of the Committee.

Meetings & Attendance:

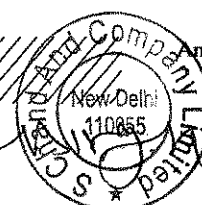
No meeting of the Subsidiaries and Joint Ventures Governance Committee was convened during the financial 2016-17. The constitution of Subsidiaries and Joint Ventures Governance Committee is as given below:

| Name of the Member | Category |
|-------------------------------|--|
| Mr. Desh Raj Dogra | Chairman - Non-Executive, Independent Director |
| Mr. Deep Mishra | Non-Executive, Non-Independent Director |
| Mr. Himanshu Gupta | Managing Director |
| Mr. Dinesh Kumar Jhunjhnuwala | Whole-time Director |

Terms of References:

The terms of references of the Subsidiaries and Joint Ventures Governance Committee are as under:

- Approval and adoption of annual business plan or annual budget (containing the total planned annual capital expenditure, borrowing limits, limits on lending or providing any credit, guarantee, indemnity or security) of the Company for a financial year;
- Any deviation from the annual business plan or annual budget exceeding 10% from the approved figures;
- Any change, commencement, cessation of operation, or diversification by the Company of any of its businesses or that of its subsidiaries, incorporation of any new subsidiary or entry into any joint venture, consortium, partnership or similar arrangement;
- Any licensing, sub-licensing, franchising or assignment of 'S Chand's' or Company's brands or intellectual properties by the Company or its subsidiaries;
- Any acquisition, purchase, sale, transfer, divestment of or investment in the share capital or other securities of any entity (or entering into an agreement to do so), including the terms, timing and pricing of such acquisition, transfer or divestment;
- Any acquisition, sale or disposal of any asset or property by the Company for an amount exceeding INR 5,00,00,000 (Indian Rupees Five Crores Only);
- Appointment of any director, consultant or employee whose remuneration / compensation exceeds INR 40,00,000 (Indian Rupees Forty Lakhs) per annum; and
- Any increase in remuneration / compensation of any of the directors, consultants or employees such that the total remuneration / compensation exceeds INR 40,00,000 (Indian Rupees Forty Lakhs) per annum.



CORPORATE GOVERNANCE REPORT (contd.)

4. REMUNERATION OF DIRECTORS

a) Pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company:

The Company has entered into pecuniary transactions with Ms. Savita Gupta and Ms. Neerja Jhunjhnuwala, Non-Executive Directors of the Company vis-à-vis the Company. The details of the same are mentioned in the Note No. 40 to financial statements for the year ended March 31, 2017 forming part of the Annual Report.

b) Criteria for making payment to Non-Executive Directors:

The role of Non-Executive/Independent Director of the Company is not just restricted to Corporate Governance or outlook of the Company but they also bring with them significant professional experience and expertise across the whole spectrum of the functional area such as publishing, marketing, corporate strategy, legal, finance and other corporate functions. The Company seeks their expert advice on various matters relating to the business of the Company.

c) The details of remuneration and sitting fees paid to each Director during the financial year 2016-17 are as under:

| S. No. | Name of the Director | Category | Salary (in ₹) | Other Benefits (in ₹) | Bonuses (in ₹) | Stock Options | Sitting Fees (in ₹) | Total (in ₹) |
|--------|-------------------------------|---|---------------|-----------------------|----------------|---------------|---------------------|--------------|
| 1. | Mr. Himanshu Gupta | Managing Director | 9,100,000 | 1,092,000 | - | - | - | 10,192,000 |
| 2. | Mr. Dinesh Kumar Jhunjhnuwala | Whole-time Director | 9,100,000 | 1,092,000 | - | - | - | 10,192,000 |
| 3. | Ms. Savita Gupta | Non-Executive, Non-Independent Director | 400,000 | - | - | - | - | 400,000 |
| 4. | Mr. Gaurav Kumar Jhunjhnuwala | Non-Executive, Non-Independent Director | 200,000 | - | - | - | - | 200,000 |
| 5. | Mr. Deep Mishra | Non-Executive, Nominee Director | - | - | - | - | - | - |
| 6. | Mr. Desh Raj Dogra | Non-Executive, Independent Director | - | - | - | - | 250,000 | 250,000 |
| 7. | Ms. Archana Capoor | Non-Executive, Independent Director | - | - | - | - | 200,000 | 200,000 |
| 8. | Mr. Sanjay Vijay Bhandarkar | Non-Executive, Independent Director | - | - | - | - | 200,000 | 200,000 |
| 9. | * Ms. Neerja Jhunjhnuwala | Executive Director | 164,516 | - | - | - | - | 164,516 |
| 10. | * Ms. Ankita Gupta | Executive Director | 164,516 | - | - | - | - | 164,516 |
| 11. | * Ms. Nirmala Gupta | Executive Director | 164,516 | - | - | - | - | 164,516 |

* Ms. Neerja Jhunjhnuwala, Ms. Ankita Gupta and Ms. Nirmala Gupta resigned from the position of Executive Directors with effect from May 20, 2016;

The Executive Directors of the Company have been appointed, in terms of the resolutions passed by the Board and shareholders. The Executive Directors are required to give 180 days notice to the Company for termination of service agreement. There is no separate provision for payment of severance fees. The Non-Executive Directors are not subject to any notice period and no severance fees is to be paid to them.

5. GENERAL MEETINGS

a) The details of last three Annual General Meetings held are given below:

| Financial Year & Meeting No. | Day & Date | Time | Venue |
|------------------------------|-------------------------------|-----------|---|
| 45 th /2015-16 | Friday, September 30, 2016 | 3:00 P.M. | A-27, 2 nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044 |
| 44 th /2014-15 | Wednesday, September 30, 2015 | 5:00 P.M. | A-27, 2 nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044 |
| 43 rd /2013-14 | Tuesday, September 30, 2014 | 1:30 P.M. | Ravindra Mansion, Ram Nagar, New Delhi-110055 |

- b) Special Resolutions passed at last three Annual General Meetings:**
No special resolutions were passed at the aforesaid Annual General Meetings.

- c) Special Resolution passed through postal ballot:**
The equity shares of the Company got listed on the Stock Exchanges on May 09, 2017. Thus, no resolution was passed through postal ballot during the financial year 2016-17.

6. MEANS OF COMMUNICATION

The Company publishes its audited quarterly financial results and audited financial results for the entire Financial Year in 'The Financial Express' and 'Jansatta'. The said financial results, quarterly/half-yearly/annual compliances, other statutory filings made to the Stock Exchanges and other official news releases, if any, are also disclosed on the website of the Company at www.schandgroup.com after submission to the stock exchanges where the shares of the Company are listed. The Company also hosts any presentation shared/ made to analysts/ institutional investors on website of the Company at www.schandgroup.com. The said presentation is also submitted to the stock exchanges where the shares of the Company are listed.

7. GENERAL SHAREHOLDER INFORMATION

a) 46th Annual General Meeting:

Day: Monday

Date: September 25, 2017

Time: 11:30 A.M.

Venue: Executive Club Resort, 439, Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074

- b) Financial Year:** : The Company follows the financial year from 1st April to 31st March

c) Dividend payment during the year under review:

The Board of Directors have declared an interim dividend of ₹ 25 per share of ₹ 5/- each out of the accumulated profits of the Company approved in its Board Meeting held on April 29, 2016. The said dividend has been paid to the shareholders whose name appear in the Register of Members as on April 28, 2016.

The Board of Directors recommended a final dividend of ₹ 1.25/- per equity share for the financial year 2016-17. The dividend recommended, if approved by the members at the Annual General Meeting shall be paid within 30 days from the date of Annual General Meeting to those members whose names appear in Company's beneficiary list as on September 18, 2017.

d) Financial Calendar for financial 2017-18 (tentative and subject to change):

- Quarterly results: within 45 days from the date of closure of the respective quarter or such extended time as maybe applicable to the Company;
- Annual Audited Results for the financial year ending March 31, 2018: within 60 days of close of the financial year; and
- AGM for the financial year ending March 31, 2018: within 180 days of close of financial year

e) Dates of Book Closures:

The register of Members and share transfer books of the Company shall remain closed from –Tuesday, September 19, 2017 to Monday, September 25, 2017 (both days inclusive).

f) Listing of Shares and Stock Code:

| S. No. | Name of the Stock Exchange | Address of Stock Exchange | Stock Code |
|--------|--|--|------------|
| 1. | BSE Limited | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001 | 540497 |
| 2. | National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051 | SCHAND |

Listing Fees for FY 2017-18 has been paid to NSE and BSE

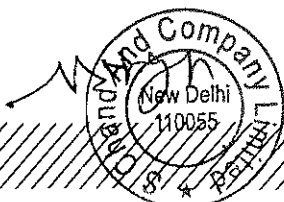
g) Volume of shares traded and Stock Price Movement on a month to month basis:

The equity shares of the Company got listed on the stock exchanges on May 09, 2017. Thus, the aforesaid provision is not applicable to the Company in the financial year 2016-17.

h) Registrar and Share Transfer Agents:

All the work relating to the shares held in the physical form as well as shares held in demat form is being handled by SEBI registered category I Registrar and Transfer Agents whose details are given below:

Link Intime India Pvt. Ltd.
44, Community Centre, 2nd Floor,
Near PVR Naraina, Phase-I
Naraina Industrial Area,
New Delhi - 110028.
Phone: +91 11 4141 0592, 93, 94
Fax: +91 11 4141 0591
E-mail: delhi@intime.co.in
Website: www.linkintime.co.in



CORPORATE GOVERNANCE REPORT (contd.)

i) Share Transfer System:

The share transfer in physical form can be lodged with the Registrar and Share Transfer Agent namely Link Intime India Pvt. Ltd. at the address mentioned herein above or at their branch offices mentioned in its website. The transfers are normally processed within 15 days if the documents are complete in all respect and thereafter the share certificates duly transferred are dispatched.

j) Reconciliation of share capital audit:

The equity shares of the Company got listed on the stock exchanges on May 09, 2017. Thus, the aforesaid provision is not applicable to the Company in the financial year 2016-17.

k) Distribution of shareholding as on March 31, 2017:

| Shareholding pattern as on 31 st March 2017:-CATEGORY | No. of shares held | % of Shareholding |
|---|--------------------|-------------------|
| (A) Shareholding of Promoter and Promoter Group | | |
| 1 Indian | | |
| (a) Individuals/Hindu Undivided Family | 17,409,240 | 58.33 |
| (b) Bodies Corporate | - | - |
| Sub Total (A)(1) | 17,409,240 | 58.33 |
| 2 Foreign | - | - |
| Sub Total (A)(2) | - | - |
| Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 17,409,240 | 58.33 |
| (B) Public Shareholding | | |
| 1 Institutions | | |
| (a) Mutual Funds/UTI | - | - |
| (b) Financial Institutions / Banks | - | - |
| (c) Others | 2,805,784 | 9.40 |
| Sub Total (B)(1) | 2,805,784 | 9.40 |
| 2 Non-Institutions | | |
| (a) Bodies Corporate (Overseas) | 9,629,472 | 32.27 |
| (b) Individuals | - | - |
| i. Individual shareholders holding nominal share capital up to ₹ 2 Lakh | - | - |
| Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh | - | - |
| (c) Other | - | - |
| i. Non Resident Indians | - | - |
| ii. Clearing Members | - | - |
| iii. Hindu Undivided Family | - | - |
| Sub Total (B)(2) | 9,629,472 | 32.27 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 12,435,256 | 41.67 |
| (C) Shares held by Custodians and against which depository Receipts have been issued | - | - |
| GRAND TOTAL (A)+(B)+(C) | 29,844,496 | 100 |

l) Dematerialization of shares and liquidity:

The shares of the Company are in compulsory dematerialization segment and are available for trading system of both the depositories in India viz. National Securities Depository Ltd. (NSDL) and Central Depository Securities (India) Ltd. (CDSL). The status of dematerialization of shares as on 31st March, 2017 is as under:

| Particulars | No. of shares | % of total share capital |
|--|---------------|--------------------------|
| Held in dematerialization form in NSDL | 29,844,496 | 100 |

The equity shares of the Company got listed on May 09, 2017 and are regularly traded on BSE Limited and National Stock Exchange of India Limited in electronic form.

m) Outstanding GORs/ ADRs/Warrants: NIL



n) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any commodity risk. Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to the Board Members. These procedures are periodically reviewed to ensure that the management controls risk through means of a properly defined framework.

o) Plant locations: NIL

p) Address for correspondence:

Registered Office:
 Ravindra Mansion, Ram Nagar,
 New Delhi-110044
 Tel: +91 11 6667 2000
 Fax: +91 11 2367 7446
 Email: investors@schandgroup.com

q) Compliance Officer:

Mr. Jagdeep Singh
 Company Secretary & Compliance Officer
 Email: jsingh.del@schandgroup.com

8. OTHER DISCLOSURES

a) Disclosure on materially significant related party transactions:

All transactions entered into with related party as defined under the Companies Act, 2013 during the financial year 2016-17 were in the ordinary course of business and on arm's length basis. There were no materially significant transactions which were in conflict with the interest of the Company. The said policy is put on website of the Company www.schandgroup.com.

The suitable disclosures as required by Indian Accounting Standard (Ind-AS 24) has been made in the notes forming part of the annual accounts.

b) Disclosure of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years:

The equity shares of the Company got listed on the stock exchanges on May 09, 2017. Thus, the provisions of the Listing Regulations were not applicable to the Company in the financial year 2016-17.

c) Whistle Blower Policy:

As required under the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4 of the Listing Regulations, the Company has formed Whistle Blower Policy to report genuine concerns or grievances. The same is hosted on the website of the Company. None of the employees of the Company have been denied access to the Audit Committee.

d) The status of compliance with non-mandatory requirements is as under:

The equity shares of the Company got listed on the stock exchanges on May 09, 2017. Thus, the provisions of the Listing Regulations were not applicable to the Company in the financial year 2016-17. However, since the Company was in the process of getting listed and to ensure better corporate governance the Company adopted the following requirements:

| S. No. | Particulars | Remarks |
|--------|---|---|
| 1. | Non-Executive Chairman's Office | The Company has a Non-Executive Chairman and he maintains his own separate office. The Company does not bear expense of maintaining his office. The Company pays him sitting fees and reimburse travel expenses for attending the Board and Committee meetings. |
| 2. | Modified opinion(s) in audit report | The financial statements of the Company for the financial year 2016-17 does not contain any qualification/ modified opinion |
| 3. | Separate Post of Chairman and Chief Executive Officer | The Company has separate post for Chairman and Chief Executive Officer (Managing Director) |
| 4. | Reporting of Internal Auditor | The Internal Audits submits its report to the Audit Committee on quarterly basis |

e) Policy for determining material subsidiary:

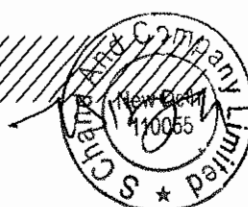
The policy for determining material subsidiary has been disclosed on the website of the Company www.schandgroup.com.

f) Details of non-compliance of any requirement of corporate governance report:

The equity shares of the Company got listed on the stock exchanges on May 09, 2017. Thus, the provisions of the Listing Regulations were not applicable to the Company in the financial year 2016-17.

g) Disclosures with respect to demat suspense account/unclaimed suspense account:

The Company does not have any shares in the demat suspense/unclaimed suspense account.



CORPORATE GOVERNANCE REPORT (contd.)

h) Code of Conduct Declaration:

In accordance with Regulation 34(3) of the Listing Regulations, we hereby confirm that all the Members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct guideline as applicable to them for the Financial Year ended 31st March, 2017.

On behalf of the Board of Directors
For S Chand And Company Limited

Place : New Delhi
Date : August 09, 2017

sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

CERTIFICATE OF PRACTICING COMPANY SECRETARY

To The Members of
S Chand And Company Limited
Ravindra Mansion,
Ram Nagar,
New Delhi-110055

I have examined the compliance of conditions of Corporate Governance by **S Chand And Company Limited ("the Company")** for the year ended 31st March, 2017, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D, E and F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

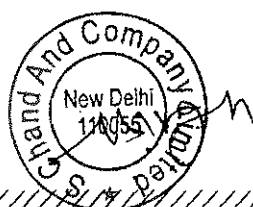
My examination was limited to procedures and Implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the working of the Company. I have examined the Statutory Records and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

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

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

Place : New Delhi
Date : August 09, 2017



sd/-
CS R S Bhatia
Company Secretary in Practicer
C P No. 2514

Declaration on Compliance of the Company's Code of Conduct

To
 The Board of Directors,
 S Chand And Company Limited

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Regulation 17 and 26(3) and Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no noncompliance thereof during the year ended 31st March, 2017.

Himanshu Gupta
 Managing Director
 DIN: 00054015
 Address: A-27, 2nd Floor,
 Mohan Co-operative Industrial
 Estate, New Delhi-110044

Place : New Delhi
 Date : August 09, 2017

COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,
 The Board of Directors
S Chand And Company Limited

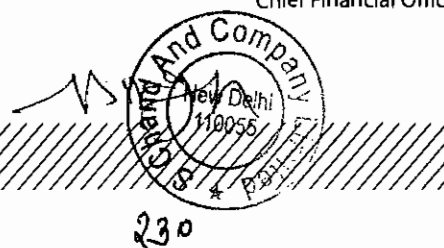
We, (Mr. Himanshu Gupta) Managing Director and (Mr. Saurabh Mittal) Chief Financial Officer of S Chand And Company Limited hereby certify:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2017 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement 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.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the 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 significant role in the Company's internal control system over financial reporting.

Himanshu Gupta
 Managing Director

Saurabh Mittal
 Chief Financial Officer

Place : New Delhi
 Date : 12 June 2017



INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand and Company Limited (Formerly S Chand and Company Private Limited)

Report on the Financial Statements

We have audited the accompanying standalone financial statements of S Chand and Company Limited (Formerly S Chand and Company Private Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

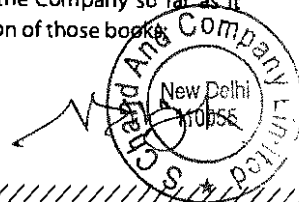
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of written representations received from the directors as on 31 March 2017, and 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 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement. Refer note 33 to the standalone 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 48 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S. R. Batliboi & Associates LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

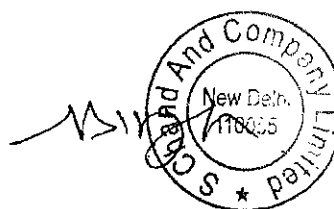
per **Yogesh Midha**

Partner

Membership Number: 094941

Place of Signature: New Delhi

Date: 12 June 2017



INDEPENDENT AUDITOR'S REPORT (contd.)

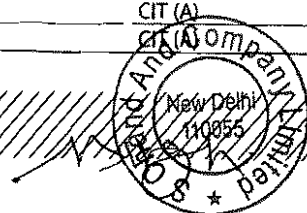
ANNEXURE REFERRED TO IN PARAGRAPH [1] OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of accounts.
- (iii) (a) The Company has granted loan to two companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the loan are not prejudicial to the Company's interest.
- (b) In respect of loan granted to companies covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount and receipt of interest is as stipulated.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained

under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.

- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to entities in which directors are interested and in respect of loans and advances given, investments made and guarantees given have been complied with by the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, value added tax, custom duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in case of income tax. The provisions relating duty of excise is not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund, employees' state insurance, sales-tax, service tax, value added tax, custom duty, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise is not applicable to the Company.
- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

| Name of the Statute | Nature of dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income tax | 30,297,622 | A.Y 2004-05 | Delhi High Court |
| Income Tax Act, 1961 | Income tax | 4,459,354 | A.Y 2005-06 | Delhi High Court |
| Income Tax Act, 1961 | Income tax | 1,456,060 | A.Y 2006-07 | Delhi High Court |
| Income Tax Act, 1961 | Income tax | 3,424,588 | A.Y 2007-08 | Delhi High Court |
| Income Tax Act, 1961 | Income tax | 15,198,906 | A.Y 2007-08 | ITAT |
| Income Tax Act, 1961 | Income tax | 4,163,128 | A.Y 2008-09 | Delhi High Court |
| Income Tax Act, 1961 | Income tax | 5,338,597 | AY 2009-10 | Delhi High Court |
| Income Tax Act, 1961 | Income tax | 6,628,820 | AY 2010-11 | ITAT |
| Income Tax Act 1961 | Income tax | 8,184,960 | AY 2011-12 | ITAT |
| Income Tax Act 1961 | Income tax | 9,997,850 | AY 2012-13 | ITAT |
| Income Tax Act 1961 | Income tax | 3,339,530 | AY 2013-14 | CIT (A) |
| Income Tax Act 1961 | Income tax | 3,093,320 | AY 2014-15 | CIT (A) |



- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank and financial institution. The Company does not have any dues to in respect of debenture holders or government.
- (ix) In our opinion and according to information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer or debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to information and explanations given by the management, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S. R. Batliboi & Associates LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

per **Yogesh Midha**

Partner

Membership Number: 094941

Place of Signature: New Delhi

Date: 12 June 2017



INDEPENDENT AUDITOR'S REPORT (contd.)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF S CHAND AND COMPANY LIMITED (FORMERLY S CHAND AND COMPANY PRIVATE LIMITED)

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

To the Members of S Chand and Company Limited (Formerly S Chand and Company Private Limited)

We have audited the internal financial controls over financial reporting of S Chand and Company Limited (Formerly S Chand and Company Private Limited) ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

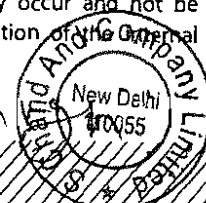
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of 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 **S. R. Batliboi & Associates LLP**

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

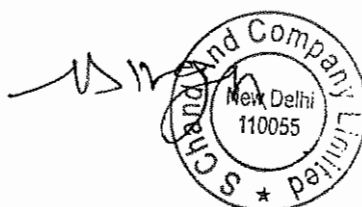
per **Yogesh Midha**

Partner

Membership Number: 094941

Place of Signature: New Delhi

Date: 12 June 2017



BALANCE SHEET

as at March 31, 2017

| | Notes | 31 March 2017 | 31 March 2016 |
|--|-------|----------------------|----------------------|
| (Amount in ₹) | | | |
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 149,222,480 | 2,016,520 |
| Reserves and surplus | 4 | 4,961,931,088 | 4,837,956,518 |
| | | 5,111,153,568 | 4,839,973,038 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 8,052,756 | 308,362,933 |
| Trade payables | 6 | 4,916,592 | 2,556,628 |
| Long-term provisions | 7 | 8,464,521 | 7,681,097 |
| | | 21,433,869 | 318,600,658 |
| Current liabilities | | | |
| Short-term borrowings | 8 | 798,830,366 | 496,817,235 |
| Trade payables | 9 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 2,490,179 | 1,184,986 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 898,065,323 | 1,072,187,831 |
| Other current liabilities | 10 | 1,382,580,985 | 76,909,336 |
| Short-term provisions | 7 | 110,231,288 | 49,188,723 |
| | | 3,192,198,141 | 1,696,288,111 |
| Total | | 8,324,785,578 | 6,854,861,807 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Property, plant and equipment | 11a | 111,700,380 | 140,318,074 |
| Intangible assets | 11b | 138,235,358 | 115,938,960 |
| Capital work-in-progress | | - | 103,851 |
| Non-current investments | 12 | 4,700,458,091 | 3,530,406,824 |
| Deferred tax assets (net) | 13 | 20,163,114 | 10,890,321 |
| Loans and advances | 14 | 185,989,829 | 96,445,564 |
| Other non-current assets | 15 | 4,763,014 | 7,930,044 |
| | | 5,161,309,786 | 3,902,033,638 |
| Current assets | | | |
| Current investments | 12 | 42,715,722 | 162,309,593 |
| Inventories | 16 | 527,552,122 | 596,249,716 |
| Trade receivables | 17 | 2,286,254,155 | 1,913,809,036 |
| Cash and bank balances | 18 | 146,428,224 | 99,529,311 |
| Loans and advances | 14 | 155,347,139 | 177,921,019 |
| Other current assets | 15 | 5,178,430 | 3,009,494 |
| | | 3,163,475,792 | 2,952,828,169 |
| Total | | 8,324,785,578 | 6,854,861,807 |
| Summary of significant accounting policies | 2.1 | | |

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

As per our report of even date
For **S R Batliboi & Associates LLP**
ICAI Firm registration number :101049W/E300004
Chartered Accountants

per **Yogesh Midha**
Partner
Membership no: 094941

Place: New Delhi
Date: 12 June 2017

For and on behalf of the Board of Directors of
5 Chand and Company Limited

sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

sd/-
Saurabh Mittal
Chief Financial Officer

sd/-
Savita Gupta
Director
DIN: 00053988

sd/-
Jagdeep Singh
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(Amount in ₹)

| | Notes | 31 March 2017 | 31 March 2016 |
|---|-------|----------------------|----------------------|
| Income | | | |
| Revenue from operations (net) | 19 | 3,013,494,442 | 2,795,564,657 |
| Other income | 20 | 15,026,689 | 27,656,117 |
| Total revenue (I) | | 3,028,521,131 | 2,823,220,774 |
| Expenses | | | |
| Cost of published goods/materials consumed | 21 | 935,876,667 | 1,162,229,782 |
| Publication expenses | 22 | 316,997,061 | 326,752,056 |
| Purchases of traded goods | | 130,050,421 | 252,282,344 |
| Decrease/(increase) in inventories of finished goods and traded goods | 23 | 72,819,086 | (143,953,634) |
| Selling and distribution expenses | 24 | 244,325,454 | 199,253,821 |
| Employee benefits expenses | 25 | 478,091,349 | 375,107,937 |
| Other expenses | 28 | 273,985,056 | 271,419,606 |
| Total expense (II) | | 2,452,145,095 | 2,443,091,913 |
| Profit before interest, tax, depreciation and amortization (EBITDA) (I-II) | | 576,376,036 | 380,128,861 |
| Depreciation and amortization expense | 26 | 72,618,773 | 74,026,094 |
| Finance costs | 27 | 149,047,209 | 139,275,611 |
| Interest income | 20.2 | (79,503,924) | (89,774,760) |
| Profit before tax | | 434,213,978 | 256,601,916 |
| Tax expenses | | | |
| Current tax | | | |
| Adjustment of tax relating to earlier years | | 1,496,732 | - |
| Pertaining to profit for the current year | | 171,004,394 | 101,470,213 |
| Deferred tax credit | | (9,272,793) | (7,524,438) |
| Total tax expenses | | 163,228,333 | 93,945,775 |
| Profit for the year | | 270,985,645 | 162,656,141 |
| Earnings per equity share [nominal value of share ₹ 5] | 29 | | |
| (a) Basic | | 9.08 | 5.96 |
| (b) Diluted | | 9.06 | 5.95 |
| Computed on the basis of total profit for the year | | | |
| Summary of significant accounting policies | 2.1 | | |

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

As per our report of even date
For S R Batliboi & Associates LLP
 ICAI Firm registration number : 101049W/E300004
 Chartered Accountants

per **Yogesh Midha**
 Partner
 Membership no: 094941

Place: New Delhi
 Date: 12 June 2017

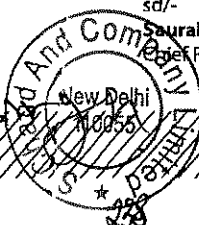
For and on behalf of the Board of Directors of
S Chand and Company Limited

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Saurabh Mittal
 Chief Financial Officer

sd/-
Savita Gupta
 Director
 DIN: 00053988

sd/-
Jagdeep Singh
 Company Secretary



CASH FLOW STATEMENT for the year ended March 31, 2017

| | Notes | (Amount in ₹) 31 March 2017 | 31 March 2016 |
|---|------------|--------------------------------|----------------------|
| A. Cash flow from operating activities | | | |
| Profit before tax | | 434,213,978 | 256,601,916 |
| Adjustment to reconcile profit before tax to net cash flows | | | |
| Depreciation and amortization expense | | 72,618,773 | 74,026,094 |
| Profit on sale of fixed assets (net) | | (1,656,216) | (2,171,362) |
| Interest income | | (78,254,010) | (89,774,760) |
| Dividend income on current investments | | (18,968) | (25,597) |
| Write back of provision for diminution in value of investments | | (388,406) | - |
| Net gain on sale of current investments | | (6,201,593) | (16,422,842) |
| Provision for doubtful receivables | | 24,997,235 | 15,454,694 |
| Advances written off | | - | 95,368 |
| Employee stock option expense | | 12,330,405 | 5,122,242 |
| Interest expense | | 136,156,101 | 131,665,926 |
| Unrealized foreign exchange gain | | (1,568,393) | (2,369,061) |
| Amortization of ancillary borrowing cost | | 1,573,044 | 4,269,680 |
| Operating profit before working capital changes | | 593,801,950 | 376,472,298 |
| Movement in working capital: | | | |
| Decrease/(increase) in inventories | | 68,697,594 | (111,111,286) |
| Increase in trade receivables | | (395,890,519) | (444,306,693) |
| Increase in loans and advances | | (14,505,291) | (10,892,049) |
| Increase/(decrease) in provisions | | 783,424 | (1,185,885) |
| Decrease in trade payables | | (170,457,351) | (29,015,405) |
| Increase/(decrease) in current liabilities | | 28,067,619 | (3,303,504) |
| Cash generated from operations | | 110,497,426 | (223,342,524) |
| Direct taxes paid (net of refunds) | | (94,768,760) | (52,284,790) |
| Net cash from operating activities | (A) | 15,728,666 | (275,627,314) |
| B. Cash flows from investing activities | | | |
| Purchase of fixed assets including capital advances, capital creditors and capital work-in-progress | | (66,655,812) | (89,418,709) |
| Purchase of non-current investments | | (1,170,051,267) | (813,078,501) |
| Purchase of current investments | | (17,716) | (1,059,957,457) |
| Proceeds from sale of current investments | | 126,201,593 | 956,422,842 |
| Proceeds from sale of fixed assets | | 11,421,384 | 22,733,058 |
| Redemption /maturity of bank deposits (having original maturity of more than three months) | | 3,258,005 | (225,446) |
| Dividend received | | 18,968 | 25,597 |
| Interest received | | 77,613,472 | 89,616,642 |
| Net cash used in investing activities | (B) | (1,018,211,373) | (893,881,974) |

(Amount in ₹)

| | | 31 March 2017 | 31 March 2016 |
|--|----------------|----------------------|----------------------|
| C. Cash flows from financing activities | | | |
| Proceeds from issuance of equity share capital including securities premium | | - | 1,691,269,723 |
| Dividend paid on equity shares | | (10,082,600) | - |
| Tax on equity dividend paid | | (2,052,920) | - |
| Payments made for fresh issuance of equity share capital | | (78,457,887) | (10,995,832) |
| Interest paid on borrowings | | (136,048,491) | (132,393,308) |
| Repayment of borrowings | | (1,510,950,626) | (552,293,483) |
| Proceed from borrowings | | 2,790,150,000 | 214,408,405 |
| Net cash used in financing activities | (C) | 1,052,557,476 | 1,209,995,505 |
| Net decrease in cash and cash equivalents | | 50,074,769 | 40,486,217 |
| Effects of exchange differences on cash and cash equivalents held in foreign currency | (A+B+C) | 16,558 | (7,275) |
| Cash and cash equivalents at the beginning of the year | | 93,759,050 | 53,280,108 |
| Cash and cash equivalents at the end of the year | | 143,850,377 | 93,759,050 |
| Components of cash and cash equivalents | | | |
| Cash on hand | | 3,504,132 | 9,641,843 |
| Balances with banks: | | | |
| - on current accounts | | 134,945,921 | 82,222,882 |
| - deposits with original maturity of less than three months | | 5,400,324 | 1,894,325 |
| Total cash and cash equivalents (note 18) | | 143,850,377 | 93,759,050 |
| Summary of significant accounting policies | 2.1 | | |

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

As per our report of even date
For S R Batliboi & Associates LLP
 ICAI Firm registration number : 101049W/E300004
 Chartered Accountants

per Yogesh Midha
 Partner
 Membership no: 094941

Place: New Delhi
 Date: 12 June 2017

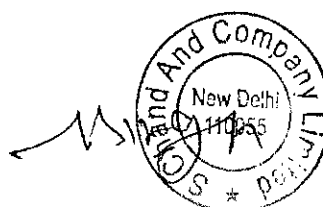
For and on behalf of the Board of Directors of
S Chand and Company Limited

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Saurabh Mittal
 Chief Financial Officer

sd/-
Savita Gupta
 Director
 DIN: 00053988

sd/-
Jagdeep Singh
 Company Secretary



NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2017

1. Corporate information

S Chand and Company Limited (Formerly known as S Chand and Company Private Limited) ("the company") was a private company incorporated under the provisions of the Companies Act, 1956. The Company has become a Public Limited Company w.e.f. 8th September 2016 and consequently the name of the Company has changed from S Chand and Company Private Limited to S Chand and Company Limited. The Company's operations comprises of publishing of educational books with products ranging from School Books, Higher Academic Books, Competition & Reference Books, Technical & professional books and Children Books.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Change in accounting policy

Disclosure of EBITDA

Till the year ended 31 March 2016, the Company had opted not to disclose EBITDA. From current year onwards, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, interest income and tax expense. The same has been elected by the Company to enable better presentation of financial statements and enhance decision making of top management.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) 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 purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

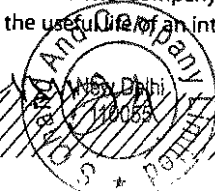
Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible



asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the asset
- its ability to use or sell the asset
- how the asset will generate future economic benefits
- the availability of adequate resources to complete the development and to use or sell the asset
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten seasons. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(e) Depreciation on Property, Plant and Equipment

Depreciation is provided using the written down value method as per the useful life of the assets estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment.

| Fixed assets | Useful lives as per schedule II | Useful lives estimated by the management |
|---------------------|---------------------------------|--|
| Plant and equipment | 15 years | 15-25 years |
| Office equipment | 5 years | 5 years |
| Furniture & fixture | 10 years | 10 years |
| Vehicle | 8 years | 10 years |
| Others-Computer | 3 years | 6 years |

Leasehold improvement is amortized over economic useful life or period of lease whichever is less.

Based on the expected useful life of these assets for the company, the Company has considered below useful lives for different classes of assets.

The useful lives of vehicles, certain plant and machinery and computers are estimated as 10, 25 and 6 years respectively. These lives are higher than those indicated in schedule II.

(f) Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is lessor

Leases in which Company does not transfer substantially all the risk and benefit of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized on



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

a straight line basis over the lease term. Costs, including depreciation are recognized as expenses. Initial direct costs such as legal cost such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

(g) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 period they occur.

(h) Impairment of property, plant and equipment 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, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the assets 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued plant, property and equipment, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

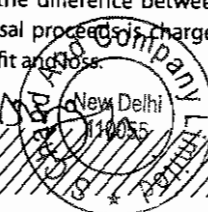
(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



(j) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a First In First Out (FIFO) basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a First In First out (FIFO) basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First In First out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(k) Revenue recognition

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been transferred i.e. at the time of handing over goods to the carrier for transportation. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been transferred i.e. at the time of handing over goods to the carrier for transportation. Sales are net of turnover discounts and sales returns.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

(l) Segment reporting**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

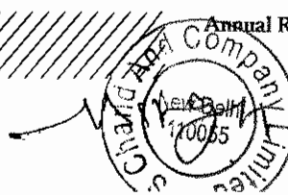
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(m) Foreign currency translation**Foreign currency transactions and balances****(i) Initial recognition**

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

(ii) 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. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

using the exchange rate at the date when such value was determined.

(iii) **Exchange differences**

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(n) Retirement and other employee benefits

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 expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and loss for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(o) Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

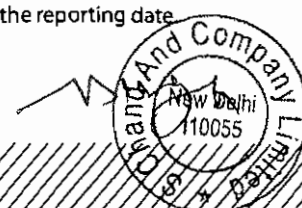
In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(p) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

(r) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

(s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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.

(t) Measurement of EBITDA

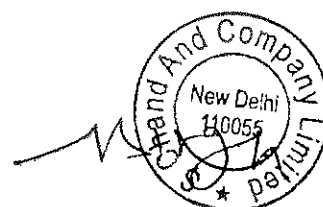
As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

(u) Accounting or dividend

The final dividend on shares is recorded as liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(v) Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

3 Share capital

| | 31 March 2017 | (Amount in ₹) 31 March 2016 |
|--|--------------------|--------------------------------|
| Authorised shares* | 200,000,000 | 22,100,000 |
| 40,000,000 equity shares of ₹ 5 each (31 March 2016: 2,210,000 equity shares of ₹ 10 each) | | |
| Issued share capital* | 149,222,480 | 2,016,520 |
| 29,844,496 equity shares of ₹ 5 each (31 March 2016: 201,652 equity shares of ₹ 10 each) | | |
| Subscribed and paid up share capital* | 149,222,480 | 2,016,520 |
| 29,844,496 equity shares of ₹ 5 each (31 March 2016: 201,652 equity shares of ₹ 10 each) | | |

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:

| | 31 March 2017 | | 31 March 2016 | |
|---|-------------------|--------------------|----------------|------------------|
| | No. of shares | (Amount in ₹) | No. of shares | (Amount in ₹) |
| At the beginning of the year | 201,652 | 2,016,520 | 172,353 | 1,723,530 |
| Issued during the year – Share split* | 201,652 | - | - | - |
| Issued during the year – Bonus issue* | 29,441,192 | 147,205,960 | - | - |
| Issued during the year – Fresh issue | - | - | 29,299 | 292,990 |
| Outstanding at the end of the year | 29,844,496 | 149,222,480 | 201,652 | 2,016,520 |

b. Terms / rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2016: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share interim dividend recognized as distributions to equity shareholders at record date of 28 April 2016 was ₹ 25 per share (31 March 2016: Nil).

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

c. Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

| | 31 March 2017 | 31 March 2016 |
|---|---------------|---------------|
| | No. of shares | No. of shares |
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | 29,441,192 | - |



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

| | 31 March 2017 | | 31 March 2016 | |
|---|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Equity shares of ₹ 5 (31 March 2016: ₹10) each fully paid-up* | | | | |
| Mrs. Nirmala Gupta | 720,168 | 2.41% | 12,866 | 6.38% |
| Mrs. Savita Gupta | 1,312,316 | 4.40% | 16,867 | 8.36% |
| Mr. Dinesh Kumar Jhunjhnuwala | 4,064,820 | 13.62% | 23,465 | 11.64% |
| Mr. Himanshu Gupta | 6,167,752 | 20.67% | 36,674 | 18.19% |
| Mrs. Neerja Jhunjhnuwala | 3,553,036 | 11.91% | 24,007 | 11.91% |
| Everstone Capital Partners II LLC | 9,629,472 | 32.27% | 65,064 | 32.27% |
| International Finance Corporation | 2,805,784 | 9.40% | 18,958 | 9.40% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 41.

f. Proposed dividend on equity shares:

| | (Amount in ₹) | |
|---|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| The board proposed dividend on equity shares after the balance sheet date: | | |
| "Proposed dividend on equity shares for the year ended on 31 March 2017: ₹ 1.25 per share (31 March 2016: Nil)" | 37,305,620 | - |
| Dividend distribution tax on proposed dividend | 7,806,139 | - |

- g. The Company has filed Prospectus with the Registrar of the Companies, National Capital Territory of Delhi and Haryana on 2 May 2017 in accordance with the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. Pursuant to the offer, the Company has allotted 4,850,746 equity shares of ₹ 5 each at an offer price of ₹ 670 per share including share premium of ₹ 665 per share on 5 May 2017 under the fresh issue portion of the Offer. Further, 6,023,236 equity shares offered under the offer for sale by the selling shareholders are transferred at an offer price of ₹ 670 per share including share premium of ₹ 665 per share. Allotment has been made to applicants in various categories as below:

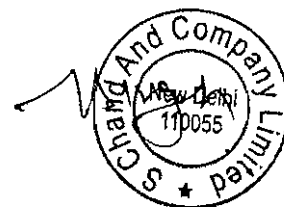
| Particulars | No. of equity shares |
|---------------------------------|----------------------|
| Qualified Institutional Bidders | 2,174,796 |
| Non-Institutional Investors | 1,631,098 |
| Retail Individual Investors | 3,805,894 |
| Anchor Investors | 3,262,194 |
| Total | 10,873,982 |

*The Company had split its equity shares of face value of ₹ 10 each into face value of ₹ 5 each and further issued bonus shares to the shareholders in the ratio of 73:1 as per the resolution passed at Extra-ordinary General Meeting (EGM) dated 20 April 2016.

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

4. Reserves and surplus

| | | (Amount in ₹) | |
|--|--------------------|----------------------|----------------------|
| | | 31 March 2017 | 31 March 2016 |
| Capital reserve | | | |
| Balance as per last financial statements | | 513,000 | 63,300 |
| Add: on cancellation of forfeited shares* | | - | 449,700 |
| Closing balance | (A) | 513,000 | 513,000 |
| Securities premium account | | | |
| Balance as per last financial statements | | 3,638,930,203 | 1,947,953,470 |
| Add : premium on issue of equity shares | | - | 1,699,634,990 |
| Less: utilization towards share issue expenses | | - | (8,658,257) |
| Less: utilization towards issue of fully paid bonus shares | | (147,205,960) | - |
| Closing balance | (B) | 3,491,724,243 | 3,638,930,203 |
| General reserve | | | |
| Balance as per last financial statements | | 603,017,675 | 603,017,675 |
| Closing balance | (C) | 603,017,675 | 603,017,675 |
| Employee stock options outstanding | | | |
| Balance as per the last financial statements | | 5,122,242 | - |
| Add: Compensation options granted during the year | | 12,330,405 | 5,122,242 |
| Closing balance | (D) | 17,452,647 | 5,122,242 |
| Surplus in the statement of profit and loss | | | |
| Balance as per last financial statements | | 590,373,398 | 427,717,257 |
| Profit for the year | | 270,985,645 | 162,656,141 |
| Net surplus in the statement of profit and loss | | 861,359,043 | 590,373,398 |
| Less: appropriations: | | | |
| Interim equity dividend | | (10,082,600) | - |
| Tax on interim equity dividend | | (2,052,920) | - |
| Closing balance | (E) | 849,223,523 | 590,373,398 |
| Total reserves and surplus | (A+B+C+D+E) | 4,961,931,088 | 4,837,956,518 |



5. Long term borrowings

(Amount in ₹)

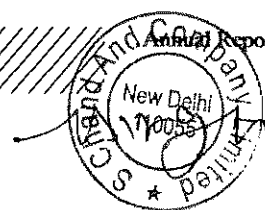
| | Non Current portion | | Current maturities | |
|---|---------------------|--------------------|----------------------|-------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Secured | | | | |
| Term loans | | | | |
| From financial institutions (refer note 'a', 'b', 'c', 'd' and 'e' below) | - | 297,128,964 | 1,297,194,639 | 20,597,942 |
| Vehicle loans | | | | |
| From banks (refer note 'f' below) | 6,473,932 | 11,233,969 | 3,781,393 | 4,199,995 |
| From others (refer note 'g' below) | 1,578,824 | - | 1,318,326 | - |
| | 8,052,756 | 308,362,933 | 1,302,294,358 | 24,797,937 |
| The above amount includes: | | | | |
| Amount disclosed under the head "other current liabilities" (note 10) | - | - | (1,302,294,358) | (24,797,937) |
| | 8,052,756 | 308,362,933 | - | - |
| Net amount | 8,052,756 | 308,362,933 | - | - |

Note:-

- Term loan from Siemens Financial Limited taken during the financial year 2013-14, carries interest @ 13.75%. The loan is repayable in 36 equal monthly installments beginning from June' 2013 onwards. The installment amount ranges from ₹ 182,542 to of ₹ 323,535. The loan is secured by hypothecation of machine being purchased, currently valued at ₹ 14,455,375. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the Company & demand promissory note issued in favor of lender. The loan has been repaid during the current year.
- Term loan from Siemens Financial Limited taken during the financial 2014-15, carries interest @ 13.50% to 13.75%. The loan is repayable in 36 equal monthly installments beginning from August' 2014 onwards. The installment amount ranges from ₹ 336,009 to of ₹ 542,279. The loan is secured by hypothecation of assets being purchased, currently valued at ₹ 14,455,375. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the Company & demand promissory note issued in favor of lender.
- Term loan from Siemens Financial Limited taken during the financial year 2015-16, carries interest @ 13.50%. The loan is repayable in 36 equal monthly installments of ₹ 75,879 beginning from April' 2015.

The loan is secured by hypothecation of assets being purchased, currently valuing ₹ 14,455,375.

- Term loan from Indo Star Capital Finance has been taken during the 2014-15 financial year, carries interest @ 12.50% p.a. to 12.95% p.a. (31 March 2016: 12.85% p.a. to 13.00% p.a.). The loan is repayable in 18 quarterly installments beginning from December' 2014 onwards. Till September 2015, installment amount ranging from ₹14,000,000 to ₹48,461,532 per quarter. On December 2015, Company had made early repayment of loan facility amounting to ₹35 crore, consequent to that repayment schedule has been revised. The remaining loan amount is repayable in 7 quarterly installment beginning from September 2017 onwards. The installment amount is ranging from ₹3,230,773 to ₹48,461,539 per quarter. The loan is secured by (i) First and exclusive charge on optionally convertible redeemable debentures of New Saraswati House (India) Private Limited by way of pledge (ii) First and exclusive charge on 98% equity of Vikas Publishing House Private Limited by way of pledge (iii) Second pari passu charge on the entire fixed assets of the Company (iv) Second pari passu charge on all current assets of the Company. Further the loan facility has been secured demand promissory note issued in favor of lender. The loan has been repaid subsequent to balance sheet date on 12 May 2017 and hence has been shown under current portion.



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

- e. Term loan from Axis Finance Limited has been taken during the nine months period ended 31 December 2016 and carries interest @ 11.25 % p.a. The facility has been taken for a period of 5 years and is repayable in 14 equal quarterly installments of ₹ 71,428,571 beginning from June 2018. The facility has been secured against: (i) second pari passu charge on both present and future current and fixed assets of the Company, (ii) pledge on entire stake to be purchased by the Company i.e., 43.54% of Chhaya Prakashani Private Limited, (iii) pledge on 20% equity shares of the Company, (iv) pledge on 100% equity shares of New Saraswati House (India) Private Limited, subsidiary Company (v) pledge on 100% equity shares of Eurasia Publishing House Private Limited, wholly owned subsidiary company (vi) charge over publishing license/ IPRs as well as brand of New Saraswati and (vii) PDCs for the interest and principal amount. The above securities are to be shared pari-passu with respect to both the facilities of Axis Finance Limited in borrower i.e., the Company and its wholly owned subsidiary Company, Eurasia Publishing House Private Limited. Furthermore, on acquisition of balance shares of Chhaya Prakashani Private Limited, the balance shares and the publishing license as well as the brand is to be charges to Axis Finance Limited.

Moreover, the sanction letter also contains the mandatory prepayment terms as follows:

- Any change in ownership structure and / or management control of borrower companies i.e., the Company and Eurasia Publishing House Private Limited and security providers i.e., New Saraswati House (India) Private Limited and Chhaya Prakashani Private Limited;

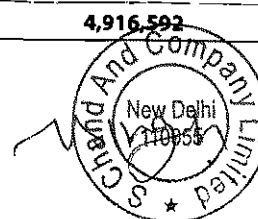
- Proceeds from any third party by way of further equity/debt infusion into borrower companies i.e., the Company and Eurasia Publishing House Private Limited;
- Rating downgrade
- Merger events
- Interest reset event, in case borrower is not agreeable with the revised interest rates.

As the Company has already completed Initial Public Offering ("IPO") on May 9, 2017. The Company has disclosed this borrowing as "short term" under current maturities of long term borrowings. The loan has been repaid subsequent to balance sheet date on 12 May 2017."

- f. Vehicle loans have been taken from HDFC Bank, ICICI Bank and Vijaya Bank and carry interest @ 10.00% to 12.00%. The loan is repayable in 36 to 60 equal monthly installments ranging from ₹ 4,348 to ₹ 99,400. The loan is secured by hypothecation of respective vehicles.
- g. Vehicle loan taken during the current year from Daimler Financial, carry interest @ 9.81% p.a. The loan is repayable in 36 equal monthly installments of ₹ 128,710. The loan is secured by hypothecation of respective vehicle.

6. Trade payables

| | (Amount in ₹) | |
|---|------------------|------------------|
| | 31 March 2017 | 31 March 2016 |
| Trade payables (refer note 31 for details of dues to micro and small enterprises) | 4,916,592 | 2,556,628 |
| Total | 4,916,592 | 2,556,628 |



7. Provisions

| | Long-term | | Short-term | |
|---|------------------|------------------|--------------------|-------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Provision for employee benefits | | | | |
| Provision for gratuity (refer note 30) | 8,464,521 | 7,681,097 | - | - |
| Other provisions | | | | |
| Provision for income tax (net of advance tax of ₹ 60,773,176 (31 March 2016: ₹ 52,283,192)) | - | - | 110,231,288 | 49,188,723 |
| Total | 8,464,521 | 7,681,097 | 110,231,288 | 49,188,723 |

8. Short-term borrowings

| | 31 March 2017 | 31 March 2016 |
|---|--------------------|--------------------|
| Secured | | |
| Loans repayable on demand | | |
| From banks | | |
| Working capital demand loan (refer note 'a', 'b', 'c', 'd' and 'e' below) | 565,000,000 | 220,000,000 |
| Cash credit (refer note 'f', 'g', 'h' and 'i' below) | 233,830,366 | 276,817,235 |
| Total | 798,830,366 | 496,817,235 |

Note :-

- a. Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Directors of the Company & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This loan carries interest rate ranging from 9.25% to 10.25% p.a. (31 March 2016: 11.50% to 12.00% p.a.).
- b. Working capital demand loan from Kotak Mahindra Bank taken during the financial year 2015-16. The facility is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 9.35% to 11.35% p.a. (31 March 2016: 10.25% to 10.75% p.a.).
- c. Working capital demand loan from Standard Chartered Bank taken during the financial year 2015-16. The facility is secured by way of first pari passu

charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 9.15% to 10.75% p.a. (31 March 2016: 10.25% to 10.50% p.a.).

- d. Working capital demand loan from DBS Bank Limited taken during the current year is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 9.15% to 9.50% p.a.
- e. Working capital demand loan from DCB Bank Limited taken during the current year is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate of 9.35% p.a.

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

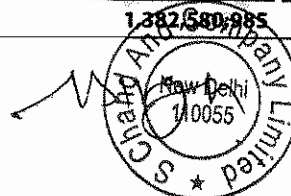
- f. Cash credit from IndusInd Bank Limited is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Directors of the Company. It carries interest rate ranging from 12.10% to 12.35% p.a. (31 March 2016: 12.35% to 12.75% p.a.).
- g. Cash credit from Kotak Mahindra Bank taken during the financial year 2015-16. The facility is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 11.08% to 11.22% p.a. (31 March 2016: 11.22% to 11.30% p.a.).
- h. Cash credit from Standard Chartered Bank taken during the financial year 2015-16. The facility is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 10.75% to 11.00% p.a. (31 March 2016: 10.72% p.a.).
- i. Cash credit from DBS Bank Limited taken during the current year is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate of 10.85% p.a. to 10.90% p.a.

9. Trade payables

| | (Amount in ₹) | |
|---|--------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| Trade payables | | |
| -total outstanding dues of micro enterprises and small enterprises (refer note 31 for details of dues to micro and small enterprises) | 2,490,179 | 1,184,986 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 410,765,696 | 382,948,171 |
| -total outstanding dues to related entities | 487,299,627 | 689,239,660 |
| Total | 900,555,502 | 1,073,372,817 |

10. Other current liabilities

| | (Amount in ₹) | |
|---|----------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| Current maturities of long term borrowings (refer note 5) | 1,302,294,358 | 24,797,937 |
| Interest accrued but not due on borrowings | 83,664 | 264,028 |
| Interest accrued on security deposits | 284,752 | - |
| Interest on outstanding dues of micro enterprises and small enterprises | 11,519 | 8,298 |
| Security deposits/earnest money received | 19,620,000 | 620,000 |
| Advance from customers | 17,067,355 | 5,416,012 |
| Statutory dues payable | 43,219,337 | 45,803,061 |
| Total | 1,382,580,985 | 76,909,336 |



11 Fixed assets

(a) Property, Plant and Equipment

| Description | Plant & equipment | Office equipments | Furniture & Fixtures | Vehicles | Leasehold improvement | Computers | Total |
|---------------------|-------------------|-------------------|----------------------|--------------|-----------------------|-------------|--------------|
| Gross Block | | | | | | | |
| As at 01 April 2015 | 80,763,801 | 35,941,711 | 50,760,070 | 113,225,140 | 8,636,791 | 125,697,654 | 415,047,167 |
| Additions | 1,537,586 | 6,313,297 | 3,491,955 | 4,830,977 | 3,058,456 | 7,107,095 | 26,339,366 |
| Disposals | (23,510,701) | (62,225) | (3,206) | (17,205,110) | - | (222,475) | (41,003,717) |
| As at 31 March 2016 | 58,790,686 | 42,212,783 | 54,248,819 | 100,851,007 | 11,697,247 | 132,582,274 | 400,382,816 |
| Additions | 408,361 | 1,846,371 | 457,388 | 19,421,626 | 763,806 | 1,022,683 | 23,920,235 |
| Disposals | - | (201,536) | (12,255) | (23,870,974) | - | (4,647,091) | (28,731,856) |
| As at 31 March 2017 | 59,199,047 | 43,857,618 | 54,693,952 | 96,401,659 | 12,461,053 | 128,957,866 | 395,571,195 |
| Depreciation | | | | | | | |
| As at 01 April 2015 | 38,259,576 | 22,959,325 | 29,939,494 | 55,896,440 | 2,358,962 | 75,443,995 | 224,857,792 |
| Charge for the year | 4,355,985 | 7,492,394 | 6,336,023 | 14,789,029 | 1,531,253 | 21,144,286 | 55,648,970 |
| Disposals | (8,628,994) | (49,681) | (2,430) | (11,584,806) | - | (176,109) | (20,442,020) |
| As at 31 March 2016 | 33,986,567 | 30,402,038 | 36,273,087 | 59,100,663 | 3,890,215 | 96,412,172 | 260,064,742 |
| Charge for the year | 3,272,346 | 5,336,847 | 4,948,100 | 13,859,210 | 1,474,162 | 14,147,081 | 43,037,746 |
| Disposals | - | (186,303) | (10,436) | (15,646,560) | - | (3,388,374) | (19,231,673) |
| As at 31 March 2017 | 37,258,913 | 35,552,582 | 41,210,751 | 57,313,313 | 5,364,377 | 107,170,879 | 283,870,815 |
| Net Block | | | | | | | |
| As at 31 March 2016 | 24,804,119 | 11,810,745 | 17,975,732 | 41,750,344 | 7,807,032 | 36,170,102 | 140,318,074 |
| As at 31 March 2017 | 21,940,134 | 8,305,036 | 13,483,201 | 39,088,346 | 7,096,676 | 21,786,987 | 111,700,380 |

Plant and equipments includes plant given on operating lease

| | (Amount in ₹) | 31 March 2017 | 31 March 2016 |
|----------------------------------|---------------|---------------|---------------|
| Gross block | | 21,556,745 | 21,556,745 |
| Depreciation charge for the year | | 1,543,553 | 1,730,541 |
| Accumulated depreciation | | 9,415,172 | 7,871,619 |
| Net book value | | 12,141,573 | 13,685,126 |

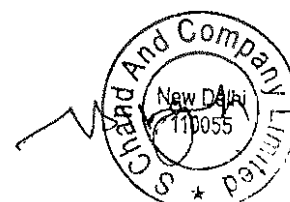
Computer includes computers given on operating lease:

| | (Amount in ₹) | 31 March 2017 | 31 March 2016 |
|----------------------------------|---------------|---------------|---------------|
| Gross block | | 77,315,103 | 77,315,103 |
| Depreciation charge for the year | | 9,395,546 | 15,534,506 |
| Accumulated depreciation | | 62,859,728 | 53,464,182 |
| Net book value | | 14,455,375 | 23,850,921 |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

(b) Intangible assets

| Particulars | Goodwill | Computer software | Copy-right | Content development | Total |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| Gross Block | | | | | |
| As at 01 April 2015 | 74,894,724 | 51,258,858 | 922,000 | - | 127,075,582 |
| Purchase | - | 6,809,075 | 20,784,927 | 29,354,979 | 56,948,981 |
| As at 31 March 2016 | 74,894,724 | 58,067,933 | 21,706,927 | 29,354,979 | 184,024,563 |
| Purchase | - | 5,968,953 | - | 46,173,458 | 52,142,411 |
| Disposals | - | (436,462) | - | - | (436,462) |
| As at 31 March 2017 | 74,894,724 | 63,600,424 | 21,706,927 | 75,528,437 | 235,730,512 |
| Amortization | | | | | |
| As at 01 April 2015 | 43,573,416 | 6,133,167 | 1,896 | - | 49,708,479 |
| Amortization for the year | 7,490,592 | 6,985,367 | 965,667 | 2,935,498 | 18,377,124 |
| As at 31 March 2016 | 51,064,008 | 13,118,534 | 967,563 | 2,935,498 | 68,085,603 |
| Amortization for the period | 7,490,592 | 15,825,859 | 3,609,366 | 2,655,210 | 29,581,027 |
| Disposals | - | (171,476) | - | - | (171,476) |
| As at 31 March 2017 | 58,554,600 | 28,772,917 | 4,576,929 | 5,590,708 | 97,495,154 |
| As at 31 March 2016 | 23,830,716 | 44,949,399 | 20,739,364 | 26,419,481 | 115,938,960 |
| As at 31 March 2017 | 16,340,124 | 34,827,507 | 17,129,998 | 69,937,729 | 138,235,358 |



12. Investments

(Amount in ₹)

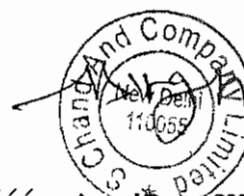
| | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|---|-------------------------|-------------------------|----------------------|----------------------|----------------------|
| | (No. of shares/unit) | (No. of shares/unit) | | | |
| A. Non-current investments | | | | | |
| I. Trade investments (valued at cost unless stated otherwise) | | | | | |
| Investments in subsidiaries | | | | | |
| a. Unquoted equity instruments | | | | | |
| (i) 100% equity shares of M/s Blackie & Son (Calcutta) Private Limited of ₹ 1,000 each fully paid up | 149 | 149 | Unquoted | 60,792,890 | 60,792,890 |
| (ii) 100% equity shares of M/s Nirja Publishers & Printers Private Limited of ₹ 10 each fully paid up | 12,000 | 12,000 | Unquoted | 15,600,000 | 15,600,000 |
| (iii) 100% equity shares of M/s Safari Digital Education Initiatives Private Limited of ₹ 10 each fully paid up | 26,584,168 | 26,584,168 | Unquoted | 265,841,680 | 265,841,680 |
| (iv) 100% equity shares of Eurasia Publishing House Private Limited of ₹ 1,000 each fully paid up# | 106 | 106 | Unquoted | 116,051,874 | 116,051,874 |
| (v) 98% equity shares of Vikas Publishing House Private Limited of ₹ 100 each fully paid up (refer note 43)* | 39,339 | 39,339 | Unquoted | 1,502,685,231 | 1,502,685,231 |
| (vi) 76.09% Equity Shares of New Saraswati House (India) Private Limited of ₹ 10 each fully paid up** | 15,600 | 15,600 | Unquoted | 900,782,848 | 900,782,848 |
| (vii) 50.93% Equity Shares of DS Digital Private Limited of ₹ 10 each fully paid up | 17,686,750 | 17,686,750 | Unquoted | 142,506,526 | 142,506,526 |
| (viii) 43.53% Equity Shares of Chhaya Prakashani Private Limited of ₹ 100 each fully paid up*** | 64,548 | - | Unquoted | 1,000,042,164 | - |
| Total 'a' | 44,402,660 | 44,338,112 | | 4,004,303,213 | 3,004,261,049 |

#100% of equity shares is pledge in favor of Axis Finance Limited (refer note 5(e))

*98% of equity shares is pledge in favor of Indo Star Capital Finance (refer note 5(d))

**76.10% of equity shares is pledge in favor of Axis Finance Limited (refer note 5(e))

***43.53% of equity shares is pledge in favor of Axis Finance Limited (refer note 5(e))



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|---|-------------------------|-------------------------|----------------------|----------------------|----------------------|
| | (No. of shares/unit) | (No. of shares/unit) | | | |
| b. Unquoted preference shares | | | | | |
| (i) 72.17% Preference Shares of DS Digital Private Limited of ₹ 10 each fully paid up (1% optionally convertible non-cumulative, non-participating preference shares.) | 16,000,000 | - | Unquoted | 160,000,000 | - |
| Total 'b' | 16,000,000 | - | | 160,000,000 | - |
| II. Non-trade investments (valued at cost unless stated otherwise) | | | | | |
| c. Investments in preference shares | | | | | |
| (i) Essar Gujrat Limited (shares of ₹ 37.14 each) (At cost less provision for other than temporary diminution of ₹59,425) | 1,600 | 1,600 | Unquoted | - | - |
| (ii) Zee Entertainment Enterprises Limited 6% preference shares (bonus) | 4,200 | 4,200 | Unquoted | - | - |
| (iii) Smartivity Labs Private Limited (0.001% compulsorily convertible cumulative preference shares of ₹10 each) | 5,064 | 4,164 | Unquoted | 15,630,741 | 6,138,441 |
| Total 'c' | 10,864 | 9,964 | | 15,630,741 | 6,138,441 |
| d. Investments in debentures | | | | | |
| (i) 12% Secured redeemable non-convertible debentures of ₹ 60 each fully paid-up in MGF | 100 | 100 | Unquoted | 6,000 | 6,000 |
| (ii) 13.25% optionally convertible redeemable debentures of ₹100,000 each fully paid up in New Saraswati House (India) Private Limited (pledged in favor of Indo Star Capital Finance (refer note 5(d)) | 5,200 | 5,200 | Unquoted | 520,000,000 | 520,000,000 |
| Total 'd' | 5,300 | 5,300 | | 520,006,000 | 520,006,000 |
| e. Investments in equity instrument | | | | | |
| (i) Smartivity Labs Private Limited (equity share) | 50 | 1 | Unquoted | 518,137 | 1,334 |
| Total 'e' | 50 | 1 | | 518,137 | 1,334 |
| Total non-current investments (a+b+c+d+e) | 60,418,874 | 44,353,377 | | 4,700,458,091 | 3,530,406,824 |
| Aggregate amount of unquoted investments | | | | 4,700,458,091 | 3,530,406,824 |
| Aggregate provision for diminution in value of investments | | | | | 59,425 |

(Amount in ₹)

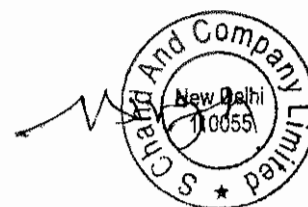
| | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|---|---------------|----------------|----------------------|----------------|--------------------|
| B. Current investments (valued at lower of cost and fair value, unless stated otherwise) | | | | | |
| a. Investments in equity instruments (Quoted) | | | | | |
| (i) Freshtop Fruits Limited (equity shares of ₹10 each) | 1,000 | 1,000 | Quoted | 26,500 | 16,800 |
| (ii) Kitply Industries Limited (equity shares of ₹10 each) | 100 | 100 | Quoted | - | - |
| (iii) Mahaan Foods Limited (equity shares of ₹10 each) | 42,564 | 42,564 | Quoted | 679,804 | 393,717 |
| (iv) ORG Informatics Limited (equity shares of ₹10 each) | 100 | 100 | Quoted | - | - |
| (v) Pentamedia Graphics Limited (equity shares of ₹1 each) | 10,457 | 10,457 | Quoted | 6,274 | 5,438 |
| (vi) Vardhman Concrete Limited (equity shares of ₹10 each) | 2,000 | 2,000 | Quoted | 22,800 | 25,000 |
| (vii) Zee Entertainment Limited (equity shares of ₹1 each) | 100 | 100 | Quoted | 20,990 | 20,990 |
| (viii) Zee Entertainment Limited (bonus shares) | 100 | 100 | Quoted | - | - |
| (ix) Sistema Shyam Teleservices Limited (equity shares of ₹10 each) | 15,880 | 15,880 | Quoted | 93,990 | - |
| (x) DSQ Software Limited (equity shares of ₹10 each) | 2,000 | 2,000 | Quoted | - | - |
| (xi) Nextgen Animation Media Limited (equity shares of ₹10 each) | 40 | 40 | Quoted | - | - |
| (xii) Silverline Tech EQ (equity shares of ₹10 each) | 100 | 100 | Quoted | - | - |
| Total 'a' | 74,441 | 74,441 | | 850,358 | 461,945 |
| b. Investments in equity instruments (Unquoted) | | | | | |
| (i) Bharat Glass Tubes Limited (equity shares of ₹ 100 each) | 1,000 | 1,000 | Unquoted | - | - |
| Total 'b' | 1,000 | 1,000 | | - | - |
| c. Investments in mutual funds (Quoted) | | | | | |
| (i) Principal Monthly Income Plan - Dividend Reinvestment Monthly | 83,834 | 82,212 | Quoted | 865,364 | 847,648 |
| (ii) HDFC LIQUID FUND Direct Plan Growth option | - | 40,359 | Quoted | - | 120,000,000 |
| Total 'c' | 83,834 | 122,571 | | 865,364 | 120,847,648 |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| | | | | (Amount in ₹) | |
|-----------|---|----------------|----------------|----------------------|-----------------------------------|
| | | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 31 March 2016 |
| d. | Investments in preference shares (Unquoted) | | | | |
| (i) | Walldorf Integration Solutions Limited (Formerly Citixsys Technologies Limited) (redeemable preference shares of ₹ 10 each fully paid up) (refer note 44) | 512,500 | 512,500 | Unquoted | 41,000,000 41,000,000 |
| | Total 'd' | 512,500 | 512,500 | | 41,000,000 41,000,000 |
| | Total current investments (a+b+c+d) | 671,775 | 710,512 | | 42,715,722 162,309,593 |
| | Aggregate book value of quoted investments | | | | 1,715,722 121,309,593 |
| | Aggregate market value of quoted investments | | | | 2,315,771 121,761,673 |
| | Aggregate amount of unquoted investments | | | | 41,000,000 41,000,000 |

13. Deferred tax assets (net)

| | | (Amount in ₹) | |
|---|--------------|-------------------|-------------------|
| | | 31 March 2017 | 31 March 2016 |
| Deferred tax assets | | | |
| "Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years" | | 4,218,836 | 5,293,530 |
| Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements | | 1,491,511 | - |
| Provision for doubtful debts | | 14,452,767 | 8,288,971 |
| Gross deferred tax assets | (A) | 20,163,114 | 13,582,501 |
| Deferred tax liability | | | |
| Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements | | - | 2,692,180 |
| Gross deferred tax liability | (B) | - | 2,692,180 |
| Net deferred tax assets | (A-B) | 20,163,114 | 10,890,321 |



14. Loans and advances

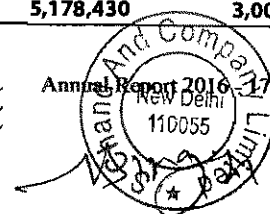
(Amount in ₹)

| | Non-current | | Current | |
|---|--------------------|-------------------|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Capital advances | | | | |
| Unsecured, considered good | 10,124 | 9,313,107 | - | - |
| | 10,124 | 9,313,107 | - | - |
| Security deposit | | | | |
| Unsecured, considered good | 34,324,694 | 33,963,973 | 2,952,130 | 2,952,130 |
| | 34,324,694 | 33,963,973 | 2,952,130 | 2,952,130 |
| Loans and advances to related parties (refer note 40) | | | | |
| Unsecured, considered good | 132,728,151 | 17,432,815 | 23,100,683 | 141,728,051 |
| | 132,728,151 | 17,432,815 | 23,100,683 | 141,728,051 |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | - | - | 115,673,919 | 20,530,875 |
| | - | - | 115,673,919 | 20,530,875 |
| Other loans and advances | | | | |
| Unsecured, considered good | | | | |
| *Advance income tax (net of provision for taxation of ₹427,986,219 (31 March 2016: ₹587,169,790)) | 18,876,551 | 35,566,360 | - | - |
| Prepaid expenses | 50,309 | 169,309 | 10,379,586 | 9,937,775 |
| Balances with statutory/ government authorities | - | - | 3,240,821 | 2,772,188 |
| | 18,926,860 | 35,735,669 | 13,620,407 | 12,709,963 |
| Total | 185,989,829 | 96,445,564 | 155,347,139 | 177,921,019 |

15. Other assets

(Amount in ₹)

| | Non-current | | Current | |
|---|------------------|------------------|------------------|------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Unsecured, considered good unless stated otherwise | | | | |
| Non-current bank balances (refer note 18) | 4,461,124 | 4,526,716 | - | - |
| | 4,461,124 | 4,526,716 | - | - |
| Unamortized expenditure | | | | |
| Ancillary cost of arranging the borrowings | - | 3,146,080 | 3,146,080 | 1,573,040 |
| | - | 3,146,080 | 3,146,080 | 1,573,040 |
| Others | | | | |
| Interest accrued on fixed deposits | 301,890 | 257,248 | 2,032,350 | 1,436,454 |
| | 301,890 | 257,248 | 2,032,350 | 1,436,454 |
| Total | 4,763,014 | 7,930,044 | 5,178,430 | 3,009,494 |



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

16. Inventories (valued at lower of cost or net realizable value)

| | (Amount in ₹) | |
|--------------------------------|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Raw materials (refer note 21) | 6,283,642 | 2,162,150 |
| Finished goods | | |
| Finished goods (refer note 23) | 511,427,173 | 575,691,590 |
| Traded goods (refer note 23) | 9,841,307 | 18,395,976 |
| Total | 527,552,122 | 596,249,716 |

17. Trade receivables

| | (Amount in ₹) | |
|--|----------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 146,275,673 | 208,577,256 |
| Doubtful | 41,761,347 | 23,951,027 |
| | 188,037,020 | 232,528,283 |
| Less: provision for doubtful receivables | (41,761,347) | (23,951,027) |
| | 146,275,673 | 208,577,256 |
| Other receivables | | |
| Unsecured, considered good | 2,139,978,482 | 1,705,231,780 |
| | 2,139,978,482 | 1,705,231,780 |
| Total | 2,286,254,155 | 1,913,809,036 |

Trade receivable includes

| | (Amount in ₹) | |
|--|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Due from DS Digital Private Limited in which the Company's director is a director | 18,036,746 | 76,253,312 |
| Due from New Saraswati House (India) Private Limited in which the Company's director is a director | 5,776,240 | 5,693,109 |

18. Cash and bank balances

| | Non-current | | Current | |
|---|---------------|---------------|--------------------|-------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| -On current accounts | - | - | 134,945,921 | 82,222,882 |
| -Deposits with original maturity of less than three months | - | - | 5,400,324 | 1,894,325 |
| Cash on hand | - | - | 3,504,132 | 9,641,843 |
| Total | - | - | 143,850,377 | 93,759,050 |
| Other bank balances | | | | |
| Deposits with remaining maturity for more than 12 months | 4,356,124 | 4,421,716 | - | - |
| Deposits with remaining maturity for more than 3 months but less than 12 months | - | - | 2,577,847 | 5,770,261 |



(Amount in ₹)

| | Non-current | | Current | |
|--|------------------|------------------|--------------------|-------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| -Margin money deposit - sales tax | 105,000 | 105,000 | - | - |
| | 4,461,124 | 4,526,716 | 2,577,847 | 5,770,261 |
| Amount disclosed under non- current assets (refer note 15) | (4,461,124) | (4,526,716) | - | - |
| | - | - | 2,577,847 | 5,770,261 |
| Total | - | - | 146,428,224 | 99,529,311 |

19. Revenue from operations (net)

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|--------------------------------------|----------------------|----------------------|
| Sale of products | | |
| Finished goods (published titles) | 2,871,808,007 | 2,510,471,670 |
| Traded goods (titles not published) | 166,538,226 | 266,312,657 |
| | 3,038,346,233 | 2,776,784,327 |
| Less: turnover discount | (44,304,188) | (34,430,283) |
| | 2,994,042,045 | 2,742,354,044 |
| Other operating revenue | | |
| Sale of paper | - | 28,888,509 |
| Lease income | 17,150,703 | 21,760,479 |
| Scrap sale | 2,301,694 | 2,296,475 |
| Training income | - | 265,150 |
| Revenue from operations (net) | 3,013,494,442 | 2,795,564,657 |
| Details of products sold | | |
| Finished goods sold | | |
| Sale - books (export) | 28,104,788 | 31,909,702 |
| Sale - books | 2,843,703,219 | 2,478,561,968 |
| | 2,871,808,007 | 2,510,471,670 |
| Traded goods sold | | |
| Sale - Books | 166,538,226 | 266,312,657 |
| | 166,538,226 | 266,312,657 |

20. Other income

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|--|-------------------|-------------------|
| Dividend income on current investments | 18,968 | 25,597 |
| Net gain on sale of current investments | 6,201,593 | 16,422,842 |
| Profit on sale of fixed assets (net) | 1,656,216 | 2,171,362 |
| Duty drawback | 1,727,821 | 1,154,809 |
| Miscellaneous income | 5,033,685 | 5,231,674 |
| Reversal of temporary diminution in value of investments | 388,406 | - |
| Exchange differences (net) | - | 2,649,833 |
| Total | 15,026,689 | 27,656,117 |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

20.1. Interest income

| | 31 March 2017 | 31 March 2016 |
|---------------------------|-------------------|-------------------|
| (Amount in ₹) | | |
| Interest income on | | |
| -from bank deposits | 888,532 | 7,308,908 |
| - income tax refund | 1,249,915 | - |
| -from others | 77,365,477 | 82,465,852 |
| Total | 79,503,924 | 89,774,760 |

21. Cost of published goods/materials consumed

| | 31 March 2017 | 31 March 2016 |
|--|--------------------|----------------------|
| (Amount in ₹) | | |
| Inventory at the beginning of the year | 2,162,150 | 35,004,498 |
| Add : purchases of published goods | 920,520,791 | 1,116,426,317 |
| Add : purchases of CDs | 19,477,368 | 12,961,118 |
| | 942,160,309 | 1,164,391,932 |
| Less: inventory at the end of the year | 6,283,642 | 2,162,150 |
| Cost of published goods/materials consumed | 935,876,667 | 1,162,229,782 |
| Details of published goods/raw material purchased | | |
| Books | 920,520,791 | 1,116,426,317 |
| CDs, tablets and others | 19,477,368 | 12,961,118 |
| | 939,998,159 | 1,129,387,435 |
| Details of inventory | | |
| CDs and others | 6,283,642 | 2,162,150 |
| | 6,283,642 | 2,162,150 |

22. Publication expenses

| | 31 March 2017 | 31 March 2016 |
|----------------------------|--------------------|--------------------|
| (Amount in ₹) | | |
| Royalty | 283,640,438 | 290,038,179 |
| Processing charges | 40,418 | 2,886,659 |
| Block and composing | 149,848 | 463,268 |
| Other publication expenses | 33,166,357 | 33,363,950 |
| Total | 316,997,061 | 326,752,056 |



23. Decrease / (increase) in inventories of finished goods and traded goods

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|---|--------------------|----------------------|
| Inventories at the end of the year | | |
| Finished goods | 521,268,480 | 594,087,566 |
| | 521,268,480 | 594,087,566 |
| Inventories at the beginning of the year | | |
| Finished goods | 594,087,566 | 450,133,932 |
| | 594,087,566 | 450,133,932 |
| Decrease / (increase) in inventories | 72,819,086 | (143,953,634) |
| Details of inventory: | | |
| Finished goods | | |
| Manufactured goods | | |
| Books | 511,427,173 | 575,691,590 |
| Traded goods | | |
| Books | 9,841,307 | 18,395,976 |
| Tablets | - | - |
| | 521,268,480 | 594,087,566 |

24. Selling and distribution expenses

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|---|--------------------|--------------------|
| Advertisement, publicity and exhibition | 60,038,441 | 42,782,353 |
| Freight and cartage outward | 66,562,067 | 58,111,058 |
| Packing and dispatch expenses | 8,453,508 | 7,141,786 |
| Vehicle running & maintenance | 19,008,533 | 16,778,388 |
| Travelling and conveyance | 50,504,004 | 43,306,534 |
| Leases rent - vehicles | 1,821,996 | 2,053,772 |
| Rebate and discount | 37,936,905 | 29,079,930 |
| Total | 244,325,454 | 199,253,821 |

25. Employee benefits expense

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|---|--------------------|--------------------|
| Salaries, wages and bonus | 403,920,293 | 318,420,507 |
| Contribution to provident and other funds | 26,927,295 | 23,504,352 |
| Gratuity expense (refer note 30) | 6,203,968 | 4,413,771 |
| Employee stock option expense (refer note 41) | 12,330,405 | 5,122,242 |
| Staff welfare expenses | 28,709,388 | 23,647,065 |
| Total | 478,091,349 | 375,107,937 |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

26. Depreciation and amortization expense

| | 31 March 2017 | 31 March 2016 |
|---|-------------------|-------------------|
| Depreciation of property, plant and equipment | 43,037,746 | 55,648,970 |
| Amortization of intangible assets | 29,581,027 | 18,377,124 |
| | 72,618,773 | 74,026,094 |

27. Finance costs

| | 31 March 2017 | 31 March 2016 |
|----------------------|--------------------|--------------------|
| Interest expense | | |
| - on term loan | 77,997,865 | 80,535,965 |
| - on others | 58,158,235 | 51,129,961 |
| Bank charges | 1,104,090 | 1,727,546 |
| Loan processing fees | 11,787,019 | 5,882,139 |
| | 149,047,209 | 139,275,611 |

28. Other expenses

| | 31 March 2017 | 31 March 2016 |
|---|---------------|---------------|
| Rent | 98,797,734 | 90,074,223 |
| Repairs and maintenance | | |
| - Plant and machinery | 164,964 | 90,480 |
| - Building | 144,360 | 299,603 |
| - Others | 17,649,225 | 15,450,182 |
| Insurance | 3,884,240 | 3,187,478 |
| Rates and taxes | 315,552 | 412,411 |
| Communication cost | 14,522,798 | 13,931,773 |
| Printing and stationery | 2,176,941 | 1,772,030 |
| Legal and professional fee (includes prior period of ₹ Nil (31 March 2016: ₹ 2,608,122)) | 26,550,784 | 59,060,347 |
| Donations | 5,433 | 93,400 |
| Payment to auditor (refer details below) | 3,450,000 | 3,112,500 |
| Water and electricity charges | 11,006,421 | 12,172,496 |
| Bad debt written off | 7,186,914 | 7,030,314 |
| Less: bad debts written off against opening provision | (7,186,914) | (7,030,314) |
| Provision for doubtful receivables | 24,997,235 | 15,454,694 |
| Recruitment expenses | 925,763 | 1,047,615 |
| Outsourced employee cost | 43,235,612 | 32,235,579 |
| Office expenses | 4,768,015 | 5,418,434 |
| Security charges | 12,296,440 | 9,077,048 |

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|--|--------------------|--------------------|
| Corporate social responsibility expenses (refer note 47) | 2,719,186 | 2,147,000 |
| Director sitting fees | 645,478 | - |
| Exchange differences (net) | 733,747 | - |
| Miscellaneous expenses | 4,995,128 | 6,286,943 |
| | 273,985,056 | 271,419,606 |
| Payment to auditor* | | |
| As auditor | | |
| Audit fee | 3,450,000 | 3,112,500 |
| Total | 3,450,000 | 3,112,500 |

29. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|--|--------------------|--------------------|
| Total operations for the year | | |
| Profit after tax | 270,985,645 | 162,656,141 |
| Less: dividends and dividend tax on other than equity shares | - | - |
| Net profit for calculation of basic EPS | 270,985,645 | 162,656,141 |
| Net profit as above | 270,985,645 | 162,656,141 |
| Add : dividends & dividend tax on other than equity shares | - | - |
| Net profit for calculation of diluted EPS | 270,985,645 | 162,656,141 |
| Weighted average number of equity shares in calculating basic EPS* | 29,844,496 | 27,273,549 |
| Effect of dilution: | | |
| Stock options granted under ESOP | 52,911 | 53,872 |
| Weighted average number of equity shares in calculating diluted EPS | 29,897,407 | 27,327,421 |
| Earnings per equity share (EPS) [nominal value of share ₹5] | | |
| (a) Basic | 9.08 | 5.96 |
| (b) Diluted | 9.06 | 5.95 |

*The Company had split its equity shares of face value of ₹ 10 each into face value of ₹ 5 each and further issued bonus shares to the shareholders in the ratio of 73:1 as per the resolution passed at Extra-ordinary General Meeting (EGM) dated 20 April 2016. Consequently, earnings per share for the year ended 31 March 2016 has been restated.

30. Gratuity benefits plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service or part thereof in excess of six months. The scheme is funded with Kotak Life Insurance and LIC.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

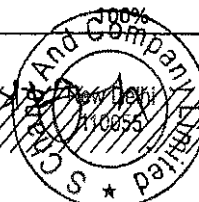
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| | (Amount in ₹) | |
|---|-------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| Statement of profit and loss | | |
| Net employee benefit expense recognized in employee cost | | |
| Current service cost | 5,295,698 | 4,716,795 |
| Interest cost on benefit obligation | 2,421,030 | 2,929,721 |
| Expected return on plan assets | (2,311,179) | (2,668,921) |
| Acquisition/business combination/divestiture | 1,218,922 | 991,419 |
| Net actuarial (gain) / loss recognized in the year | (420,503) | (1,555,243) |
| Net benefit expense | 6,203,968 | 4,413,771 |
| Actual return on plan assets | | |
| Expected return on plan assets | 2,311,179 | 2,668,921 |
| Actuarial gain / (loss) on plan assets | 903,314 | (1,845,624) |
| Actual return on plan assets | 3,214,493 | 823,297 |
| Balance sheet | | |
| Benefit liability | | |
| Present value of defined benefit obligation | 40,387,637 | 36,751,947 |
| Fair value of plan assets | 31,923,116 | 29,070,850 |
| Plan liability | 8,464,521 | 7,681,097 |
| Changes in the present value of the defined benefit obligation (DBO) | | |
| Opening defined benefit obligation | 36,751,947 | 41,623,341 |
| Interest cost | 2,421,030 | 2,929,721 |
| Current service cost | 5,295,698 | 4,716,795 |
| Benefits paid | (5,782,771) | (10,108,461) |
| Acquisition/business combination/divestiture | 1,218,922 | 991,419 |
| Actuarial (gain) / loss on obligation | 482,811 | (3,400,868) |
| Closing defined benefit obligation | 40,387,637 | 36,751,947 |
| Changes in fair value of plan assets | | |
| Opening fair value of plan assets | 29,070,850 | 32,756,359 |
| Expected return | 2,311,179 | 2,668,921 |
| Contributions by employer | 5,420,544 | 5,383,886 |
| Benefit paid | (5,782,771) | (9,892,692) |
| Actuarial gain / (loss) | 903,314 | (1,845,624) |
| Closing fair value of plan assets | 31,923,116 | 29,070,850 |

The Company expects to contribute ₹ 756,610 to gratuity in the next year (31 March 2016: ₹2,273,900)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | (Amount in ₹) | |
|------------------------------|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Kotak Life Insurance and LIC | | 100% |



The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

| | 31 March 2017 | (Amount in ₹) 31 March 2016 |
|-------------------------------|--|--|
| Discount rate | 7.35% | 8.05% |
| Rate of return on plan assets | 8.00% | 8.75% |
| Salary escalation | 6.00% | 6.00% |
| Employee turnover | Service upto 5 years: 5% Service above 5 year: 1% | Service upto 5 years: 5% Service above 5 year: 1% |

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Amounts for the current and previous four years are as follows:

| | 31 March 2017 | 31 March 2016 | 31 March 2015 | 31 March 2014 | (Amount in ₹) 31 March 2013 |
|--|---------------|---------------|---------------|---------------|--------------------------------|
| Defined benefit obligation | 40,387,637 | 36,751,947 | 41,623,341 | 36,380,597 | 32,052,760 |
| Plan assets | 31,923,116 | 29,070,850 | 32,756,359 | 31,266,056 | 28,375,118 |
| (Surplus)/ deficit | 8,464,521 | 7,681,097 | 8,866,982 | 5,114,541 | 3,677,642 |
| Experience adjustments on plan assets | 903,314 | (1,845,624) | 3,275,435 | (402,237) | (88,664) |
| Experience adjustments on plan liability | (2,660,704) | (2,376,221) | 3,173,625 | 1,908,157 | 3,305,914 |

31. Dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

| | 31 March 2017 | (Amount in ₹) 31 March 2016 |
|---|------------------|--------------------------------|
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 2,490,179 | 1,184,986 |
| Interest due on above | 11,519 | 8,298 |
| | 2,501,698 | 1,193,284 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 11,519 | 8,298 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

32. Capital and other commitments

| | 31 March 2017 | (Amount in ₹) 31 March 2016 |
|---|---------------|--------------------------------|
| a. Capital commitments (net of advances) | 85,341 | 16,697,310 |
| b. For commitments relating to lease arrangements, please refer note 34 | | |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

33. Contingent liabilities

| | (Amount in ₹) | |
|--|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Corporate guarantee (refer note 'a' below) | 1,748,817,642 | 1,051,182,615 |
| Stamp duty (refer note 'b' below) | 95,013,220 | 95,013,220 |
| Registration fee (refer note 'b' below) | 9,154,800 | - |
| Income Tax demand (refer note 'c' below) | 671,657 | 568,483 |

- a. Corporate guarantee includes guarantees given by the Company to banks and financial institutions against loans taken by the subsidiaries.
- b. During the year 2015-16, the Company received notice under Indian Stamp Act, 1899 for non-payment of stamp duty on transfer of property on amalgamation and demerger held in the financial year 2011-12. The district registrar contented that order of Hon'ble High Court for amalgamation and demerger does not grants exemption in respect of payment of stamp duty.

During the year, the Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9,154,800.

As per the legal opinion obtained, management is of the view that no liability would accrue on the Company on account of such case. Accordingly, no provision has been made in these financial statements.

- c. In respect of Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Assessing officer. The amount involved is ₹ 568,483 (31 March 2016: ₹ 568,483).

In respect of Assessment Year 2014-2015, demand was raised due to disallowance of certain expenses under section 36(1)(va) of the Income Tax Act. The matter is pending with CIT(A). The amount involved is ₹ 103,174 (31 March 2016: Nil).

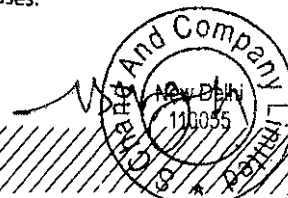
The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have any impact on the Company's financial position.

- d. There are several legal cases initiated against the Company by the employees for forceful termination, payment of arrears etc. These cases are pending at different labour and civil courts. However, as per the legal opinions obtained, the management of the Company is of the view that no liability would accrue on the Company on account of any such cases. Accordingly, no provision has been made in the books of account for the same.

34. Leases

Operating lease: Company as lessee

- a. The Company has taken premises for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 98,797,734 (31 March 2016: ₹ 90,074,223). These lease have average life of between one to nine years. There are no restrictions imposed by the lease agreements. There are no sub leases.
- b. The Company has taken vehicle for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 1,821,996 (31 March 2016: 2,053,772). There are no restrictions imposed by the lease agreements. There are no sub leases.



Future minimum rentals payable under non-cancellable operating leases are as follows:

| | (Amount in ₹) | |
|---|-------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| Minimum lease payment | | |
| Within one year | 13,303,964 | 13,303,964 |
| After one year but not more than five years | 53,215,857 | 53,215,857 |
| More than five years | 16,629,955 | 29,933,919 |
| | 83,149,776 | 96,453,740 |

Operating lease: Company as lessor

- a. The Company has given plant and equipment, and Computer under cancellable operating lease agreements. The total lease rentals recognized as an income during the year under the above lease agreements (excluding interest) aggregates to ₹ 17,150,703 (31 March 2016: ₹ 21,760,479).

35. Unhedged foreign currency exposure

The Company does not use derivative financial instruments such as forward exchange contracts or options to hedge its risks associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as under:

| | (Amount in ₹) | |
|------------------|---|--|
| | 31 March 2017 | 31 March 2016 |
| Trade receivable | USD 462,584 @ ₹64.84 per USD (₹29,993,947) | USD 581,000 @ ₹ 66.33 per USD (₹38,539,428) |
| Cash on hand | USD 180 @ ₹64.84 per USD (₹11,671) | USD 1,133 @ ₹ 66.33 per USD (₹75,152) |
| Cash on hand | EURO 100 @ ₹69.25 per USD (₹6,925) | EURO 300 @ ₹ 75.12 per USD (₹22,536) |

36. Value of imports calculated on CIF basis

| | (Amount in ₹) | |
|---------------|---------------|------------------|
| | 31 March 2017 | 31 March 2016 |
| Capital goods | - | 1,455,379 |
| | - | 1,455,379 |

37. Expenditure in foreign currency (accrual basis)

| | (Amount in ₹) | |
|----------------------------|------------------|------------------|
| | 31 March 2017 | 31 March 2016 |
| Exhibition expenses | 565,660 | 651,590 |
| Travelling and conveyance | 5,899,128 | 2,678,860 |
| Legal and professional fee | 104,054 | - |
| | 6,568,843 | 3,330,450 |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

38. Imported and indigenous raw materials consumed

| | 31 March 2017 | | 31 March 2016 | |
|-----------------------|----------------|--------------------|----------------|----------------------|
| | Percentage (%) | (Amount in ₹) | Percentage (%) | (Amount in ₹) |
| Raw materials | | | | |
| Imported | - | - | - | - |
| Indigenously obtained | 100% | 935,876,667 | 100% | 1,162,229,782 |
| | 100% | 935,876,667 | 100% | 1,162,229,782 |

39. Earnings in foreign currency (accrual basis)

| | (Amount in ₹) | |
|------------------|-------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| Sale of products | 28,104,788 | 31,909,702 |
| | 28,104,788 | 31,909,702 |

40. Related party disclosure

Related parties and their relationship

Related parties where control exists:

| | |
|----------------------|---|
| Subsidiary companies | : Nirja Publishers & Printers Private Limited |
| | : Safari Digital Education Initiatives Private Limited |
| | : Eurasia Publishing House Private Limited |
| | : Blackie & Son (Calcutta) Private Limited |
| | : BPI (India) Private Limited |
| | : Arch Papier Mache Private Limited (till 8 Dec 2016) |
| | : Vikas Publishing House Private Limited |
| | : DS Digital Private Limited |
| | : New Saraswati (India) Private Limited |
| | : S Chand Edutech Private Limited |
| | : Chhaya Prakashani Private Limited (w.e.f 5 December 2016) |
| | : Indian Progressive Publishing Co. Private Limited (w.e.f 5 December 2016) |
| | : Publishing Services Private Limited (w.e.f 5 December 2016) |

Related parties under AS 18 with whom transactions have taken place during the year:

Enterprises over which Key Management Personnel or their relatives exercise significant influence

| | |
|--|---|
| | : Hotel Tourist (Partnership firm) |
| | : Raasha Entertainment & Leisure LLP |
| | : S Chand Hotels Private Limited |
| | : SC Hotel Tourist Deluxe Private Limited |
| | : Shaara Hospitalities Private Limited |
| | : S Chand Properties Private Limited |

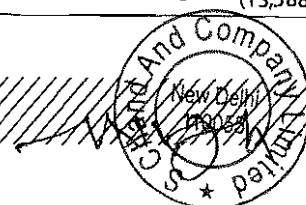


| | |
|---|---|
| | : Shyam Lal Charitable Trust |
| | : Shyamlal Nursing Home & Medical Research Centre Private Limited |
| | : RKG Hospitalities Private Limited |
| | : Smartivity Labs Private Limited (w.e.f. 05 August 2015) |
| Associate | : Edutor Technologies India Private Limited |
| Key Management Personnel (KMP) & their relatives | |
| - Mrs. Nirmala Gupta | : Chair Person and Managing Director (till 20 May 2016) |
| - Mrs. Savita Gupta | : Whole-time Director (till May 20, 2016) |
| | Director (w.e.f. 20 May 2016) |
| - Mr. Himanshu Gupta | : Joint Managing Director (till 20 May 2016) |
| | Managing Director (w.e.f. 20 May 2016) |
| - Mrs. Ankita Gupta | : Whole-time Director (till 20 May 2016) |
| - Mr. Dinesh Kumar Jhunjhnuwala | : Vice Chair Person and Director Finance (till 20 May 2016) |
| | Whole-time Director (w.e.f. 20 May 2016) |
| - Mrs. Neerja Jhunjhnuwala | : Whole time Director (till May 20, 2016) |
| - Mr. Gaurav Jhunjhnuwala | : Director |
| - Mr. Saurabh Mittal | : Chief Financial Officer |
| - Mr. Jagdeep Singh | : Company Secretary (w.e.f. 30 December 2015) |
| Relatives of KMP | : Mr. Ravindra Kumar Gupta |
| | : Mrs. Neerja Jhunjhnuwala (w.e.f. 20 May 2016) |

| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | (Amount in ₹) |
|---|------------------|--|--|---------------|
| | | | | Total |
| Purchase of books, CDs and toys | | | | |
| Nirja Publishers & Printers Private Limited | 206,297,499 | - | - | 206,297,499 |
| | (468,220,876.73) | - | - | (468,220,877) |
| Vikas Publishing House Private Limited | 824,452,750 | - | - | 824,452,750 |
| | (890,382,620) | - | - | (890,382,620) |
| BPI (India) Private Limited | 4,647,917 | - | - | 4,647,917 |
| | (610,781) | - | - | (610,781) |
| New Saraswati (India) Private Limited | - | - | - | - |
| | (7,167) | - | - | (7,167) |
| Smartivity Labs Private Limited | - | 384,670 | - | 384,670 |
| Royalty expense | | | | |
| Eurasia Publishing House Private Limited | 18,420,149 | - | - | 18,420,149 |
| | (19,691,245) | - | - | (19,691,245) |
| Blackie & Son (Calcutta) Private Limited | 2,667,468 | - | - | 2,667,468 |
| | (4,035,634) | - | - | (4,035,634) |

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | (Amount in ₹) |
|---|--------------|--|--|---------------|
| | | | | Total |
| BPI (India) Private Limited | 590,883 | - | - | 590,883 |
| | (674,571) | - | - | (674,571) |
| Purchase- (Other) from | | | | |
| SC Hotel Tourist Deluxe Private Limited | - | 1,190,347 | - | 1,190,347 |
| | - | (1,271,276) | - | (1,271,276) |
| S Chand Hotels Private Limited | - | - | - | - |
| | - | (849,343) | - | (849,343) |
| Hotel Tourist | - | 4,158,213 | - | 4,158,213 |
| | - | (4,409,839) | - | (4,409,839) |
| Vikas Publishing House Private Limited | 1,826,720 | - | - | 1,826,720 |
| | (4,782,387) | - | - | (4,782,387) |
| BPI (India) Private Limited | - | - | - | - |
| | (2,263,239) | - | - | (2,263,239) |
| DS Digital Private Limited | - | - | - | - |
| | (92,625) | - | - | (92,625) |
| Safari Digital Education Initiatives Private Limited | 672,240 | - | - | 672,240 |
| | (1,497,174) | - | - | (1,497,174) |
| Purchase of fixed asset | | | | |
| DS Digital Private Limited | - | - | - | - |
| | (22,658,070) | - | - | (22,658,070) |
| Safari Digital Education Initiatives Private Limited | - | - | - | - |
| | (276,266) | - | - | (276,266) |
| Sales of books, fixed assets and paper | | | | |
| BPI (India) Private Limited | 2,703 | - | - | 2,703 |
| | (339,735) | - | - | (339,735) |
| New Saraswati House Private Limited | 83,131 | - | - | 83,131 |
| | (317,221) | - | - | (317,221) |
| DS Digital Private Limited | 66,278 | - | - | 66,278 |
| | - | - | - | - |
| Safari Digital Education Initiatives Private Limited | 2,380,172 | - | - | 2,380,172 |
| | (425,564) | - | - | (425,564) |
| Vikas Publishing House Private Limited (Paper) | - | - | - | - |
| | (30,314,334) | - | - | (30,314,334) |
| Vikas Publishing House Private Limited (fixed assets) | - | - | - | - |
| | (15,588,123) | - | - | (15,588,123) |

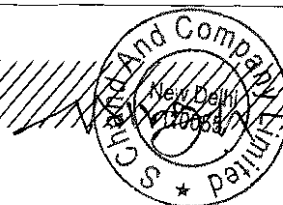


(Amount in ₹)

| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
|--|--------------|--|--|--------------|
| Other expenses paid (reimbursement) | | | | |
| Eurasia Publishing House Private Limited | 506,517 | - | - | 506,517 |
| Nirja Publishers & Printers Private Limited | 901,993 | - | - | 901,993 |
| | - | - | - | - |
| S Chand Edutech Private Limited | 4,474,378 | - | - | 4,474,378 |
| | - | - | - | - |
| BPI (India) Private Limited | 159,105 | - | - | 159,105 |
| | - | - | - | - |
| Vikas Publishing House Private Limited | 1,096,154 | - | - | 1,096,154 |
| | (2,235,475) | - | - | (2,235,475) |
| Safari Digital Education Initiatives Private Limited | 665,253 | - | - | 665,253 |
| | (297,308) | - | - | (297,308) |
| DS Digital Private Limited | 219,533 | - | - | 219,533 |
| | (1,781,161) | - | - | (1,781,161) |
| Shyam Lal Charitable Trust | - | 24,205 | - | 24,205 |
| | - | (6,035) | - | (6,035) |
| S Chand Properties Private Limited | - | - | - | - |
| | - | (15,545) | - | (15,545) |
| S Chand Hotels Private Limited | - | - | - | - |
| | - | (614) | - | (614) |
| New Saraswati House Private Limited | 476,521 | - | - | 476,521 |
| | (2,214,737) | - | - | (2,214,737) |
| Rentals paid | | | | |
| Arch Papier Mache Private Limited | 14,415,326 | - | - | 14,415,326 |
| | (20,767,554) | - | - | (20,767,554) |
| Safari Digital Education Initiatives Private Limited | 11,032,000 | - | - | 11,032,000 |
| | (10,933,760) | - | - | (10,933,760) |
| S Chand Properties Private Limited | - | 28,836,802 | - | 28,836,802 |
| | - | (28,596,136) | - | (28,596,136) |
| Mrs.Savita Gupta | - | - | 3,140,176 | 3,140,176 |
| | - | - | (2,188,272) | (2,188,272) |
| Mrs.Neerja Jhunjhnuwala | - | - | 2,284,660 | 2,284,660 |
| | - | - | (2,266,426) | (2,266,426) |
| Ravindra Kumar Gupta | - | - | 1,189,392 | 1,189,392 |
| | - | - | (1,178,794) | (1,178,794) |

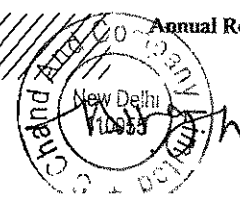
NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | (Amount in ₹) |
|--|--------------|--|--|---------------|
| | | | | Total |
| Corporate social responsibility (CSR) | | | | |
| Shyam Lal Charitable Trust | - | - | - | - |
| | - | (1,500,000) | - | (1,500,000) |
| Lease rent received from | | | | |
| Nirja Publishers & Printers Private Limited | 300,000 | - | - | 300,000 |
| | (1,800,000) | - | - | (1,800,000) |
| Vikas Publishing House Private Limited | 1,500,000 | - | - | 1,500,000 |
| DS Digital Private Limited | 15,350,703 | - | - | 15,350,703 |
| | (19,960,479) | - | - | (19,960,479) |
| Interest income | | | | |
| Eurasia Publishing House Private Limited | 3,541,485 | - | - | 3,541,485 |
| New Saraswati House Private Limited | 68,900,004 | - | - | 68,900,004 |
| | (68,900,004) | - | - | (68,900,004) |
| Vikas Publishing House Private Limited | - | - | - | - |
| | (1,406,025) | - | - | (1,406,025) |
| Safari Digital Education Initiatives Private Limited | 2,087,789 | - | - | 2,087,789 |
| | (1,590,905) | - | - | (1,590,905) |
| DS Digital Private Limited | 2,836,199 | - | - | 2,836,199 |
| | (10,568,918) | - | - | (10,568,918) |
| Miscellaneous income | | | | |
| Vikas Publishing House Private Limited | 3,566,322 | - | - | 3,566,322 |
| Loans given | | | | |
| Eurasia Publishing House Private Limited | 110,229,989 | - | - | 110,229,989 |
| Safari Digital Education Initiatives Private Limited | - | - | - | - |
| | (16,000,000) | - | - | (16,000,000) |
| Remuneration to KMP | | | | |
| Mrs. Nirmala Gupta | - | - | 164,516 | 164,516 |
| | - | - | (1,200,000) | (1,200,000) |
| Mr. Gaurav Jhunjunwala | - | - | 200,000 | 200,000 |
| | - | - | (1,200,000) | (1,200,000) |
| Mrs.Savita Gupta | - | - | 400,000 | 400,000 |
| | - | - | (2,400,000) | (2,400,000) |
| Mr. Dinesh Kumar Jhunjunwala | - | - | 10,192,000 | 10,192,000 |
| | - | - | (3,600,000) | (3,600,000) |
| Mr. Himanshu Gupta | - | - | 10,192,000 | 10,192,000 |
| | - | - | (3,600,000) | (3,600,000) |



(Amount in ₹)

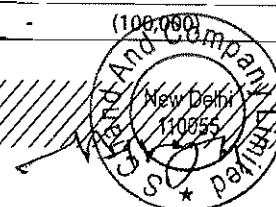
| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
|--|---------------|--|--|---------------|
| Mrs. Neerja Jhunjhnuwala | - | - | 164,516 | 164,516 |
| | - | - | (1,200,000) | (1,200,000) |
| Mrs. Ankita Gupta | - | - | 164,516 | 164,516 |
| | - | - | (1,200,000) | (1,200,000) |
| Saurabh Mittal | - | - | 9,432,428 | 9,432,428 |
| | - | - | (7,950,620) | (7,950,620) |
| Jagdeep Singh | - | - | 7,413,641 | 7,413,641 |
| | - | - | (956,468) | (956,468) |
| Investment made during the period | | | | |
| DS Digital Private Limited (Preference shares) | 160,000,000 | - | - | 160,000,000 |
| Chhaya Prakashani Private Limited (Equity shares) | 1,000,042,164 | - | - | 1,000,042,164 |
| New Saraswati House Private Limited (equity share) | - | - | - | - |
| | (809,546,848) | - | - | (809,546,848) |
| Smartivity Labs Private Limited (Equity shares) | - | 516,803 | - | 516,803 |
| | - | (1,334) | - | (1,334) |
| Smartivity Labs Private Limited (Preference shares) | - | 9,492,300 | - | 9,492,300 |
| | - | (6,138,441) | - | (6,138,441) |
| Balances outstanding as at 31 March 2017 | | | | |
| Security deposit receivable | | | | |
| Arch Papier Mache Private Limited | - | - | - | - |
| | (9,117,108) | - | - | (9,117,108) |
| Safari Digital Education Initiatives Private Limited | 4,800,000 | - | - | 4,800,000 |
| | (4,800,000) | - | - | (4,800,000) |
| S Chand Properties Private Limited | - | 12,546,828 | - | 12,546,828 |
| | - | (12,546,828) | - | (12,546,828) |
| Mrs. Savita Gupta | - | - | 535,080 | 535,080 |
| | - | - | (390,000) | (390,000) |
| Mrs. Neerja Jhunjhnuwala | - | - | 118,422 | 118,422 |
| | - | - | (118,422) | (118,422) |
| Ravindra Kumar Gupta | - | - | 408,750 | 408,750 |
| | - | - | (408,750) | (408,750) |
| Loans and advances | | | | |
| Eurasia Publishing House Private Limited | 112,910,810 | - | - | 112,910,810 |
| Safari Digital Education Initiatives Private Limited | 20,847,662 | - | - | 20,847,662 |
| | (18,534,036) | - | - | (18,534,036) |



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

(Amount in ₹)

| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
|--|---------------|--|--|---------------|
| DS Digital Private Limited | - | - | - | - |
| | (86,860,748) | - | - | (86,860,748) |
| S Chand Edutech Private Limited | 12,416,786 | - | - | 12,416,786 |
| | (7,942,408) | - | - | (7,942,408) |
| SC Hotel Tourist Deluxe Private Limited | - | 142,590 | - | 142,590 |
| | - | (127,997) | - | (127,997) |
| New Saraswati House (India) Private Limited | 2,313,472 | - | - | 2,313,472 |
| | (33,159,347) | - | - | (33,159,347) |
| Raasha Entertainment & Leisure LLP | - | 224,389 | - | 224,389 |
| | - | (224,389) | - | (224,389) |
| Shaara Hospitalities Private Limited | - | 13,804 | - | 13,804 |
| | - | (13,804) | - | (13,804) |
| BPI (India) Private Limited | 6,506,413 | - | - | 6,506,413 |
| | (11,845,230) | - | - | (11,845,230) |
| Shyamal Nursing Home & Medical Research Centre Private Limited | - | 110,768 | - | 110,768 |
| | - | (110,768) | - | (110,768) |
| RKG Hospitalities Private Limited | - | 342,139 | - | 342,139 |
| | - | (342,139) | - | (342,139) |
| Trade payables | | | | |
| Nirja Publishers & Printers Private Limited | 152,672,544 | - | - | 152,672,544 |
| | (247,309,615) | - | - | (247,309,615) |
| Vikas Publishing House Private Limited | 300,220,252 | - | - | 300,220,252 |
| | (242,515,530) | - | - | (242,515,530) |
| Eurasia Publishing House Private Limited | 16,818,397 | - | - | 16,818,397 |
| | (170,224,326) | - | - | (170,224,326) |
| Blackie & Son (Calcutta) Private Limited | 16,502,425 | - | - | 16,502,425 |
| | (14,987,100) | - | - | (14,987,100) |
| DS Digital Private Limited | - | - | - | - |
| | (13,990,945) | - | - | (13,990,945) |
| Smartivity Labs Private Limited | - | 35,343 | - | 35,343 |
| | - | - | - | - |
| Hotel Tourist | - | 1,050,666 | - | 1,050,666 |
| | - | (212,144) | - | (212,144) |
| Directors remuneration payable | | | | |
| Nirmala Gupta | - | - | - | - |
| | - | - | (100,000) | (100,000) |



(Amount in ₹)

| Nature of Transactions | Subsidiaries | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
|--|-------------------|--|--|-------------------|
| Gaurav Jhunjunwala | - | - | - | - |
| | - | - | (100,000) | (100,000) |
| Savita Gupta | - | - | - | - |
| | - | - | (200,000) | (200,000) |
| Dinesh Kumar Jhunjunwala | - | - | 443,040 | 443,040 |
| | - | - | (300,000) | (300,000) |
| Himanshu Gupta | - | - | 420,284 | 420,284 |
| | - | - | (300,000) | (300,000) |
| Neerja Jhunjunwala | - | - | - | - |
| | - | - | (100,000) | (100,000) |
| Ankita Gupta | - | - | - | - |
| | - | - | (100,000) | (100,000) |
| Saurabh Mittal | - | - | 474,852 | 474,852 |
| | - | - | (973,270) | (973,270) |
| Jagdeep Singh | - | - | 1,007,959 | 1,007,959 |
| | - | - | (432,626) | (432,626) |
| Trade receivable | | | | |
| BPI (India) Private Limited | 15,989,068 | - | - | 15,989,068 |
| | (15,986,365) | - | - | (15,986,365) |
| New Saraswati House Private Limited | 5,776,240 | - | - | 5,776,240 |
| | (5,693,109) | - | - | (5,693,109) |
| Safari Digital Education Initiatives Private Limited | 2,747,896 | - | - | 2,747,896 |
| | - | - | - | - |
| DS Digital Private Limited | 18,036,746 | - | - | 18,036,746 |
| | (76,253,312) | - | - | (76,253,312) |

(Figures in brackets represents previous year figures.)

41. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2017, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 30 June 2012, the board of directors approved the Equity Settled ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the eligible employees. According to the Scheme 2012, two types of options are granted by the Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,194 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the company. However in case of growth options, in addition to this the board may also specify the certain corporate, individual or a combination performance parameters subject to which the option would vest. The other relevant terms of the grant are as below:



NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| | Grant I | Grant II | Grant III (a) | Grant III (b) | Grant IV (a) | Grant IV (b) | Grant IV (c) | Grant IV (d) | Grant V | Grant VI | Grant VII |
|------------------------------------|--|---------------------------|--|--|----------------------------|---|---|---|---|--|----------------------------|
| Date of grant | 9-Jul-12 | 9-Jul-12 | 28-Jul-14 | 30-Sep-14 | 27-Aug-15 | 27-Aug-15 | 30-Sep-15 | 28-Mar-16 | 5-Aug-16 | 16-Aug-16 | 30-Nov-16 |
| Date of Board approval | 30-Jun-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 27-Aug-15 | 27-Aug-15 | 27-Aug-15 | 28-Mar-16 | 5-Aug-16 | 5-Aug-16 | 19-Sep-16 & 30-Nov-16 |
| Date of Shareholder's approval | 30-Jun-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 30-Sep-15 | 30-Sep-15 | 30-Sep-15 | 28-Mar-16 | 5-Aug-16 | 5-Aug-16 | 10-Nov-16 |
| Number of options granted | 2,194 | 291 | 180 | 75 | 441 | 185 | 248 | 40 | 93,388 | 51,060 | 12,506 |
| Method of settlement (Cash/Equity) | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity |
| Vesting Period | Year 1- 10% Year 2- 15% Year 3-20% Year 4-25% Year 5-30% | 100% Immediate vesting | Year 1- 28% Year 2- 32% Year 3-40% | Year 1- 28% Year 2- 32% Year 3-40% | Year 1- 50% Year 2- 50% | Year 1- 25% Year 2- 35% Year 3- 40% | Year 1- 25% Year 2- 35% Year 3- 40% | Year 1- 25% Year 2- 35% Year 3- 40% | Year 1- 100% Year 2- 25% Year 3- 25% Year 4- 25% | Year 1- 25% Year 2- 25% Year 3- 25% Year 4- 25% | Year 1- 50% Year 2- 50% |

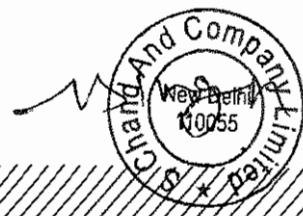
| Exercise Period | Exercise on listing but not later than two years from the listing/on sale | | | | | | | | | | |
|--|---|-------|--------|--------|--------|--------|--------|--------|-----|-----|-----|
| Exercise price | 9,110 | 9,110 | 36,870 | 36,870 | 36,870 | 45,000 | 45,000 | 45,000 | 304 | 304 | 392 |
| Intrinsic value of shares at the time of grant | 9,110 | 9,110 | 36,870 | 36,870 | 55,785 | 55,785 | 55,785 | 55,785 | 376 | 376 | 376 |

Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till March 31, 2016 is as below:

| Exercise Period | Exercise on listing but not later than two years from the listing/on sale | | | | | | | | | | |
|--|---|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Exercise price | 62 | 62 | 249 | 249 | 249 | 304 | 304 | 304 | 304 | 304 | 392 |
| Intrinsic value of shares at the time of grant | 62 | 62 | 249 | 249 | 377 | 377 | 377 | 377 | 376 | 376 | 376 |

The details of activities under Growth option (Grant I) are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 322 | 9,110 | 1,003 | 9,110 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | 681 | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 322 | - | - | - |
| Effect of bonus issue | 47,012 | - | - | - |
| Outstanding at the end of the year | 47,656 | 62 | 322 | 9,110 |
| Exercisable at the end of the year | 33,152 | - | 140 | - |



The details of activities under Thankyou option (Grant II) are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 21 | 9,110 | 290 | 9,110 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | 260 | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 21 | - | 2 | - |
| Effect of bonus issue | 3,066 | - | 0 | - |
| Outstanding at the end of the year | 3,108 | 62 | 21 | 9110 |
| Exercisable at the end of the year | 3,108 | - | 21 | - |

The weighted average remaining contractual life for Growth and Thankyou option outstanding as at 31 March 2017 is 2.91 years.

The details of activities under Grant III a and III b are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 253 | 36,870 | 255 | 36,870 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | 10,804 | - | 2 | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 253 | - | - | - |
| Effect of bonus issue | 36,938 | - | - | - |
| Outstanding at the end of the year | 26,640 | 249 | 253 | 36,870 |
| Exercisable at the end of the year | 16,280 | - | 68 | - |

The weighted average remaining contractual life for option outstanding as at 31 March 2017 is 2.91 years.

The Company had granted 441 option during the financial year ended 31 March 2016. The details of activities under Grant IV a are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 441 | 36,870 | - | - |
| Granted during the year | - | - | 441 | 36,870 |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 441 | - | - | - |
| Effect of bonus issue | 64,386 | - | - | - |
| Outstanding at the end of the year | 65,268 | 249 | 441 | 36,870 |
| Exercisable at the end of the year | - | - | - | - |

The weighted average remaining contractual life for option outstanding as at 31 March 2017 is 2.91 years.

NOTES TO FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

The Company had granted 473 option during the financial year ended 31 March 2016. The details of activities under Grant IVb, IVc and IVd are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 473 | 45,000 | - | - |
| Granted during the year | - | - | 473 | 45,000 |
| Forfeited during the year | 1,702 | - | - | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 473 | - | - | - |
| Effect of bonus issue | 69,058 | - | - | - |
| Outstanding at the end of the year | 68,302 | 304.05 | 473 | 45,000 |
| Exercisable at the end of the year | 15,910 | - | - | - |

The weighted average remaining contractual life for option outstanding as at 31 March 2017 is 2.91 years.

The Company had granted 93,388 option during the year ended 31 March 2017. The details of activities under Grant V are summarized below

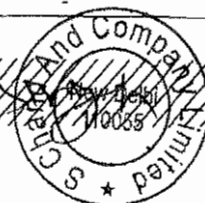
| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | 93,388 | 304 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 93,388 | 304 | - | - |
| Exercisable at the end of the year | - | - | - | - |

The Company had granted 51,060 option during the year ended 31 March 2017. The details of activities under Grant VI are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | 51,060 | 304 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 51,060 | 304 | - | - |
| Exercisable at the end of the year | - | - | - | - |

The Company had granted 12,506 option during the year ended 31 March 2017. The details of activities under Grant VI are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | 12,506 | 392 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 12,506 | 392 | - | - |
| Exercisable at the end of the year | - | - | - | - |



The weighted average remaining contractual life for option outstanding under Grant V, VI and VII as at 31 March 2017 is 2.91 years.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant IVa | Grant IVb | Grant IVc | Grant IVd | Grant V | Grant VI | Grant VII |
|--|-----------|-----------|-----------|-----------|----------|----------|-----------|
| | 31 March | 31 March | 31 March | 31 March | 31 March | 31 March | 31 March |
| | 2016 | 2016 | 2016 | 2016 | 2017 | 2017 | 2017 |
| Dividend yield (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected volatility | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk-free interest rate | 7.67% | 7.71% | 7.46% | 7.63% | 6.73% | 6.86% | 5.99% |
| Weighted average share price (₹) | 377 | 377 | 377 | 377 | 376 | 376 | 376 |
| Exercise price (₹) | 249 | 304 | 304 | 304 | 304 | 304 | 392 |
| Expected life of options granted in years | 2.43 | 3.22 | 3.20 | 3.15 | 2.00 | 3.50 | 2.50 |
| Weighted average fair value of option at the time of grant (₹) | 168.74 | 137.24 | 135.03 | 133.56 | 109.08 | 117.94 | 36.97 |

Each vest has been considered as a separate grant with weights assigned to each vesting as per the vesting schedule. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life has been calculated as an average of minimum and maximum life. Since the Company is unlisted, the volatility has been considered to be zero.

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its loss after tax and earnings per share as reported would have changed to the amounts indicated below:

| | 31 March 2017 | 31 March 2016 |
|--|--------------------|--------------------|
| Profit after tax as reported | 270,985,645 | 162,656,141 |
| Impact in the statement of profit of loss as per fair valuation method | (6,535,385) | (1,794,809) |
| Proforma profit after tax | 264,450,260 | 160,861,332 |
| Earnings per share | | |
| Basic | | |
| - As reported | 9.08 | 5.96 |
| - Proforma | 8.86 | 5.90 |
| Diluted | | |
| - As reported | 9.06 | 5.95 |
| - Proforma | 8.85 | 5.89 |

42. Segment reporting

The Company has only one reportable business segment, which is publishing of books and operates in a single business segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

- 43.** During the year 2015-16, the scheme of amalgamation (the scheme) u/s 391-394 of the Companies Act, 1956 and applicable provisions of Companies Act 2013 (to the extent applicable) between Vikas Publishing House Private Limited (transferee) and Rajendra Ravindra Printer Private Limited (transferor), subsidiaries of the Company, was approved by the Hon'ble Delhi High Court w.e.f. 01 April 2014. The Company pursuant to the amalgamation of the transferor company with the transferee company, received a lumpsum consideration of ₹ 10,000 (rupees ten thousand only) from the transferee company through the issue of 100



NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2017 (contd.)

equity shares of ₹ 100 each to the Company. Consequent to that effect, investment made by the Company in transferor company has been merged with the investment made in transferee company.

44. The Company had made an investment in 410 optionally convertible redeemable debentures of ₹100,000 each fully paid in Walldorf Integration Solutions Limited (Formerly Citixsys Technologies Limited) during the financial year 2007-08 as per the debenture subscription agreement dated 14 May 2007. The debentures were converted into 512,500 optionally convertible or redeemable preference shares during the financial year 2008-09 as per the debenture conversion agreement dated 03 March 2009. These preference shares were redeemable or convertible at the option of the shareholder as per the debenture conversion agreement. The preference shares were due for redemption or conversion during the financial year 2011-12 and the Company opted for redemption of preference shares which Walldorf Integration Solutions Limited (Formerly Citixsys Technologies Limited) failed and defaulted in redeeming the preference shares.

The Company had filed a case against Walldorf Integration Solutions Limited (Formerly Citixsys Technologies Limited) demanding redemption of the preference shares held by the Company during the financial year 2014-15, and the matter is pending before the Arbitral Tribunal for adjudication.

The Company after taking appropriate legal advice is reasonably confident w.r.t. outcome of the matter in Company's favor.

45. Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

| Name of the loanee | Rate of Interest | Due date | Secured/ unsecured | (Amount in ₹) | |
|--|------------------|------------------|-----------------------|---------------|---------------|
| | | | | 31 March 2017 | 31 March 2016 |
| Safari Digital Education Initiatives Private Limited | 12% p.a. | 2 June 2018 | Unsecured | 19,310,825 | 17,432,815 |
| Eurasia Publishing House Private Limited | 12% p.a. | 28 November 2019 | Unsecured | 113,417,326 | - |

The loans have been utilized for meeting their working capital requirements.

46. Net dividend remitted in foreign exchange

| | (Amount in ₹) | |
|--|-------------------------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Period to which it relates | 1 April 2016 to 31 March 2017 | - |
| Number of non-resident shareholders | 1 | - |
| Number of equity shares held on which dividend was due | 130,128 | - |
| Amount remitted (in USD) | 48,319 | - |
| Amount remitted (in INR) | 3,253,200 | - |

47. During the year, the Company has contributed ₹ 2,719,186 (31 March 2016: 2,147,000) out of the total contributable amount of ₹3,440,000 (31 March 2016: 2,510,667) in accordance with section 135 read with schedule VII to the Companies Act, 2013 through various trusts and donation of books. Management has not spent the remaining amount of ₹ 720,814 (31 March 2016: 363,667) as CSR committee is yet to identify the activity. Unspent amount has not been provided in books.



48. Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016 is as provided in the table below:

| Particulars | | | (Amount in ₹) |
|---|-------------------|--------------------------|-------------------|
| | SBNs | Other denomination notes | Total |
| Closing balance as at 8 November 2016 | 46,549,500 | 403,479 | 46,952,979 |
| Transactions between 9 November 2016 to 30 December 2016 | | | |
| Add: withdrawal from bank accounts | - | 452,500 | 452,500 |
| Add: receipts for permitted transactions | - | 5,231,314 | 5,231,314 |
| Add: receipts for non-permitted transactions | - | - | - |
| Less: paid for permitted transactions | - | (432,470) | (432,470) |
| Less: paid for non-permitted transactions | - | - | - |
| Less: deposited in bank accounts | (46,549,500) | (4,598,938) | (51,148,438) |
| Closing balance as at 30 December 2016 | - | 1,055,885 | 1,055,885 |

49. Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

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

As per our report of even date
For S R Batliboi & Associates LLP
 ICAI Firm registration number :101049W/E300004
 Chartered Accountants

per Yogesh Midha
 Partner
 Membership no: 094941

Place: New Delhi
 Date: 12 June 2017

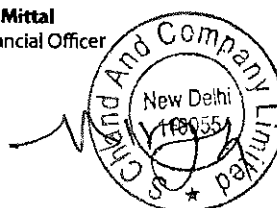
For and on behalf of the Board of Directors of
S Chand and Company Limited

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Saurabh Mittal
 Chief Financial Officer

sd/-
Savita Gupta
 Director
 DIN: 00053988

sd/-
Jagdeep Singh
 Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand and Company Limited (formerly S Chand and Company Private Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of S Chand and Company Limited (hereinafter referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associate comprising of the consolidated Balance Sheet as at 31 March 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group 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 of its associates and jointly controlled entities 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

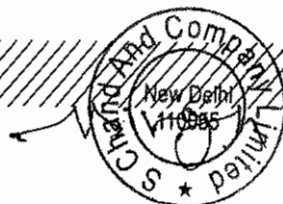
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2017, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:



- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (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 reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 31 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended 31 March 2017.
 - iv. The Holding Company, subsidiaries and its associates incorporated in India, have provided requisite disclosures in Note 45 to these consolidated financial statements as to the holding of Specified Bank Notes on 8 November 2016 and 30 December 2016 as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associates and as produced to us by the Management of the Holding Company.

Other Matter

We did not audit the financial statements and other financial information, in respect of 9 subsidiaries, whose financial statements include total assets of Rs 2,467,885,435 and net assets of Rs 1,125,011,631 as at 31 March 2017, and total revenues of Rs 1,235,838,824 and net cash outflows of Rs 8,894,830 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net loss of ₹ 182,292,437 for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of 1 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of such other auditors.



INDEPENDENT AUDITOR'S REPORT *(contd.)*

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

For S. R. Batliboi & Associates LLP

ICAI Firm Registration Number: 101049W/E300004

Chartered Accountants

per **Yogesh Midha**

Partner

Membership Number: 094941

Place of Signature: New Delhi

Date: 12 June 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF S CHAND AND COMPANY LIMITED (FORMERLY S CHAND AND COMPANY PRIVATE LIMITED)

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of S Chand and Company Limited as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of S Chand and Company Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies and its associate company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

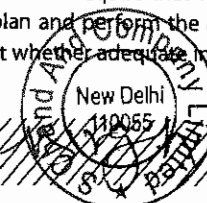
The respective Board of Directors of the of the Holding Company, its subsidiary companies and its associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design,

implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed 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 financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated 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

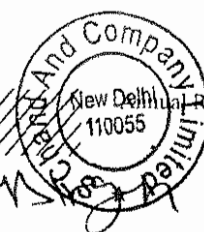
In our opinion, the Holding Company, its subsidiary companies and its associate, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to 1 subsidiary companies, which is a company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For **S. R. Batliboi & Associates LLP**
 ICAI Firm Registration Number: 101049W/E300004
 Chartered Accountants

per **Yogesh Midha**
 Partner
 Membership Number: 094941
 Place of Signature: New Delhi
 Date: 12 June 2017



CONSOLIDATED BALANCE SHEET as at March 31, 2017

| | Notes | 31 March 2017 | (Amount in ₹) 31 March 2016 |
|--|-------|-----------------------|--------------------------------|
| Equity and liabilities | | | |
| Shareholders' fund | | | |
| Share capital | 3 | 149,222,480 | 2,016,520 |
| Reserves and surplus | 4 | 6,424,059,733 | 5,989,009,824 |
| | | 6,573,282,213 | 5,991,026,344 |
| Minority interest | | 130,540,822 | 31,475,592 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 313,361,433 | 679,235,461 |
| Trade payable | 7 | | |
| Total outstanding dues of micro enterprises and small enterprises | | | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 14,269,287 | 9,389,074 |
| Other non-current liabilities | 8 | | 661,375 |
| Long-term provisions | 9 | 52,033,719 | 50,072,167 |
| | | 379,664,439 | 739,358,077 |
| Current liabilities | | | |
| Short-term borrowings | 6 | 1,662,119,823 | 1,257,527,992 |
| Trade payables | 7 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 61,758,487 | 23,699,927 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,788,796,389 | 1,486,938,007 |
| Other current liabilities | 8 | 2,201,799,870 | 232,110,367 |
| Short-term provisions | 9 | 528,304,379 | 172,459,438 |
| | | 6,242,778,948 | 3,172,735,731 |
| TOTAL | | 13,326,266,422 | 9,934,595,744 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Property, plant and equipments | 10A | 977,516,897 | 1,023,144,890 |
| Intangible assets | 10B | 3,970,308,970 | 2,283,097,411 |
| Capital work-in-progress | | 2,605,804 | 31,956,811 |
| Intangible assets under development | | 31,566,901 | 35,221,564 |
| Non-current investments | 11 | 247,430,144 | 253,577,478 |
| Deferred tax assets (net) | 12 | 109,961,306 | 123,844,120 |
| Loans and advances | 13 | 220,010,732 | 179,632,185 |
| Other non-current assets | 14 | 9,291,615 | 33,053,452 |
| | | 5,568,692,369 | 3,963,527,911 |
| Current assets | | | |
| Current investments | 11 | 195,021,259 | 163,571,070 |
| Inventories | 15 | 1,535,830,809 | 1,398,233,291 |
| Trade receivables | 16 | 5,060,809,096 | 3,979,217,765 |
| Cash and bank balances | 17 | 375,411,170 | 244,250,915 |
| Loans and advances | 13 | 584,986,209 | 183,884,672 |
| Other current assets | 14 | 5,515,510 | 1,910,120 |
| | | 7,757,574,053 | 5,971,067,833 |
| TOTAL | | 13,326,266,422 | 9,934,595,744 |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the consolidated interim financial statements.

As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

per Yogesh Midha

Partner

Membership no: 094941

Place: New Delhi

Date: 12 June 2017

For and on behalf of the Board of Directors of

S Chand and Company Limited

sd/-

Himanshu Gupta

Managing Director

DIN: 000534015

sd/-

Saurabh Mittal

Chief Financial Officer

sd/-

Savita Gupta

Director

DIN: 00053988

sd/-

Jagdeep Singh

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(Amount in ₹)

| | Notes | 31 March 2017 | 31 March 2016 |
|---|-------|----------------------|----------------------|
| Income | | | |
| Revenue from operations | 18 | 6,841,481,118 | 5,376,044,775 |
| Other income | 19.1 | 13,297,012 | 30,584,880 |
| Total revenue (I) | | 6,854,778,130 | 5,406,629,655 |
| Expenses | | | |
| Cost of raw materials and components consumed | 20 | 1,948,750,120 | 1,755,070,408 |
| Purchase and implementation cost | 20.1 | 120,062,070 | 49,022,741 |
| Publication expenses | 21 | 565,379,985 | 503,335,978 |
| (Increase)/ decrease in inventories of finished goods | 22 | 54,701,694 | (278,983,235) |
| Employee benefits expense | 23 | 1,164,849,539 | 942,043,270 |
| Selling and distribution expenses | 24 | 638,944,819 | 525,454,486 |
| Other expenses | 25 | 639,957,927 | 629,803,346 |
| Total expenses (II) | | 5,132,646,154 | 4,125,746,994 |
| Profit before interest, tax depreciation and amortization (EBITDA) (I-II) | | 1,722,131,976 | 1,280,882,661 |
| Depreciation and amortization expenses | 27 | 281,805,566 | 259,067,042 |
| Finance cost | 26 | 355,708,876 | 305,832,020 |
| Interest income | 19.2 | (6,254,660) | (9,288,884) |
| Total interest, tax depreciation and amortization (III) | | 631,259,782 | 555,610,178 |
| Profit before tax, minority interest and share of associate company | | 1,090,872,194 | 725,272,483 |
| Exceptional items (depreciation written back) | | - | 5,121,240 |
| | | 1,090,872,194 | 730,393,723 |
| Tax expense | | | |
| Current tax | | 411,866,679 | 245,269,849 |
| MAT credit utilized | | 4,380,244 | 7,096,611 |
| Adjustment of tax relating to earlier years | | 4,081,919 | 2,234,775 |
| Deferred tax charges/(credit) | | 15,628,290 | (17,221,716) |
| Total tax expense | | 435,957,132 | 237,379,519 |
| Profit after tax and before minority interest and share of associate company | | 654,915,062 | 493,014,204 |
| Less: Share in loss of associate company | | (18,292,437) | (27,241,924) |
| Profit for the year | | 636,622,625 | 465,772,280 |
| Profit attributable to | | | |
| -Owners of the parent | | 582,060,984 | 465,727,204 |
| -Minority interest | | 54,561,640 | (45,076) |
| Profit for the year | | 636,622,624 | 465,772,280 |
| Earning per equity share (EPS) [Nominal value of share ₹ 5] | 28 | | |
| (a) Basic | | 19.50 | 17.08 |
| (b) Diluted | | 19.47 | 17.05 |
| Computed on the basis of profit for the year | | | |
| Summary of significant accounting policies | 2.2 | | |

The accompanying notes are an integral part of the consolidated interim financial statements.

As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm registration number : 101049W/E300004

Chartered Accountants

per Yogesh Midha

Partner

Membership no: 094941

Place: New Delhi

Date: 12 June 2017

For and on behalf of the Board of Directors of

S Chand and Company Limited

sd/-

Himanshu Gupta

Managing Director

DIN: 00054015

sd/-

Saurabh Mittal

Chief Financial Officer

sd/-

Savita Gupta

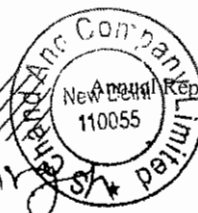
Director

DIN: 00053988

sd/-

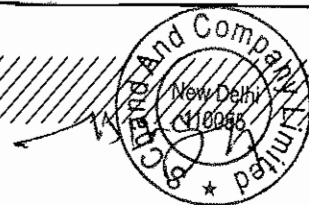
Jagdeep Singh

Company Secretary



CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2017

| | (Amount in ₹) | |
|--|------------------------|------------------------|
| | 31 March 2017 | 31 March 2016 |
| A. Cash flow from operating activities | | |
| Profit before tax | 1,090,872,194 | 730,393,723 |
| Adjustment to reconcile loss before tax to net cash flows | | |
| Depreciation and amortisation expenses | 281,805,566 | 259,067,042 |
| Loss on sale of fixed assets (net) | 1,104,574 | 1,600,606 |
| Provision for diminution in investment written back | (388,406) | (91,800) |
| Interest income | (6,254,660) | (9,287,151) |
| Dividend income on current investments | (1,404,383) | (156,241) |
| Net gain on sale of current investments | (6,129,255) | (17,268,502) |
| Interest paid on borrowings | 330,122,430 | 293,323,149 |
| Amortization of ancillary borrowing cost | 18,214,534 | 6,499,771 |
| Employee stock option expense | 12,330,405 | 5,122,242 |
| Provision for bad debts and advances | 48,251,548 | - |
| Bad debt written off | 8,234,793 | 5,721,703 |
| Operating profit before working capital changes | 1,776,759,340 | 1,274,924,542 |
| Movement in working capital: | | |
| (Increase) in inventories | (137,597,518) | (201,296,667) |
| (Increase) in trade receivable | (1,138,077,672) | (551,069,649) |
| (Increase) in loans and advances | (51,573,477) | (45,449,323) |
| Decrease in other assets | - | 14,000 |
| (Decrease) in provisions | (40,941,978) | (56,018,875) |
| Increase in trade payable | 344,797,155 | 160,408,506 |
| Increase in current liabilities | 57,213,742 | (17,915,572) |
| Cash generated from operations | 810,579,593 | 563,596,962 |
| Direct taxes paid (net of refunds) | (344,614,433) | (182,123,566) |
| Net cash used in operating activities (A) | 465,965,160 | 381,473,396 |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets including capital advance, capital creditor and capital work in progress (including assets acquired on acquisition) | (380,137,923) | (338,798,658) |
| Investment in subsidiaries | (1,528,879,236) | (806,938,723) |
| Investment in non current investments (including investments acquired on acquisition) | (12,145,104) | (123,245,481) |
| Investment in current investments | (152,500,073) | (99,160,644) |
| Proceed from sale of current investments | 126,790,732 | 33,067,389 |
| Proceed from sale of subsidiary | 46,800,000 | - |
| Proceed from sale of fixed assets | 27,741,122 | 156,241 |
| Dividend received | 1,404,383 | 9,247,167 |
| Interest received | 5,614,122 | (15,475,118) |
| Investment in bank deposit (having original maturity of more than 3 months) | 20,404,807 | - |
| Net cash (used in) investing activities (B) | (1,844,907,171) | (1,341,147,826) |



(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|--|----------------------|--------------------|
| C. Cash flows from financing activities | | |
| Proceed from issue of equity shares including securities premium | - | 1,691,269,723 |
| Interest paid on borrowings | (331,010,467) | (290,931,436) |
| Amortization of ancillary borrowing cost | (18,214,534) | (11,106,531) |
| Proceed from long term borrowings | 1,546,828,394 | - |
| Repayment of long term borrowings | - | (681,850,856) |
| Proceed from short term borrowings | 404,591,831 | 292,476,353 |
| Dividend paid on equity share | (10,082,600) | - |
| Payments made for fresh issuance of equity share capital | (78,457,887) | (10,995,832) |
| Tax on equity dividend paid | (2,052,920) | - |
| Net cash from (used in) financing activities (C) | 1,511,601,818 | 988,861,422 |
| Net increase in cash and cash equivalents (A+B+C) | 132,659,806 | 29,186,992 |
| Cash and cash equivalents at the beginning of the year | 238,480,654 | 209,293,662 |
| Cash and cash equivalents at the end of the year | 371,140,460 | 238,480,654 |
| Components of cash and cash equivalents | | |
| Cash in hand | 7,486,638 | 13,359,888 |
| With Banks - On current accounts | 321,563,753 | 223,226,441 |
| Deposits with original maturity of less than 3 months | 42,108,460 | 1,894,325 |
| Total cash and cash equivalents (note 17) | 371,158,851 | 238,480,654 |
| Summary of significant accounting policies | 2.2 | |

The accompanying notes are an integral part of the consolidated interim financial statements.

As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm registration number :101049W/E300004

Chartered Accountants

per Yogesh Midha

Partner

Membership no: 094941

Place: New Delhi

Date: 12 June 2017

For and on behalf of the Board of Directors of
S Chand and Company Limited

sd/-

Himanshu Gupta

Managing Director

DIN: 00054015

sd/-

Saurabh Mittal

Chief Financial Officer

sd/-

Savita Gupta

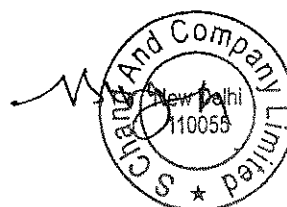
Director

DIN: 00053988

sd/-

Jagdeep Singh

Company Secretary



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

1. Corporate information

S Chand and Company Limited (the company) is a public company incorporated under the provisions of the Companies Act, 1956. The Company has become a Public Limited Company w.e.f. 8th September 2016 and consequently the name of the Company has changed from S Chand and Company Private Limited to S Chand and Company Limited. The Company's operations comprises of publishing of educational books with products ranging from School Books, Higher Academic Books, Competition & Reference Books, Technical & professional books and Children Books.

2. Basis of preparation

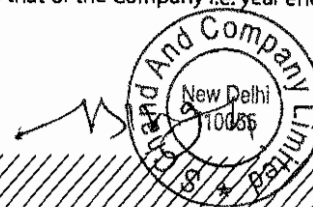
The consolidated financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The group has prepared this consolidated financial statement to comply in all material respect with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Account) Rule 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for land and building which has been revalued.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous period.

2.1 Principles of Consolidation

The consolidated financial statement relates to S Chand and Company Limited ('the Company'), its subsidiary companies collectively referred to as 'the Group' ('the Group Companies'), associate company and jointly controlled entities. The consolidated financial statements have been prepared on the following basis:-

- (i) The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances/ transactions and resulting profits in full. Unrealized profit / losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.
- (ii) Investment in associates (entity over which the Company exercises significant influence, which is neither a subsidiary nor joint venture) are accounted for using the equity method as per Accounting Standard 23 on Accounting for Investment in Associates in Consolidated Financial Statements. The consolidated financial statement includes the share of profit/loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit/loss of the associate company has been adjusted to the carrying amount of investment. Further, for the purpose of consolidation, the proportionate share of profit/loss of associates companies to the extent of investment in equity share has been considered.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Differences in accounting policies have been disclosed separately.
- (iv) The difference between the cost to the Group of investment in Subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date.
- (v) Minorities' interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- (vi) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2017.



The entities considered in the consolidated interim financial statements are listed below:

| S. No. | Name of the Company | Country of Incorporation | Relationship as at 31 March 2017 | Percentage of effective ownership interest held (directly or indirectly) | |
|--------|--|--------------------------|--|--|---------------|
| | | | | 31 March 2017 | 31 March 2016 |
| 1 | Nirja Publishers and Printers Private Limited | India | Subsidiary of S Chand and Company Limited | 100% | 100% |
| 2 | Eurasia Publishing House Private Limited | India | Subsidiary of S Chand and Company Limited | 100% | 100% |
| 3 | Blackie & Son (Calcutta) Private Limited | India | Subsidiary of S Chand and Company Limited | 100% | 100% |
| 4 | Vikas Publishing House Private Limited* | India | Subsidiary of S Chand and Company Limited | 100% | 100% |
| 5 | Safari Digital Education Initiatives Private Limited** | India | Subsidiary of S Chand and Company Limited | 100% | 100% |
| 6 | BPI (India) Private Limited | India | Subsidiary of Blackie & Son (Calcutta) Private Limited | 51% | 51% |
| 7 | Arch Papier-Mache Private Limited*** | India | Subsidiary of Vikas Publishing House Private Limited | Nil | 100% |
| 8 | S Chand Edutech Private Limited | India | Subsidiary of Safari Digital Education Initiatives Private Limited | 74% | 74% |
| 9 | D S Digital Private Limited | India | Subsidiary of S Chand and Company Limited | 99.93% | 99.93% |
| 10 | New Saraswati House (India) Private Limited**** | India | Subsidiary of S Chand and Company Limited | 100% | 100% |
| 11 | Chhaya Prakashani Private Limited***** | India | Subsidiary of S Chand and Company Limited | 74% | - |
| 12 | Indian Progressive Publishing Co. Private Limited | India | Subsidiary of S Chand and Company Limited | 74% | - |
| 13 | Publishing Services Private Limited | India | Subsidiary of S Chand and Company Limited | 74% | - |
| 14 | Edutor Technologies India Private Limited | India | Associate of Safari Digital Education Initiatives Private Limited | 44.66% | 44.66% |

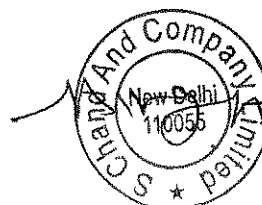
*2% held by Nirja Publisher and Printers Private Limited

**40.08% held by Nirja Publisher and Printers Private Limited

*** Subsidiary till 8th December 2016.

****23.90% held by Vikas Publishing House Private Limited

*****30.47% held by Eurasia Publishing House Private Limited



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

2.2 Summary of significant accounting policies

(a) Change in accounting policy

Disclosure of EBITDA

Till the year ended 31 March 2016, the Company had opted not to disclose EBITDA. From the three months period ended 30 June 2016 onwards, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, interest income and tax expense. The same has been elected by the Company to enable better presentation of financial statements and enhance decision making of top management.

(b) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Property, Plant and Equipment

Property, Plant and Equipment, except land and building acquired in Vikas Publishing House Private Limited before 1 April 2008, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Such cost includes the cost of replacing part of the property plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition

criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

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 and are recognized in the statement of profit and loss when the asset is derecognized.

Plant, property and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of 5 to 10 years. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life.

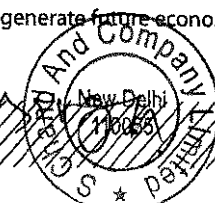
The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset.
- Its ability to use or sell the asset
- How the asset will generate future economic benefits



- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Goodwill recognized as difference between purchase consideration and value of net assets taken over.

Group's intangible assets are amortized over their estimated useful lives as listed below using a straight line method;

| Nature of assets | Lives |
|--------------------------------------|---------------|
| Goodwill | 5 to 10 years |
| Copyright | 5 to 10 years |
| In-house product development | 10 season |
| Technical know-how | 3-6 years |
| Content | 10 years |
| License fees | 5 years |
| Website development | 10 years |
| Other intangible (computer software) | 3-10 years |

(e) Depreciation on Property, Plant and Equipment

Depreciation is provided using the written down value method as per the useful life of the assets estimated by the management except in (a) S Chand Edutech Private Limited (b) D S Digital Private Limited, depreciation is provided on straight line basis.

The Group has used the following rates to provide depreciation on its fixed assets.

| Nature of assets | Useful lives as per schedule II of the Companies Act | Useful lives estimated by the management |
|---------------------------------------|--|--|
| Plant and equipments | 15 years | 15-25 years |
| Office equipments | 5 years | 5-15 years |
| Furniture & fixtures | 10 years | 10 years |
| Vehicles | 8 years | 8-10 years |
| Others-Computers | 3 years | 3-6 years |
| Electrical installation | 10 years | 10 years |
| Building (including factory building) | 30 years | 40-60 years |

Leasehold improvement is amortized over economic useful life or unexpired period of lease whichever is less.

Leasehold land is amortized on straight line basis over the period of lease.

Based on the expected useful life of these assets for the Group, the Group has considered below useful lives for different classes of assets.

The useful lives of vehicles, certain plant and machinery, computers and building are estimated as 10, 25, 6, 40 to 60 years respectively. These lives are higher than those indicated in schedule II.

Asset costing ₹ 5,000 or less are depreciated entirely in the year of purchase.

Second hand assets are depreciated over the estimated remaining useful life.

The aggregate net block of (a) S Chand Edutech Private Limited (b) D S Digital Private Limited is 9.29% (31 March 2016: 9.11%) of the total net block of the Group as on 31 March 2017.

(f) Leases

Operating lease

Where the Group is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2017 (contd.)

recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Finance lease

Where the Group is lessee

Finance leases, which effectively transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

(g) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 period they occur.

(h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

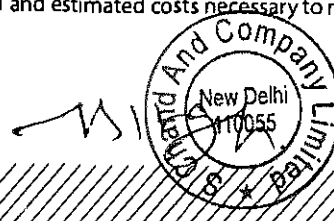
(i) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a First In First Out (FIFO) basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a First In First out (FIFO) basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a First In First out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale



(j) Revenue recognition

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer i.e. at the time of handing over goods to the carrier for transportation. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer i.e. at the time of handing over goods to the carrier for transportation. Sales are net of turnover discounts and sales returns.

Job work

Revenue from Job work is recognized when printing and binding job is complete and accepted by the customer and all significant risk and rewards relating to job work are transferred to customer. 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.

Service work

Revenue from service work is recognized when contents, designs, creations has been delivered to and is accepted by the customer and all significant risk and rewards relating to service work are transferred to customer. 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.

Income from Customized Interactive Content

Income from Customized Interactive Content is recognized on completion of Initial Training at the School premises in case of Domestic Schools and on the basis of installation of software in International Schools.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the group's right to receive dividend is established by the reporting date.

(k) Foreign currency translation**Foreign currency transactions and balances****(i) Initial recognition**

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

(ii) 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. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

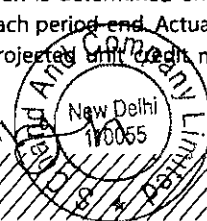
(iii) Exchange differences

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

(l) Retirement and other employee benefits

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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates defined benefit plan for its employees, viz., gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and loss for



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2017 (contd.)

defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(m) Impairment of 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, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the assets 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units

to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations is recognized in the statement of profit and loss, except for previously revalued plant, property and equipment, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

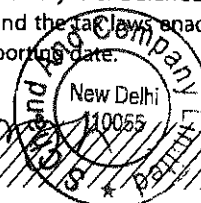
After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(n) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year/period is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset in accordance with the Guidance

Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period.

(o) Employee Stock compensation cost

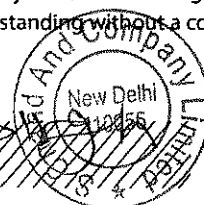
Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares is adjusted for events if any that have changed the number of equity shares outstanding without a corresponding change in resources.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2017 (contd.)

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

(q) Provisions

A provision is recognized when the group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

(r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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.

(s) Segment reporting

Identification of segments

Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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.

(t) Amalgamation accounting

The Group treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii) The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The Group accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the Group to recognize any non-cash element of the consideration at fair value. The Group recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing



carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. The difference 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 company is adjusted in reserves.

An amalgamation in the nature of purchase is accounted for using the purchase method. The cost of an acquisition/ amalgamation is measured as the aggregate of the consideration transferred, measured at fair value. Other aspects of accounting are as below:

- i) The assets and liabilities of the transferor company are recognized at their fair values at the date of amalgamation. The reserves, whether capital or revenue, of the transferor company, except statutory reserves, are not recognized.
- ii) Any excess consideration over the value of the net assets of the transferor company acquired is recognized as goodwill.
- iii) If the amount of the consideration is lower than the value of the net assets acquired, the difference is treated as capital reserve.
- iv) The goodwill arising on amalgamation is amortized to the statement of profit and loss on a systematic basis over its useful life not exceeding five years.

(u) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense.

(v) Dividend

The final dividend on shares is recorded as liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(w) Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

3 Share capital

| | (Amount in ₹) | |
|---|--------------------|------------------|
| | 31 March 2017 | 31 March 2016 |
| Authorised shares* | | |
| 40,000,000 (31 March 2016: 2,210,000 shares of ₹ 10 each) , equity shares of ₹ 5 each | 200,000,000 | 22,100,000 |
| Issued share capital* | | |
| 29,844,496 (31 March 2016: 201,652 equity shares of ₹ 10 each) equity shares of ₹ 5 each | 149,222,480 | 2,016,520 |
| Subscribed and paid up share capital* | | |
| 29,844,496 (31 March 2016: 201,652 equity shares of ₹ 10 each) equity shares of ₹ 5 each | 149,222,480 | 2,016,520 |
| | 149,222,480 | 2,016,520 |

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year:

| | 31 March 2017 | | 31 March 2016 | |
|---|-------------------|--------------------|----------------|------------------|
| | No. of shares | Amount | No. of shares | Amount |
| At the beginning of the year | 201,652 | 2,016,520 | 172,353 | 1,723,530 |
| Issued during the year – Bonus issue* | 29,441,192 | 147,205,960 | - | - |
| Issued during the year – Share split* | 201,652 | - | - | - |
| Issued during the year | - | - | 29,299 | 292,990 |
| Outstanding at the end of the year | 29,844,496 | 149,222,480 | 201,652 | 2,016,520 |

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2016: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share interim dividend recognized as distributions to equity shareholders at record date of 28 April 2016 is ₹ 25 per share on 403,304 number of shares (before allotment of bonus shares) (31 March 2016: Nil).

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

(c) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

| | 31 March 2017 | 31 March 2016 |
|---|---------------|---------------|
| | No. of shares | No. of shares |
| Equity shares allotted as fully paid bonus shares by capitalization of securities premium | 29,441,192 | - |

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

| | 31 March 2017 | | 31 March 2016 | |
|--|--------------------|--------------|--------------------|--------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Equity shares of ₹ 5 (31 March 2016: ₹ 10) each fully paid-up* | | | | |
| Mr Dinesh Kumar Jhunjhnuwala | 4,064,820 | 13.62% | 23,465 | 11.64% |
| Mr Himanshu Gupta | 6,167,752 | 20.67% | 36,674 | 18.19% |
| Mrs Neerja Jhunjhnuwala | 3,553,036 | 11.91% | 24,007 | 11.91% |
| Mrs Nirmala Gupta | 720,168 | 2.41% | 12,866 | 6.38% |
| Mrs Savita Gupta | 1,312,316 | 4.40% | 16,867 | 8.36% |
| Everstone Capital Partners II LLC | 9,629,472 | 32.27% | 65,064 | 32.27% |
| International Finance Corporation | 2,805,784 | 9.40% | 18,958 | 9.40% |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 35.

(f) Proposed dividend on equity shares:

| | (Amount in ₹) | |
|--|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| The board proposed dividend on equity shares after the balance sheet date: | | |
| Proposed dividend on equity shares for the year ended on 31 March 2017: ₹ 1.25 per share (31 March 2016: Nil) | 37,305,620 | - |
| Dividend distribution tax on proposed dividend | 7,806,139 | - |

(g) The Company has filed Prospectus with the Registrar of the Companies, National Capital Territory of Delhi and Haryana on 2 May 2017 in accordance with the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. Pursuant to the offer, the Company has allotted 4,850,746 equity shares of ₹ 5 each at an offer price of ₹ 670 per share including a share premium of ₹ 665 per share on 5 May 2017 under the fresh issue portion of the Offer. Further, 6,023,236 equity shares offered under the offer for sale by the selling shareholders are transferred at an offer price of ₹ 670 per share including a share premium of ₹ 665 per share. Allotment has been made to applicants in various categories as below:

| Particulars | No. of equity shares |
|---------------------------------|----------------------|
| Qualified Institutional Bidders | 2,174,796 |
| Non-Institutional Investors | 1,631,098 |
| Retail Individual Investors | 3,805,894 |
| Anchor Investors | 3,262,194 |
| Total | 10,873,982 |

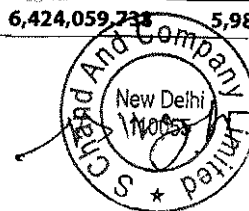
*During the year ended 31 March 2017, the Company had split the equity share of face value of ₹ 10 each to face value of ₹ 5 each and further issued bonus shares to the shareholders in the ratio of 73:1 as per the resolution passed at extra ordinary general meeting (EOGM) dated 20 April 2016.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

4. Reserve and surplus

| | | (Amount in ₹) | |
|---|----------|----------------------|----------------------|
| | | 31 March 2017 | 31 March 2016 |
| Capital reserves | | 513,000 | 63,300 |
| Add : on cancellation of forfeited shares | | - | 449,700 |
| Closing balance | A | 513,000 | 513,000 |
| Capital reserves on consolidation | | 26,401,060 | 108,383,557 |
| Less: adjustment on account of amalgamation (refer note 40) | | - | (81,982,497) |
| Closing balance | B | 26,401,060 | 26,401,060 |
| Securities premium account | | | |
| Balance as per last financial statements | | 3,638,930,203 | 1,947,953,470 |
| Add : premium on issue of equity shares | | - | 1,699,634,990 |
| Less: utilization towards issue of fully paid bonus shares | | (147,205,960) | (8,658,257) |
| Closing balance | C | 3,491,724,243 | 3,638,930,203 |
| General reserve | | | |
| Balance as per last financial statements | | 617,204,660 | 650,017,675 |
| Add : adjustment on account of amalgamation (refer note 40) | | - | 35,581,966 |
| Less : adjustment on account of amalgamation of RRPPL (refer note 40) | | - | (68,394,981) |
| Closing balance | D | 617,204,660 | 617,204,660 |
| Employee Stock Options Outstanding | | | |
| Balance as per the last financial statements | | 5,122,242 | - |
| Add: compensation options granted during the year | | 12,330,405 | 5,122,242 |
| Closing balance | E | 17,452,647 | 5,122,242 |
| Surplus in the statement of profit and loss | | | |
| Balance as per last financial statements | | 1,700,838,659 | 1,235,111,455 |
| Add : profit for the year | | 582,060,984 | 465,727,204 |
| | | 2,282,899,643 | 1,700,838,659 |
| Less : Appropriations: | | | |
| Interim equity dividend | | (10,082,600) | - |
| Tax on interim equity dividend | | (2,052,920) | - |
| Closing balance | F | 2,270,764,123 | 1,700,838,659 |
| Total reserves and surplus (A+B+C+D+E+F) | | 6,424,059,733 | 5,989,009,824 |



5. Long term borrowings

| | (Amount in ₹) | | | |
|--|------------------------|-----------------------|------------------------|-----------------------|
| | Non Current portion | Current maturities | Non Current portion | Current maturities |
| | 31 March 2017 | 31 March 2017 | 31 March 2016 | 31 March 2016 |
| Secured | | | | |
| Term loans | | | | |
| From financial institution (refer notes 1 to 12 below) | 250,624,034 | 1,878,924,220 | 442,338,400 | 36,007,909 |
| From bank (refer notes 13 to 16) | 50,337,192 | 62,640,426 | 142,090,572 | 54,188,638 |
| Buyers credit (secured) | | | | |
| Buyers credit from bank (refer note 17 below) | - | 61,677,706 | 61,677,706 | - |
| Vehicle loans | | | | |
| From banks (refer Notes 18 to 23) | 10,821,383 | 6,337,198 | 12,068,683 | 7,998,907 |
| From others (refer Note 24 to 25) | 1,578,824 | 1,318,326 | - | - |
| (Against hypothecation of vehicles) | | | | |
| | 313,361,433 | 2,010,897,876 | 658,175,361 | 98,195,454 |
| Total "A" | 313,361,433 | 2,010,897,876 | 658,175,361 | 98,195,454 |
| Loans & advances from related parties (refer note 37) | | | | |
| From Directors | - | - | 21,060,100 | - |
| Total "B" | - | - | 21,060,100 | - |
| Total "A+B" | 313,361,433 | 2,010,897,876 | 679,235,461 | 98,195,454 |
| The above amount includes: | | | | |
| Amount disclosed under the head "other current liabilities" (note 8) | - | (2,010,897,876) | - | (98,195,454) |
| Total | 313,361,433 | - | 679,235,461 | - |

Note:-

- 1 In S Chand and Company Limited, Term loan from Siemens Financial Limited taken during the financial year 2013-14, carries interest @ 13.75%. The loan is repayable in 36 equal monthly installments beginning from June' 2013 onwards. The installment amount ranges from ₹ 182,542 to of ₹ 323,535. The loan is secured by hypothecation of machine being purchased, currently valued at ₹ 14,455,375. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the Company & demand promissory note issued in favor of lender. The loan has been repaid during the current year.
- 2 In S Chand and Company Limited, Term loan from Siemens Financial Limited taken during the financial year 2014-15, carries interest @ 13.50% to 13.75%. The loan is repayable in 36 equal monthly installments beginning from August' 2014 onwards. The installment amount ranges from ₹ 336,009 to ₹ 542,279. The loan is

secured by hypothecation of assets being purchased, currently valued at ₹ 14,455,375. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the Company & demand promissory note issued in favor of lender.

- 3 In S Chand and Company Limited, Term loan from Siemens Financial Limited taken during the financial year 2015-16, carries interest @ 13.50% . The loan is repayable in 36 equal monthly installments of ₹ 75,879 beginning from April' 2015. The loan is secured by hypothecation of assets being purchased, currently valuing ₹ 14,455,375.
- 4 In S Chand and Company Limited, Term loan from Indo Star Capital Finance has been taken during the financial year 2014-15, carries interest @ 12.50% p.a. to 12.95% p.a. (31 March 2016: 12.85% p.a. to 13.00% p.a.). The loan is repayable in 18 quarterly installments beginning from December' 2014 onwards. Till

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

September 2015, installment amount ranging from ₹14,000,000 to ₹48,461,532 per quarter. On December 2015, Company had made early repayment of loan facility amounting to ₹35 crore, consequent to that repayment schedule has been revised. The remaining loan amount is repayable in 7 quarterly installment beginning from September 2017 onwards. The installment amount is ranging from ₹3,230,773 to ₹48,461,539 per quarter. The loan is secured by (i) First and exclusive charge on optionally convertible redeemable debentures of New Saraswati House (India) Private Limited by way of pledge (ii) First and exclusive charge on 98% equity of Vikas Publishing House Private Limited by way of pledge (iii) Second pari passu charge on the entire fixed assets of the Company (iv) Second pari passu charge on all current assets of the Company. Further the loan facility has been secured demand promissory note issued in favor of lender. The loan has been repaid subsequent to balance sheet date on 12 May 2017 and hence has been shown under current portion.

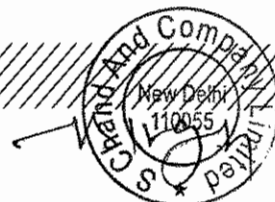
- 5 In S Chand and Company Limited, Term loan from Axis Finance Limited has been taken during the year and carries interest @ 11.25 % p.a. The facility has been taken for a period of 5 years and is repayable in 14 equal quarterly installments of ₹ 71,428,571 beginning from June 2018. The facility has been secured against: (i) second pari passu charge on both present and future current and fixed assets of the Company, (ii) pledge on entire stake to be purchased by the Company i.e., 43.54% of Chhaya Prakashani Private Limited, (iii) pledge on 20% equity shares of the Company, (iv) pledge on 100% equity shares of New Saraswati House (India) Private Limited, subsidiary company (v) pledge on 100% equity shares of Eurasia Publishing House Private Limited, wholly owned subsidiary company (vi) charge over publishing license/ IPRs as well as brand of New Saraswati and (vii) PDCs for the interest and principal amount. The above securities are to be shared pari-passu with respect to both the facilities of Axis Finance Limited in borrower i.e., the Company and its wholly owned subsidiary company, Eurasia Publishing House Private Limited. Furthermore, on acquisition of balance shares of Chhaya Prakashani Private Limited, the balance shares and the publishing license as well as the brand is to be charges to Axis Finance Limited.

Moreover, the sanction letter also contains the mandatory prepayment terms as follows:

- Any change in ownership structure and / or management control of borrower companies i.e., the Company and Eurasia Publishing House Private Limited and security providers i.e., New Saraswati House (India) Private Limited and Chhaya Prakashani Private Limited;
- Proceeds from any third party by way of further equity/debt infusion into borrower companies i.e., the Company and Eurasia Publishing House Private Limited;
- Rating downgrade
- Merger events
- Interest reset event, in case borrower is not agreeable with the revised interest rates.

As the Company has already completed Initial Public Offering ("IPO") on May 9, 2017. The Company has disclosed this borrowing as "short term" under current maturities of long term borrowings. The loan has been repaid subsequent to balance sheet date on 12 May 2017."

- 6 In Vikas Publishing House Private Limited, Term Loan from Indo Star Capital Finance has been taken during the 2014-15 financial year, carries interest @12.50% p.a to 13.00% p.a. The loan is repayable in 6 quarterly instalments beginning from December 2014 onwards. On December 2015, Company had made early repayment of loan facility amounting to ₹15 crore. The remaining loan amount is repayable in 7 quarterly installment beginning from September 2017 onwards. The installment amount is ranging from ₹13,84,617 to ₹2,07,69,231 per quarter. The loan is co-borrowed by the Holding Company and is secured by corporate guarantee of the Holding Company.
- 7 In Vikas Publishing House Private Limited, the company has taken three term loan from Siemens Financial Services Private Limited for purchase of machines, which carries interest ranging between 11.5% to 13% p.a. It is repayable in 33 to 36 Monthly equated monthly instalments. It is secured by hypothecation of respective machine. The company has made interest free refundable security deposits of ₹2,725,255 to lender, included in non current security deposit in Note 13.
- 8 In Vikas Publishing House Private Limited, Term loan from Axis finance has been taken during the year ,



carries interest @11.25% p.a. The loan is repayable in 14 quarterly instalments after moratorium of 18 months beginning from June' 2018 onwards. The loan is secured by pledge of 4900 Equity Shares held by the Company in New Saraswati House (India) Private Limited and corporate guarantee of Holding Company.

- 9 In DS Digital Private Limited, Term Loan from Siemens Financial Limited taken during the financial year 2014-15, carries interest @13.5% p.a. The loan is repayable in 36 equal monthly installments beginning from 2014-15 onwards. The installment amount ranges from ₹ 120,406 to of ₹ 207,728. The loan is secured by hypothecation of assets being purchased. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the company, corporate guarantee of Holding Company & demand promissory note issued in favor of lender.
- 10 In DS Digital Private Limited, Term Loan from Siemens Financial Limited taken during the financial 2015-16, carries interest @13.5% p.a. The loan is repayable in 36 equal monthly installments beginning from 2015-16 onwards. The installment amount ranges from ₹ 91,838 to of ₹ 606,128. The loan is secured by hypothecation of assets being purchased. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the company, corporate guarantee of Holding Company & demand promissory note issued in favor of lender.
- 11 In Eurasia Publishing House Private Limited, Term loan from Axis Finance Limited taken during the current year, carries interest @ 11.25% p.a. The facility has been taken for a period five years and is repayable in 14 equal quarterly installments of ₹40,714,285 beginning from June' 2018 onwards. The loan is secured by (i) exclusive charge on all present and future current assets and all present fixed assets of the Company (ii) pledge on entire equity shares of the target company to be acquired by the Company (iii) corporate guarantee of the Holding Company.

Further, the securities provided by the Holding company are to be shared pari-passu with Axis Finance Limited in respect of above facility which is (i) second pari passu charge on both present and future current and fixed assets of the Company, (ii) pledge on

entire stake to be purchased by the Holding Company i.e., 43.54% of Chhaya Prakashani Private Limited, (iii) pledge on 20% equity shares of the Company, (iv) pledge on 100% equity shares of New Saraswati House (India) Private Limited, (v) pledge on 100% equity shares of Eurasia Publishing House Private Limited, (vi) charge over publishing license/ IPRs as well as brand of New Saraswati and (vii) PDCs for the interest and principal amount. Furthermore, on acquisition of balance shares of Chhaya Prakashani Private Limited, the balance shares and the publishing license as well as the brand is to be charges to Axis Finance Limited. The entire facility has been repaid subsequent to year end on 23 May 2017, hence accordingly the loan facility has been considered as current.

- 12 In New Saraswati House (India) Private Limited, Term loan from Axis Finance Limited has been taken during the current financial year and carries interest @ 11.25 % p.a. The facility has been taken for a period of 5 years and is repayable in 14 equal quarterly installments, beginning from June 2018. The facility has been secured against: (i) second pari passu charge on both present and future current and fixed assets of the company.
- 13 In Vikas Publishing House Private Limited, the Indian rupee loan from State Bank of India which carries interest at Base rate plus 2.35% p.a. It is repayable in 20 equal quarterly installments; Quarterly Principal of ₹8,500,000 each plus interest on monthly basis, starting from April 2015. It is secured by Pari Passu Charge on commercial property situated at E-28, Sector -8, Noida and Hypothecation of furniture and fixtures and Collateral of Leasehold industrial plot and building situated at 20/4, Sahibabad Site IV, Industrial Area, Ghaziabad and Commercial property in basement floor bearing premises No. 16 , Old No. 1324, 18/3 , 4th Main, 4th Cross, Ward 27, Gandhinagar , Bangalore and Plant and Machinery. The loan is also secured by personal guarantee of directors and the Holding Company
- 14 In Vikas Publishing House Private Limited, The Indian rupee loan from Yes Bank which carries interest at Base rate plus 2.75% p.a. It is repayable in 16 equal quarterly installments; Quarterly Principal of ₹2,545,454 each plus interest on monthly basis, starting from November 2013. It is secured by Pari



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

Passu Charge on commercial property situated at E-28, Sector -8, Noida and Hypothecation of furniture and fixtures and Collateral of Leasehold Industrial plot and building situated at 20/4, Sahibabad Site IV, Industrial Area, Ghaziabad and Commercial property in basement floor bearing premises No. 16, Old No. 1324, 18/3, 4th Main, 4th Cross, Ward 27, Gandhinagar, Bangalore and Plant and Machinery. The loan is also secured by personal guarantee of directors and corporate guarantee of the Holding Company. This loan has been repaid during the year

- 15 In Vikas Publishing House Private Limited, The Indian rupees loan from IndusInd bank carries interest at Base rate plus 1.25% p.a. The loan is repayable in 18 equal quarterly instalments each after moratorium period of six months along with interest from the date of loan. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of term loan. Further, the loan has been guaranteed by the personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and corporate guarantee of the Holding Company
- 16 In Vikas Publishing House Private Limited, the Indian rupees loan from IndusInd bank carries interest at 12.25% p.a. The loan is repayable in 18 equal quarterly instalments each after moratorium period of six months along with interest from the date of loan. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of term loan. Further, the loan has been guaranteed by the personal guarantee of directors of the Holding Company and corporate guarantee of Holding Company.
- 17 In Vikas Publishing House Private Limited, buyer's credit has been taken from Indusind bank for 3 different transactions, the maximum rate of interest being 10.22 % p.a and the buyer's credit are repayable in the year 2017, the maximum date for redemption being 13th July 2017. The interest rate includes the cost of hedging the buyer's credit from Indusind bank. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of buyer's credit. Further, the buyer's credit has been guaranteed by the personal guarantee of directors of the Holding Company and corporate guarantee of Holding Company.
- 18 In S Chand and Company Limited, Vehicle loans have been taken from HDFC Bank, ICICI Bank and Vijaya Bank and carry interest @ 10.00% to 12.00%. The loan is repayable in 36 to 60 equal monthly installments ranging from ₹ 4,348 to ₹ 99,400. The loan is secured by hypothecation of respective vehicles.
- 19 In BPI (India) Private Limited, Vehicle Loan from HDFC Bank Limited carries interest @ 9.70% p.a. The loan is repayable in 60 equal monthly installments of ₹ 52,750 each including interest, from the date of loan, viz., 5 September 2013. The loan is secured by hypothecation of respective vehicle.
- 20 In Vikas Publishing House Private Limited, the company has taken vehicle loan from HDFC Bank which carries interest at 10.50% p.a. It is repayable in 36 Monthly equated monthly instalments, starting from October 2013. It is secured by hypothecation of respective vehicle. This loan has been repaid during the year.
- 21 In Vikas Publishing House Private Limited, the company has taken vehicle loan from HDFC Bank which carries interest at 9.50% p.a. It is repayable in 60 Monthly equated monthly instalments, starting from May 2016. It is secured by hypothecation of respective vehicle.
- 22 In New Saraswati House (India) Private Limited, Vehicle loan from HDFC bank has taken during the year, secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.36% p.a. The loan is repayable in 60 equal monthly instalments inclusive of interest ₹ 41,860 each beginning from May 2016.
- 23 In Chhaya Prakashani Private Limited, the company has taken vehicle loan from ICICI bank and the same is secured by way of hypothecation of respective vehicle in favor of the bank. It carried interest rate ranging from 9.80% to 14.99% p.a. The loan was repayable in 36 equal monthly instalments.
- 24 In New Saraswati House (India) Private Limited, Vehicle loan from Daimler Financial Services India Private Limited has been taken during the year, secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.80% p.a. The loan is repayable in 36 equal monthly instalments inclusive of interest ₹ 128,710 each beginning from May 2015.



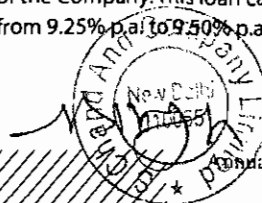
- 25 In S Chand and Company Limited, Vehicle loan taken during the year from Daimler Financial Services India Private Limited and carries interest @ 9.81% p.a. The loan is repayable in 36 equal monthly installments of ₹ 128,710. The loan is secured by hypothecation of respective vehicle.

6. Short term borrowings

| | (Amount in ₹) | |
|--|-----------------------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| Secured | | |
| Loans repayable on demand | | |
| From banks | | |
| Working capital demand loan (refer note 1 to 8 below) | 945,000,000 | 370,000,000 |
| Cash credit (refer note 9 to 18 below) | 708,431,379 | 841,837,460 |
| Buyers Credit (refer note 19 below) | - | 11,098,678 |
| Sale invoice discounting | - | 10,296,473 |
| Total | "A" 1,653,431,379 | 1,233,232,611 |
| Unsecured | | |
| Loans & advances from related parties (refer note 37) | | |
| from Directors | 8,688,444 | 17,300,000 |
| From bank | | |
| Cash credit from banks (refer note 15 below) | - | 6,995,381 |
| Total | "B" 8,688,444 | 24,295,381 |
| Total | "A+B" 1,662,119,823 | 1,257,527,992 |

Note:-

- In S Chand and Company Limited, Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Directors of the Company & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This loan carries interest rate ranging from 9.25% p.a. to 10.25% p.a. (31 March 2016: 11.50% p.a. to 12.00% p.a.).
- In S Chand and Company Limited, Working capital demand loan from Kotak Mahindra Bank taken during the financial year 2015-16. The facility is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 9.35% p.a. to 11.35% p.a. (31 March 2016: 10.25% p.a. to 10.75% p.a.).
- In S Chand and Company Limited, Working capital demand loan from Standard Chartered Bank taken during the financial year 2015-16. The facility is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 9.15% p.a. to 10.75% p.a. (31 March 2016: 10.25% p.a. to 10.50% p.a.).
- In S Chand and Company Limited, Working capital demand loan from DBS Bank Limited (under Multiple Banking Arrangement with IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and HDFC Bank) taken during the current year is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate ranging from 9.25% p.a. to 9.50% p.a.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

- 5 In S Chand and Company Limited, Working capital demand loan from DCB Bank Limited taken during the year is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate of 9.35% p.a.
- 6 In Vikas Publishing House Private Limited, Working capital demand loan from banks (under Multiple Banking Arrangement with HDFC Bank, State Bank of India, Yes Bank, DBS Bank and Standard Chartered Bank) carries interest at ranging from 9.50% p.a. to 10.25% p.a which are repayable on maturity. Working capital demand loan is secured by hypothecation of stock-in-trade, book debts, immovable / movable properties, corporate guarantee of Holding company and personal guarantee of directors.
- 7 In New Saraswati House (India) Private Limited, Working Capital Loan from HDFC bank (under Multiple Banking Arrangement with DBS Bank) is carrying an interest rate of 9.9% p.a. repayable after 90 days. The loan is secured by way of (i) charge on entire existing and future current assets (ii) exclusive charges over the entire existing and future fixed asset of the company (iii) personal guarantee of director of the Holding Company and (vi) Corporate Guarantee by Holding company.
- 8 In New Saraswati House (India) Private Limited, Working Capital Loan from DBS bank (under Multiple Banking Arrangement with HDFC Bank) taken during the year carrying an interest rate of 9.5% p.a. repayable after 120 and 150 days. The loan is secured by way of (i) charge on entire existing and future current assets (ii) exclusive charges over the entire existing and future fixed asset of the Company (iii) personal guarantee of director of the Holding Company (iv) Corporate Guarantee by Holding company.
- 9 In S Chand and Company Limited, cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with Kotak Mahindra Bank, Standard Chartered Bank, HDFC Bank and DBS Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Directors of the Company. It carries interest rate of 12.35% p.a. (31 March 2016: 12.35% p.a. to 12.75% p.a.).
- 10 In S Chand and Company Limited, cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with IndusInd Bank, HDFC Bank, Standard Chartered Bank and DBS Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate of 11.22% p.a. (31 March 2016: 11.22% p.a. to 11.30% p.a.).
- 11 In S Chand and Company Limited, Cash credit from DBS Bank Limited (under Multiple Banking Arrangement with IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and HDFC Bank) taken during the year is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate of 10.85% p.a. (31 March 2016: 12.25% to 12.50% p.a.).
- 12 In S Chand and Company Limited, cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with IndusInd Bank, Kotak Mahindra Bank, HDFC Bank and DBS Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Directors of the Company. This loan carries interest rate 10.72% p.a.
- 13 In BPI (India) Private Limited, cash credit facility carry interest rate of Base Rate plus 2.25% p.a. taken from IndusInd Bank on 12 February, 2015. Cash credit facility are secured by exclusive charge on all current assets and movable fixed assets except vehicle specifically charged to other lender of the Company (both present and future), exclusive charge on property of directors situated at DDA Flat No. D-7/7123, HIG First Floor, Vasant Kunj, New Delhi, and property of Vikas Publishing House Private Limited (subsidiary of Group company) situated at 161/18/1, Apartment No.4, New Delhi 110035.

exclusive charges over the entire existing and future fixed asset of the company (iii) personal guarantee of Dinesh Kumar Jhunjhnuwala and Himanshu Gupta and (vi) corporate guarantee by Holding Company.

- 14 In Nirja Publishers and Printers Private Limited, cash credit is from HDFC Bank and carries interest ranging from 11.30% p.a. The loan is repayable on demand. The loan is secured by (i) hypothecation of current assets (present and future) (ii) hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) (iii) Corporate guarantee of Holding Company and (iv) personal guarantee of directors of Holding Company
- 15 In Vikas Publishing House Private Limited, cash credit from HDFC Bank, Yes Bank, Standard Chartered Bank, DBS Bank and State Bank of India carry interest at base rate plus spread (ranging from 1.30% to 2.75 %) p.a which are repayable on demand. Cash credit facility availed to the extent of sanction limit, is secured by hypothecation of stock-in-trade, book debts, immovable / movable properties, corporate guarantee of Holding Company and personal guarantee of directors, and has been considered as secured. Cash credit availed over and above the sanction limit has been considered as unsecured and carries same interest rate as secured facility and is repayable on demand.
- 16 In New Saraswati (House) India Private Limited, cash credit from HDFC bank (under Multiple Banking Arrangement with DBS Bank) is carrying an interest rate of 11.85% p.a. (31 March 2016: 11.85% p.a.) repayable on demand. The loan is secured by way of (i) charge on entire existing and future current assets (ii)

- 17 In New Saraswati (House) India Private Limited, cash credit from DBS bank (under Multiple Banking Arrangement with HDFC Bank) taken during the year and carrying an interest rate of 9.90% p.a. repayable after 90 days. The loan is secured by way of (i) charge on entire existing and future current assets (ii) exclusive charges over the entire existing and future fixed asset of the company (iii) personal guarantee of directors of Holding Company and (vi) corporate guarantee by Holding Company.
- 18 In D S Digital Private Limited, short term loan from Standard Chartered Bank is secured by (i) exclusive charge on all the current assets and movable fixed assets of the borrower (both present and future except assets which are exclusively charged under equipment financing) (ii) unconditional and irrevocable personal guarantee of Hlmanshu Gupta and Dinesh Jhunjhnuwala to remain valid during the tenor of the facilities (iv) unconditional and irrevocable corporate guarantee of Holding Company to remain valid during the tenor of the facilities. The loan carries interest rate of base rate plus 2% p.a.
- 19 In Vikas Publishing House Private Limited, buyers credit from Yes Bank carries interest at 1.72% p.a. is secured by hypothecation of stock-in-trade, book debts, immovable / movable properties, Corporate Guarantee of S Chand and Company Limited and Personal guarantee of directors. This loan has been repaid in full during the year.

(Amount in ₹)

| | Long term 31 March 2017 | Short term 31 March 2017 | Long term 31 March 2016 | Short term 31 March 2016 |
|---|----------------------------|-----------------------------|----------------------------|-----------------------------|
| Trade payable | | | | |
| -total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro and small enterprises) | - | 61,758,487 | - | 23,699,927 |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 14,269,287 | 1,787,724,458 | 9,389,074 | 1,486,112,478 |
| Trade payables to related entities | - | 1,071,931 | - | 825,529 |
| Total | 14,269,287 | 1,850,554,876 | 9,389,074 | 1,510,637,934 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

8. Other liabilities

| | (Amount in ₹) | | | |
|---|---------------|----------------------|----------------|--------------------|
| | Long term | Short term | Long term | Short term |
| | 31 March 2017 | 31 March 2017 | 31 March 2016 | 31 March 2016 |
| Interest accrued but not due on borrowings | - | 8,481,912 | - | 8,856,857 |
| Interest accrued and due on borrowings | - | 606,642 | - | 1,407,707 |
| Interest on outstanding dues of micro enterprises and small enterprises | - | 11,519 | - | 8,298 |
| Interest accrued on security deposits taken from customer | - | 284,752 | - | - |
| Current maturities of long-term borrowing (refer note 5) | - | 2,010,897,876 | - | 98,195,453 |
| Security deposits/earnest money received | - | 20,820,000 | 661,375 | 620,000 |
| Other payables | - | 10,369,799 | - | - |
| Advance from customers | - | 52,295,101 | - | 25,838,518 |
| Unearned revenue | - | 5,461,673 | - | 11,124,245 |
| Technical know how and copyrights fee | - | 2,172,507 | - | 1,842,239 |
| Statutory dues payable | - | 90,398,089 | - | 84,217,050 |
| Total | - | 2,201,799,870 | 661,375 | 232,110,367 |

9. Provisions

| | (Amount in ₹) | | | |
|---|-------------------|--------------------|-------------------|--------------------|
| | Long term | Short term | Long term | Short term |
| | 31 March 2017 | 31 March 2017 | 31 March 2016 | 31 March 2016 |
| Provision for employee benefits | - | - | - | - |
| Provision for gratuity (refer note 29) | 48,366,823 | 447,291 | 48,090,898 | 1,997,926 |
| Provision for leave benefit | 3,666,896 | 5,226,084 | 1,981,269 | 977,926 |
| Others | - | - | - | - |
| Provision for sales return* | - | - | - | 45,601,053 |
| Provision for taxation (net of advance tax) | - | 522,631,004 | - | 123,882,533 |
| Total | 52,033,719 | 528,304,379 | 50,072,167 | 172,459,438 |

*represent provision for probable sales returns from its customers against their entitlement per their respective contracts, to the extent goods not returned. The movement in respect of such provision for sales returns is given below;

| | (Amount in ₹) | |
|--------------------------------|---------------|-------------------|
| Particulars | 31 March 2017 | 31 March 2016 |
| At the beginning of the year | 45,601,053 | 104,446,478 |
| Add: created during the year | - | 45,601,053 |
| Less: utilized during the year | (45,601,053) | (104,446,478) |
| At the end of the year | - | 45,601,053 |
| Current portion | - | 45,601,053 |

10A Property, plant and equipments

| Description | Freehold Land | Leasehold Land | Building | Buildings-Factory | Plant & Equipment | Furniture & Fixtures | Vehicles | Leasehold Improvement | Office Equipment | Electrical Installations | Others-Computer | Total |
|--|---------------|----------------|-------------|-------------------|-------------------|----------------------|--------------|-----------------------|------------------|--------------------------|-----------------|---------------|
| Gross Block | | | | | | | | | | | | (Amount in ₹) |
| At 1 April 2015 | 41,096,115 | 74,923,590 | 22,675,990 | 217,215,309 | 580,019,278 | 104,728,418 | 144,915,224 | 23,300,722 | 91,209,042 | 23,063,154 | 312,136,727 | 1,635,283,569 |
| Addition due to consolidation of RRPL | - | - | - | - | - | - | - | - | - | - | - | - |
| Additions | - | - | - | 2,147,443 | 53,843,894 | 14,616,678 | 5,604,727 | 6,818,589 | 18,359,844 | - | 28,379,299 | 129,770,474 |
| Disposals | - | - | - | (28,625,469) | (9,499,337) | (23,013,003) | (2,735,389) | - | (2,735,389) | - | (8,287,403) | (72,160,601) |
| At 31 March 2016 | 41,096,115 | 74,923,590 | 22,675,990 | 219,362,752 | 605,237,703 | 109,845,759 | 127,506,948 | 30,119,311 | 106,833,497 | 23,063,154 | 332,228,623 | 1,692,893,442 |
| Additions | - | - | - | - | 105,346,449 | 5,118,448 | 29,197,049 | 763,806 | 9,442,649 | 18,661 | 31,782,701 | 181,671,763 |
| Assets acquired on acquisition of subsidiary | - | - | - | - | - | 8,423,210 | 9,292,686 | - | 5,730,569 | 1,459,489 | 4,481,012 | 29,386,966 |
| Deletions on sale of subsidiary | (41,096,115) | - | (2,722,535) | - | - | - | (7,807,216) | - | - | - | - | (51,625,866) |
| Disposals | - | - | - | - | (17,147,291) | (980,422) | (24,736,592) | (1,136,307) | (341,904) | - | (11,275,426) | (55,617,942) |
| At 31 March 2017 | - | 74,923,590 | 19,953,455 | 19,362,752 | 693,438,861 | 122,406,995 | 133,452,875 | 29,746,810 | 121,664,811 | 24,541,304 | 357,216,910 | 1,796,708,363 |
| Depreciation | | | | | | | | | | | | |
| At 1 April 2015 | - | 8,519,043 | 7,531,027 | 3,650,531 | 174,681,479 | 53,015,030 | 71,161,733 | 4,211,039 | 47,764,581 | 2,977,902 | 166,295,041 | 539,807,406 |
| Charge for the year | - | 1,147,046 | 682,875 | 10,792,924 | 51,348,823 | 15,062,077 | 19,515,672 | 3,442,733 | 22,324,585 | 5,218,803 | 45,514,210 | 175,049,748 |
| Disposals | - | - | - | - | (10,998,479) | (8,089,177) | (16,267,077) | - | (2,381,144) | - | (7,372,725) | (45,108,602) |
| At 31 March 2016 | - | 9,666,089 | 8,213,902 | 14,443,455 | 215,031,823 | 59,987,930 | 74,410,328 | 7,653,772 | 67,708,022 | 8,196,705 | 204,436,526 | 669,748,552 |
| Charge for the year | - | 1,143,912 | 623,308 | 10,314,042 | 51,606,896 | 13,132,700 | 19,811,964 | 3,732,569 | 17,288,515 | 3,962,970 | 44,913,760 | 166,530,636 |
| Depreciation acquired on acquisition of subsidiary | - | - | - | - | - | 4,170,577 | 5,163,590 | - | 4,011,084 | 477,134 | 3,336,060 | 17,158,445 |
| Deletions on sale of subsidiary | - | - | (2,164,697) | - | - | - | (5,044,238) | - | - | - | - | (7,208,935) |
| Disposals | - | - | - | - | (3,000,357) | (433,054) | (16,217,066) | (168,853) | (286,988) | - | (6,930,914) | (27,037,232) |
| At 31 March 2017 | - | 10,810,001 | 6,672,513 | 24,737,497 | 263,638,362 | 76,858,153 | 78,124,578 | 11,217,488 | 88,720,633 | 12,636,809 | 245,755,432 | 819,191,466 |
| Net Block | | | | | | | | | | | | |
| At 31 March 2016 | 41,096,115 | 65,257,501 | 14,462,088 | 204,919,297 | 390,205,880 | 49,857,829 | 53,096,620 | 22,465,539 | 39,125,475 | 14,866,449 | 127,792,097 | 1,023,144,890 |
| At 31 March 2017 | - | 64,113,589 | 13,280,942 | 194,603,255 | 429,800,499 | 45,548,842 | 55,328,297 | 18,529,321 | 32,944,178 | 11,904,495 | 111,461,478 | 977,516,897 |

1 In Vikas Publishing House Private Limited, leasehold rights in land measuring 10.290 Sq yards at Sahibabad have been granted to the company by U.P. State Industrial Development Corporation in the year 1977-78. The provisional price for the grant of lease holds rights have been fixed at ₹ 25,747.5. The tentative price so fixed was increased in the year 1978-79 by ₹ 100 being the amount of land application fee paid in the year. The registration deed is in the favor of the company. The final amount was derived at ₹ 285,090. This land was revalued in the year 2005-2006 by ₹ 512,09,910. Revaluation was done based on the report of Certified Government Valuer dated 30 June 2006.

In DS Digital Private Limited, during year ended 31 March 2017, assets amounting to ₹ 2,217,801 shown under lease assets as on 31 March 2016, has been transferred to owned assets, as assets were not covered under lease due to delay in submission of required documents to the lessor.

Details of tangible assets (moveable and immovable assets pledged as securities against long term and short term borrowing is stated below (also refer note 5 and 6)

| Company Name | Type of Tangible Assets pledged | Written Down Value As at 31 March 2017 | Written Down Value As at 31 March 2016 |
|---|---------------------------------|--|--|
| S Chand and Company Limited | Moveable | 122,446,146 | 132,511,042 |
| Nirja Publishers & Printers Private Limited | Moveable/Immovable | 19,816,741 | 20,749,792 |
| Vikas Publishing House Private Limited | Moveable/Immovable | 705,902,999 | 675,831,705 |
| BPI (India) Private Limited | Moveable | 3,425,281 | 6,495,447 |
| DS Digital Private Limited | Moveable | 77,163,498 | 93,063,561 |
| New Saraswati House (India) Private Limited | Moveable/Immovable | 38,665,588 | 40,261,753 |
| Chhaya Prakashani Private Limited | Vehicle | 107,741 | - |
| Eurasia Publishing House Private Limited | Moveable/Immovable | 1,035,426 | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

10B Intangible assets

| Description | Goodwill | Goodwill on Consolidation | Computer software | Copy Rights | In-House Product Development | License Fees | Technical Knowhow | Website Designing | Content | Total |
|---|-------------|---------------------------|-------------------|--------------|------------------------------|--------------|-------------------|-------------------|-------------|---------------|
| Gross block | | | | | | | | | | |
| At 1 April 2015 | 163,362,880 | 1,178,493,103 | 55,851,739 | 183,530,942 | 77,657,012 | 10,886,252 | 5,539,034 | 322,754 | 188,014,294 | 1,863,658,010 |
| Addition | - | 621,105,214 | 15,431,049 | 20,784,927 | 80,263,744 | - | - | - | 66,291,573 | 803,876,507 |
| Disposal (refer note 2 below) | - | - | (68,565) | (12,733,808) | - | - | - | - | - | (12,802,373) |
| Adjustment on account of amalgamation | - | (81,286,497) | - | - | - | - | - | - | - | (81,286,497) |
| At 31 March 2016 | 163,362,880 | 1,718,311,820 | 71,214,223 | 191,582,061 | 157,920,756 | 10,886,252 | 5,539,034 | 322,754 | 254,305,867 | 2,573,445,647 |
| Addition | - | 1,573,382,826 | 16,486,138 | 756,530 | 104,971,876 | - | 107,796 | - | 104,293,437 | 1,799,998,603 |
| Assets acquired on acquisition of subsidiary | - | - | 6,170,987 | 4,629,006 | - | - | 154,472 | - | - | 10,954,465 |
| Adjustment on account of disposal of subsidiary | - | (897,000) | - | - | - | - | - | - | - | (897,000) |
| Disposal | - | - | (436,462) | - | - | - | - | - | - | (436,462) |
| At 31 March 2017 | 163,362,880 | 3,290,797,646 | 93,434,886 | 196,967,597 | 262,892,632 | 10,886,252 | 5,801,302 | 322,754 | 358,599,304 | 4,383,065,253 |
| Amortization | | | | | | | | | | |
| At 1 April 2015 | 62,963,724 | - | 7,760,070 | 33,075,350 | 20,406,227 | 9,159,978 | 1,767,963 | 191,387 | 74,537,467 | 209,862,166 |
| Charge for the year | 17,474,920 | - | 10,524,998 | 17,826,579 | 15,711,391 | 921,971 | 565,738 | 17,877 | 22,628,973 | 85,672,447 |
| Disposal (refer note 2 below) | - | - | (65,137) | (5,121,240) | - | - | - | - | - | (5,186,377) |
| At 31 March 2016 | 80,438,644 | - | 18,219,931 | 45,780,689 | 36,117,618 | 10,081,949 | 2,333,701 | 209,264 | 97,166,440 | 290,348,236 |
| Charge for the year | 17,474,917 | - | 25,821,159 | 20,844,618 | 21,310,945 | 639,270 | 576,142 | 17,877 | 28,590,002 | 115,274,930 |
| Amortization acquired on acquisition | - | - | 3,228,020 | 3,986,066 | - | - | 90,507 | - | - | 7,304,593 |
| Disposal | - | - | (171,476) | - | - | - | - | - | - | (171,476) |
| At 31 March 2017 | 97,913,561 | - | 47,097,634 | 70,611,373 | 57,428,563 | 10,721,219 | 3,000,350 | 227,141 | 125,756,442 | 412,756,283 |
| Net block | | | | | | | | | | |
| At 31 March 2016 | 82,924,236 | 1,718,311,820 | 52,994,292 | 145,801,372 | 121,803,138 | 804,303 | 3,205,333 | 113,490 | 157,139,427 | 2,283,097,411 |
| At 31 March 2017 | 65,449,319 | 3,290,797,646 | 46,337,252 | 126,356,224 | 205,464,069 | 165,033 | 2,800,952 | 95,613,000 | 232,842,862 | 3,970,308,970 |

Notes:-

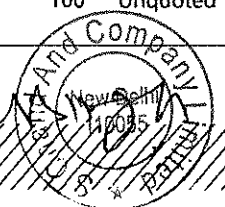
As at 31 March 2016, in Safari Digital Education Initiative Private Limited, content development includes ₹8,510,097 in respect of content fully developed and free usage granted as of now will be billed/charged on acceptance by the users. Includes ₹560,000 spent on Content 3D Printing- project under demonstration and includes ₹700,000 spent on E-Basta content on which revenue not accrued.

In S Chand Edutech Private Limited, deletion in intangible assets during the year ended 31 March 2016 represent amount written off on account of settlement vide agreement dated March 2016 on account of technical knowhow fee payable to its erstwhile JV partner which was capitalized in intangible assets in the earlier year and deletion in depreciation reserve amounting ₹5,121,240 represent the amount charged in earlier years.

11. Investment

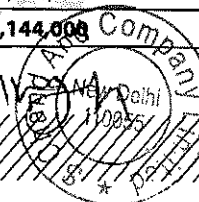
(Amount in ₹)

| Particulars | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|--|------------------------|------------------------|----------------------|--------------------|--------------------|
| | No. of Shares/Units | No. of Shares/Units | | | |
| A. Non-current investments | | | | | |
| I. Trade investments (valued at cost unless stated otherwise) | | | | | |
| a. Investments in associates | | | | | |
| (i) Equity shares of ₹ 2 each fully paid up in Edutor Technologies (India) Private Limited (refer note below)* | 2,025,766 | 2,025,766 | Unquoted | 176,571,405 | 194,863,842 |
| Total 'a' | 2,025,766 | 2,025,766 | | 176,571,405 | 194,863,842 |
| II. Non-trade investments (valued at cost unless stated otherwise) | | | | | |
| a. Investment in equity instruments | | | | | |
| 1 Equity shares of ₹ 10 each fully paid up in Reliance Industries Limited | 40 | 40 | Quoted | 18,900 | 18,900 |
| 2 Equity shares of ₹ 10 each fully paid up in Winsome Breweries Limited | 21,600 | 21,600 | Quoted | 161,352 | 161,352 |
| (At cost less provision for other than temporary diminution in value ₹ 54,648) | | | | | |
| 3 Equity shares of ₹ 10 each fully paid up in State Bank of India | 1,000 | 1,000 | Quoted | 10,000 | 10,000 |
| 4 Equity shares of ₹ 10 each fully paid up in Oriental Bank of Commerce | 400 | 400 | Quoted | 24,000 | 24,000 |
| 5 Equity shares of ₹ 10 each in Reliance Power Limited | 125 | 125 | Quoted | 55,239 | 55,239 |
| 6 Equity shares of ₹ 10 each in EIH Associated Hotel Limited | 400 | 400 | Quoted | 78,975 | 78,975 |
| 7 Equity shares of ₹ 10 each fully paid up in Mafatlal Finance Co. Limited | 100 | 100 | Quoted | - | - |
| 8 Equity shares of ₹ 10 each in Bharat Glass Tubes Limited | 20,000 | 20,000 | Unquoted | 100,000 | 100,000 |
| 9 Equity shares of ₹ 10 each fully paid up in Bharat Glass Tubes Limited | 10,000 | 10,000 | Unquoted | - | - |
| (At cost less provision for other than temporary diminution in value ₹ 100,000) | | | | | |
| 10 Equity share of ₹ 10 each in Smartivity Labs Private Limited | 50 | 1 | Unquoted | 518,137 | 1,334 |
| 11 Equity share of ₹ 10 each in Gyankosh Solutions Private Limited | 100 | 100 | Unquoted | 7,550 | 7,550 |



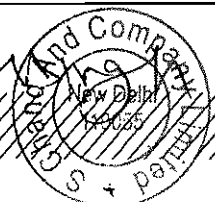
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| Particulars | (Amount in ₹) | | Quoted / Unquoted | | |
|---|------------------------|------------------------|----------------------|-------------------|-------------------|
| | 31 March 2017 | 31 March 2016 | | 31 March 2017 | 31 March 2016 |
| | No. of Shares/Units | No. of Shares/Units | | | |
| 12 Equity share of ₹10 each in Testbook Edu Solutions Private Limited (Formerly Share Infotech Private Limited) | 100 | 100 | Unquoted | 826,551 | 826,551 |
| Total 'a' | 53,915 | 53,866 | | 1,800,704 | 1,283,901 |
| b. Investments in preference shares | | | | | |
| (i) Essar Gujrat Limited (shares of ₹ 37.14 each) (At cost less provision for other than temporary diminution of ₹59,425) | 1,600 | 1,600 | Unquoted | - | - |
| (ii) Zee Entertainment Enterprises Limited 6% Preference shares (Bonus) | 4,200 | 4,200 | Unquoted | - | - |
| (iii) Smartivity Labs Private Limited (compulsory convertible cumulative preference share of 10 each) | 5,064 | 4,164 | Unquoted | 15,630,741 | 6,138,441 |
| (iv) Gyankosh Solutions Private Limited (compulsory convertible cumulative preference share of 10 each) | 319,900 | 319,900 | Unquoted | 24,152,450 | 24,152,450 |
| (v) Testbook Edu Solutions Private Limited (Formerly Share Infotech Private Limited) (compulsory convertible cumulative preference share of 500 each) | 2,690 | 2,690 | Unquoted | 22,234,209 | 22,234,209 |
| (vi) Next Door Learning Solutions Private Limited (compulsory convertible cumulative preference share of 10 each) | 353 | 353 | Unquoted | 4,866,635 | 4,866,635 |
| Total 'b' | 333,807 | 332,907 | | 66,884,035 | 57,391,735 |
| c. Investments in debentures/bond/Mutual funds | | | | | |
| (i) MGF (12% Secured redeemable non-convertible debentures of ₹ 60 each fully paid-up) | 100 | 100 | Unquoted | 6,000 | 6,000 |
| (ii) Debentures/bonds of ₹ 60 each of MGF Limited (At cost less provision for other than temporary diminution in value ₹ 1,000) | 50 | 50 | Unquoted | 2,000 | 2,000 |
| (iii) Power Finance Corporation | 1,000 | - | Unquoted | 2,136,000 | - |
| Total 'c' | 1,150 | 150 | | 2,144,000 | 8,000 |



(Amount in ₹)

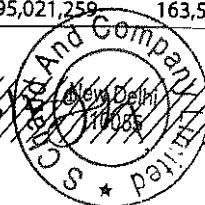
| Particulars | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|---|------------------------|------------------------|----------------------|--------------------|--------------------|
| | No. of Shares/Units | No. of Shares/Units | | | |
| d. Government and Trust securities (Unquoted) | | | | | |
| Investment in government securities (NSC) | - | - | Unquoted | 30,000 | 30,000 |
| | - | - | | 30,000 | 30,000 |
| Total non-current investments (I+II) | 2,414,638 | 2,412,689 | | 247,430,144 | 253,577,478 |
| Aggregate amount of quoted investments (Market Value ₹ 585,249 (31 March 2016 ₹506,363)) | | | | 348,466 | 348,466 |
| Aggregate amount of unquoted investments | | | | 247,081,678 | 253,229,012 |
| Aggregate provision for diminution in value of investments | | | | 215,073 | 220,223 |
| *Share of net assets of associate company on date of acquisition | | | | 43,837,793 | 43,837,793 |
| Add: Goodwill on acquisition of associate company | | | | 191,990,200 | 191,990,200 |
| Less : Share in post acquisition loss | | | | (59,256,588) | (40,964,151) |
| Carrying amount of investment | | | | 176,571,405 | 194,863,842 |
| B. Current investment | | | | | |
| 1. Current investments (valued at lower of cost and fair value, unless stated otherwise) | | | | | |
| a. Investments in Equity Instruments | | | | | |
| (i) Quoted Investment | | | | | |
| 1 Freshtop Fruits Limited (equity shares of ₹10 each) | 1,000 | 1,000 | Quoted | 26,500 | 16,800 |
| 2 Kitply Industries Limited (equity shares of ₹10 each) | 100 | 100 | Quoted | - | - |
| 3 Mahaan Foods Limited (equity shares of ₹10 each) | 42,564 | 42,564 | Quoted | 679,804 | 393,717 |
| 4 ORG Informatics Limited (equity shares of ₹10 each) | 100 | 100 | Quoted | - | - |
| 5 Pentamedia Graphics Limited (equity shares of ₹1 each) | 10,457 | 10,457 | Quoted | 6,274 | 5,438 |
| 6 Vardhman Concrete Limited (equity shares of ₹10 each) | 2,000 | 2,000 | Quoted | 22,800 | 25,000 |
| 7 Zee Entertainment Limited (equity shares of ₹10 each) | 100 | 100 | Quoted | 20,990 | 20,990 |
| 8 Zee Entertainment Limited (Bonus shares) | 100 | 100 | Quoted | - | - |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

(Amount in ₹)

| Particulars | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|---|------------------------|------------------------|----------------------|--------------------|--------------------|
| | No. of Shares/Units | No. of Shares/Units | | | |
| 9 Sistema Shyam Teleservices Limited (equity shares of ₹10 each) | 15,880 | 15,880 | Quoted | 93,990 | - |
| 10 DSQ Software Limited (equity shares of ₹10 each) | 2,000 | 2,000 | Quoted | - | - |
| 11 Nextgen Animation Media Limited (equity shares of ₹10 each) | 40 | 40 | Quoted | - | - |
| 12 Silverline Tech EQ (equity shares of ₹10 each) | 100 | 100 | Quoted | - | - |
| Total 'a' | 74,441 | 74,441 | | 850,358 | 461,945 |
| (ii) Unquoted Investment | | | | | |
| 1 Bharat Glass Tubes Limited (equity shares of ₹ 10 each) | 1,000 | 1,000 | Unquoted | - | - |
| Investment in unquoted share | 1,000 | 1,000 | | - | - |
| Total 'a' | 75,441 | 75,441 | | 850,358 | 461,945 |
| b. Investments in Mutual Funds | | | | | |
| 1 Principal Monthly Income Plan - Dividend Reinvestment Monthly | 83,834 | 82,212 | Quoted | 865,364 | 847,648 |
| 2 Templeton India Corporate Bond Opportunities Fund | 57,906 | 57,906 | Quoted | 600,000 | 600,000 |
| 3 ICICI Prudential Regular Saving Fund (growth) | - | 6,278 | Quoted | - | 661,477 |
| 4 HDFC Liquid Fund Direct Plan Growth option | - | 40,359 | Quoted | - | 120,000,000 |
| 5 Birla Sun Life Cash Manager - Growth - Direct Plan | 138,171 | - | Quoted | 55,391,602 | - |
| 6 Birla Sun Life Cash Manager - Growth - Regular Plan | 76,753 | - | Quoted | 30,000,000 | - |
| 7 Kotak Equity Arbitrage Fund - Dividend Plan | 3,269,594 | - | Quoted | 66,313,935 | - |
| Total 'b' | 3,626,258 | 186,755 | - | 153,170,901 | 122,109,125 |
| c. Investments in preference shares | | | | | |
| (i) Walldorf Integration Solutions Limited (Formerly Citixsys Technologies Limited) (redeemable preference shares of ₹ 10 each fully paid up) (refer note 41) | 512,500 | 512,500 | Unquoted | 41,000,000 | 41,000,000 |
| Total 'c' | 512,500 | 512,500 | | 41,000,000 | 41,000,000 |
| Total current investments (a+b+c) | 4,214,199 | 774,696 | | 195,021,259 | 163,571,070 |



(Amount in ₹)

| Particulars | 31 March 2017 | 31 March 2016 | Quoted / Unquoted | 31 March 2017 | 31 March 2016 |
|--|------------------------|------------------------|----------------------|---------------|---------------|
| | No. of Shares/Units | No. of Shares/Units | | | |
| Aggregate amount of quoted investments (Market Value ₹ 123,919,207 (31 March 2016 ₹123,279,195)) | | | | 154,021,259 | 122,571,070 |
| Aggregate amount of unquoted investments | | | | 41,000,000 | 41,000,000 |

12. Deferred tax assets (net)

(Amount in ₹)

| | | Non Current 31 March 2017 | Non Current 31 March 2016 |
|---|--------------|------------------------------|------------------------------|
| Deferred tax assets* | | | |
| Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years | | 21,909,922 | 42,190,164 |
| Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | | 3,846,964 | 1,637,895 |
| Provision for doubtful debts | | 27,207,595 | 19,754,197 |
| Carried forward business loss | | 55,667,627 | 55,667,627 |
| Unabsorbed depreciation | | 66,522,682 | 66,522,682 |
| Business loss for the year (refer note 42) | | 872,242 | 1,018,755 |
| Total | "A" | 176,027,032 | 186,791,320 |
| Deferred tax liabilities | | | |
| Fixed Assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | | 66,065,726 | 62,947,200 |
| Total | "B" | 66,065,726 | 62,947,200 |
| Net deferred tax assets | "A-B" | 109,961,306 | 123,844,120 |

*includes ₹ 1,745,476 (31 March 2016: ₹nil) deferred tax assets recognized on account of acquisition of subsidiary.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

13. Loans and advances

| (Amount in ₹) | | | | | |
|--|--------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| | | Non Current 31 March 2017 | Current 31 March 2017 | Non Current 31 March 2016 | Current 31 March 2016 |
| Capital advances | | | | | |
| Unsecured, considered good | | 1,821,118 | - | 12,843,458 | - |
| | "A" | 1,821,118 | - | 12,843,458 | - |
| Security deposits | | | | | |
| Unsecured, considered good | | 71,474,198 | 5,210,822 | 52,229,877 | 7,643,049 |
| | "B" | 71,474,198 | 5,210,822 | 52,229,877 | 7,643,049 |
| Advances recoverable in cash and kind | | | | | |
| Unsecured, considered good | | 2,000,000 | 190,728,998 | 2,000,000 | 87,982,779 |
| Unsecured, considered doubtful | | - | 693,336 | - | 693,336 |
| | | 2,000,000 | 191,422,334 | 2,000,000 | 88,676,115 |
| Less: Provision for doubtful advances | | - | (693,336) | - | (693,336) |
| | "C" | 2,000,000 | 190,728,998 | 2,000,000 | 87,982,779 |
| Loans & advances to related parties | | | | | |
| Unsecured, considered good (refer note 37) | | 675,517 | 161,256 | 1,499,999 | 819,096 |
| | "D" | 675,517 | 161,256 | 1,499,999 | 819,096 |
| Other loans & advances | | | | | |
| Unsecured, considered good | | 39,805,000 | - | - | 39,805,000 |
| Prepaid expenses | | 289,014 | 17,574,303 | 171,290 | 16,774,971 |
| Loans to employees | | - | 1,493,975 | - | 36,000 |
| Balance with statutory/government authorities | | - | 14,268,232 | 76,025 | 4,611,866 |
| Mat credit available | | 62,836,834 | 4,855,313 | 64,224,201 | 7,096,610 |
| Advance income-tax (net of provision for taxation) | | 41,109,051 | 350,693,310 | 46,587,335 | 19,115,301 |
| | "E" | 144,039,899 | 388,885,133 | 111,058,851 | 87,439,748 |
| Total | "A+B+C+D+E" | 220,010,732 | 584,986,209 | 179,632,185 | 183,884,672 |



14. Other assets

(Amount in ₹)

| | Non Current 31 March 2017 | Current 31 March 2017 | Non Current 31 March 2016 | Current 31 March 2016 |
|---|------------------------------|--------------------------|------------------------------|--------------------------|
| Non- current bank balances (refer note 17) | 8,609,742 | - | 27,496,607 | - |
| Unamortized expenditure | | | | |
| Ancillary cost for arranging the borrowings | 359,244 | 3,483,160 | 3,842,404 | 1,910,120 |
| "A" | 8,968,986 | 3,483,160 | 31,339,011 | 1,910,120 |
| Others | | | | |
| Interest accrued on fixed deposit | 322,629 | 2,032,350 | 1,714,441 | - |
| "B" | 322,629 | 2,032,350 | 1,714,441 | - |
| Total | "A+B" | 5,515,510 | 33,053,452 | 1,910,120 |

15. Inventories (valued at lower of cost or net realizable value)

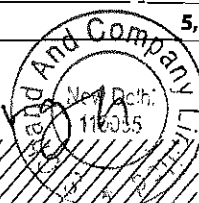
(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|--|----------------------|----------------------|
| Raw material (refer note 20) | 181,957,865 | 109,671,238 |
| Raw material others | 1,027,699 | 2,628,685 |
| Stores and spares (refer note 22) | 4,354,092 | 3,581,251 |
| Work-in-progress (refer note 22) | 26,858,124 | 31,519,741 |
| Finished goods (refer note 22) | 1,323,535,565 | 1,252,734,912 |
| | 1,537,733,345 | 1,400,135,827 |
| Less : Provision for slow & non moving raw materials | (1,902,536) | (1,902,536) |
| Total | 1,535,830,809 | 1,398,233,291 |

16. Trade receivables

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|---|----------------------|----------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 383,968,415 | 319,185,620 |
| Unsecured, considered doubtful | 92,953,244 | 65,261,029 |
| | 476,921,659 | 384,446,649 |
| Less: Provision for doubtful debts | (92,953,244) | (65,261,029) |
| | 383,968,415 | 319,185,620 |
| Other receivables | | |
| Unsecured, considered good | 4,676,840,681 | 3,660,032,145 |
| | 4,676,840,681 | 3,660,032,145 |
| Total | 5,060,809,096 | 3,979,217,765 |



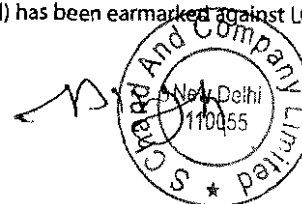
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

17 Cash and bank balance

| | (Amount in ₹) | | | |
|---|------------------------------|--------------------------|------------------------------|--------------------------|
| | Non Current 31 March 2017 | Current 31 March 2017 | Non Current 31 March 2016 | Current 31 March 2016 |
| Cash and cash equivalents | | | | |
| Balances with banks | | | | |
| In current account | - | 321,563,753 | - | 223,226,441 |
| Deposits with original maturity of less than three months | - | 42,108,460 | - | 1,894,325 |
| Cash on hand | - | 7,486,638 | - | 13,359,888 |
| | - | 371,158,851 | - | 238,480,654 |
| Other bank balances | | | | |
| Deposits with remaining maturity for more than 12 months | 4,406,324 | - | 4,471,916 | - |
| Deposits with remaining maturity for more than 3 months but less than 12 months | 4,023,418 | 4,252,319 | 22,844,691 | 5,770,261 |
| Margin money deposits* | 180,000 | - | 180,000 | - |
| | 8,609,742 | 4,252,319 | 27,496,607 | 5,770,261 |
| Amount disclosed under other non- current assets (refer note 14) | (8,609,742) | - | (27,496,607) | - |
| | - | 4,252,319 | - | 5,770,261 |
| Total | - | 375,411,170 | - | 244,250,915 |

*In Vikas Publishing House Private Limited, margin money deposit includes

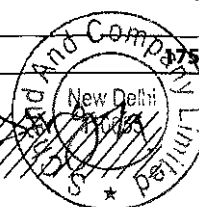
- Margin money deposit with a carrying amount of ₹ 34,139,564 (31 March 2016: ₹18,275,453) has been earmarked for the repayment of Buyer Credit taken from Indusind Bank
- Margin money deposits with a carrying amount of ₹ 4,173,334 (31 March 2016: ₹ 4,025,143) are subject to first charges to secure the company's bank guarantees.
- Margin money deposits with carrying amount of ₹ 404,250 (31 March 2016: ₹ 381,280) is subject to Registration of UP VAT & DVAT.
- Margin money deposits with carrying amount of ₹ Nil (31 March 2016: ₹ 162,815) has been earmarked against the Buyer Credit taken from Yes Bank.
- Margin money deposits with carrying amount of ₹ 25,68,878 (31 March 2016: ₹ Nil) has been earmarked against LC.



18. Revenue from operations

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|---|----------------------|----------------------|
| Sale of products | | |
| Finished goods | 6,713,611,396 | 5,269,556,483 |
| Traded goods | 169,104,245 | 59,980,352 |
| | 6,882,715,641 | 5,329,536,835 |
| Less: turnover discount | (237,651,517) | (169,504,445) |
| | 6,645,064,124 | 5,160,032,390 |
| Sale of services | 175,743,249 | 204,270,605 |
| Other operating revenues | | |
| Scrap sales | 14,256,306 | 11,128,386 |
| Training income | - | 265,150 |
| Miscellaneous income | 6,417,439 | 348,244 |
| Revenue from operations (net) | 6,841,481,118 | 5,376,044,775 |
| Details of products sold | | |
| Finished goods sold | | |
| Sale - Books (export) | 28,104,788 | 31,909,702 |
| Sale - Books | 6,660,432,728 | 5,212,722,089 |
| Sale - E-Books | 4,854,281 | 2,091,345 |
| Educational kits | 20,219,599 | 22,833,347 |
| | 6,713,611,396 | 5,269,556,483 |
| Traded goods sold | | |
| Sale - Books | 37,838,087 | 14,854,912 |
| Computer & peripherals | 131,163,225 | 44,103,033 |
| Go Maths (Kit) | 102,933 | 1,022,407 |
| | 169,104,245 | 59,980,352 |
| Details of sale of services | | |
| Job work | - | 2,358,598 |
| Content development charges | 15,876,366 | 5,783,708 |
| Royalty | 1,637,341 | 8,980,784 |
| License fee | - | 229,500 |
| Mobile app development support | 1,298,697 | 5,783,445 |
| Customized interactive education services | 142,930,000 | 170,441,914 |
| Income from pre school educational activity | 13,450,409 | 8,341,872 |
| Sale of warranty | - | 588,776 |
| Eureka science labs-set up fees | 52,174 | 262,008 |
| Income from learning center | 498,262 | - |
| Digital data management services | - | 1,500,000 |
| | 175,743,249 | 204,270,605 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

19.1 Other income

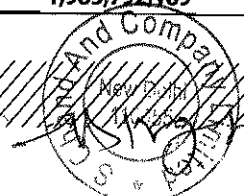
| | (Amount in ₹) | |
|--|-------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| Insurance claim received | - | 1,569,641 |
| Exchange differences (net) | - | 2,693,182 |
| Dividend income | 1,404,383 | 156,241 |
| Duty drawback | 1,762,372 | 1,229,157 |
| Miscellaneous incomes | 3,367,757 | 5,943,775 |
| Provision on diminution of investment written back | 388,406 | 91,800 |
| Net gain on sale of investments | 6,129,255 | 17,268,502 |
| Creditors written back | 244,839 | 1,632,582 |
| Total | 13,297,012 | 30,584,880 |

19.2 Interest income

| | (Amount in ₹) | |
|--------------------|------------------|------------------|
| | 31 March 2017 | 31 March 2016 |
| Interest income | - | - |
| From bank deposits | 3,283,870 | 8,385,128 |
| From others | 2,970,790 | 903,756 |
| Total | 6,254,660 | 9,288,884 |

20. Cost of materials and components consumed

| | (Amount in ₹) | |
|---|----------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| Raw material consumed | | |
| Inventory at the beginning of the year | 109,671,238 | 188,083,955 |
| Inventory acquired on acquisition of subsidiary | 35,244,558 | - |
| Add : Purchases of published goods | 189,561,190 | 256,543,996 |
| Add : Purchases of CD and tablets | 48,059,265 | - |
| Add : Purchases of traded goods | 161,425,151 | 14,818,012 |
| Add : Purchases of raw material | 1,586,746,583 | 1,405,295,683 |
| | 2,130,707,985 | 1,864,741,646 |
| Less: Inventory at the end of the year | 181,957,865 | 109,671,238 |
| Cost of materials consumed | 1,948,750,120 | 1,755,070,408 |
| Details of raw material purchased | | |
| Paper & glue | 1,100,727,957 | 1,010,850,852 |
| Printing and binding material | 486,018,626 | 394,444,831 |
| Books | 189,561,190 | 256,543,996 |
| CD & tablet | 48,059,265 | - |
| Traded goods | 161,425,151 | 14,818,012 |
| | 1,985,792,189 | 1,676,657,691 |



20.1 Purchase and implementation cost

| | (Amount in ₹) | |
|------------------------------|--------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| Traded imported stationery | 2,555,280 | 7,457,293 |
| Computer & peripherals | 116,763,181 | 40,937,697 |
| Science & English labs (kit) | 618,626 | 627,751 |
| E-Books | 124,983 | - |
| | 120,062,070 | 49,022,741 |

21. Publication expenses

| | (Amount in ₹) | |
|--------------------------------------|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Royalty | 406,827,874 | 393,962,558 |
| Editing charges | 1,329,770 | 43,007 |
| Processing charges | 40,418 | 2,886,659 |
| Block and composing | 149,848 | 463,268 |
| Freight and cartage expenses | 11,506,326 | 8,203,956 |
| Power and fuel* | 50,499,793 | 48,133,901 |
| Repairs and maintenance - machinery* | 29,675,808 | 13,921,236 |
| Consumption of stores and spares* | 6,566,063 | 5,213,547 |
| Other publication expenses | 58,784,085 | 30,507,846 |
| | 565,379,985 | 503,335,978 |

*Directly attributable to printing of books

22. (Increase) / decrease in inventories

| | (Amount in ₹) | |
|---|----------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| Inventories at the end of the year | | |
| Finished goods | 1,323,535,565 | 1,252,734,912 |
| Work-in-progress | 26,858,124 | 31,519,741 |
| Other items | 4,354,092 | 3,581,251 |
| | 1,354,747,781 | 1,287,835,904 |
| Inventories at the beginning of the year | | |
| Finished goods | 1,252,734,912 | 979,527,671 |
| Inventory acquired on acquisition of subsidiary | 121,613,571 | - |
| Work-in-progress | 31,519,741 | 26,082,158 |
| Other Items | 3,581,251 | 3,242,840 |
| | 1,409,449,475 | 1,008,852,669 |
| (Increase) in inventories | 54,701,694 | (278,983,235) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| | (Amount in ₹) | |
|------------------------------|----------------------|----------------------|
| | 31 March 2017 | 31 March 2016 |
| Details of inventory: | | |
| Finished goods | | |
| Manufactured goods | | |
| Books | 1,272,383,195 | 1,192,217,415 |
| Educational kits | 11,566,226 | 19,722,307 |
| Traded goods | | |
| Books and E Books | 33,036,525 | 30,517,349 |
| Stationery import | 6,549,619 | 7,515,855 |
| Computer & peripherals | - | 1,796,055 |
| Go-Math Kit | - | 965,931 |
| | 1,323,535,565 | 1,252,734,912 |
| Work-in-progress | | |
| Printed material for books | 23,552,726 | 28,171,103 |
| Educational kits | 3,305,398 | 3,348,638 |
| | 26,858,124 | 31,519,741 |

23. Employee benefits expense

| | (Amount in ₹) | |
|---|----------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Salaries, wages and bonus | 1,022,722,458 | 822,652,883 |
| Contribution to provident and other funds | 59,991,338 | 52,946,306 |
| Gratuity expense (refer note 29) | 18,953,186 | 13,310,147 |
| Employee stock option expense (refer note 35) | 12,330,405 | 5,122,242 |
| Staff welfare expenses | 50,852,152 | 48,011,692 |
| | 1,164,849,539 | 942,043,270 |

24. Selling and distribution expenses

| | (Amount in ₹) | |
|---|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Advertisement, publicity and exhibition | 170,864,923 | 115,086,917 |
| Freight and cartage outward | 161,541,973 | 132,894,102 |
| Packing and dispatch expenses | 45,770,114 | 49,644,584 |
| Vehicle running & maintenance | 21,441,320 | 20,539,583 |
| Travelling & conveyance | 173,724,289 | 142,764,773 |
| Leases rent-vehicles | 4,721,630 | 2,293,772 |
| Books workshop expenses | 10,013,188 | 3,891,119 |
| Rebate and discount | 50,867,382 | 58,339,636 |
| | 638,944,819 | 525,454,486 |



25. Other expenses

(Amount in ₹)

| | 31 March 2017 | 31 March 2016 |
|---|--------------------|--------------------|
| Rent | 181,843,422 | 161,629,947 |
| Repairs & maintenance | | |
| -Plant & machinery | 444,301 | 631,754 |
| -Building | 3,410,296 | 6,567,780 |
| -Others | 53,869,659 | 42,291,703 |
| Insurance | 14,649,432 | 11,470,785 |
| Rates and taxes | 5,758,014 | 5,016,554 |
| Communication cost | 39,423,782 | 33,870,726 |
| Printing and stationery | 9,433,878 | 6,858,105 |
| Legal and professional fee | 59,529,300 | 99,142,501 |
| Donations | 5,433 | 93,400 |
| Director sitting fees | 645,478 | - |
| Water and electricity charges | 19,109,425 | 19,929,111 |
| Provision for doubtful debts and advances | 48,251,548 | 45,878,182 |
| Provision for sales return | - | 45,601,053 |
| Provision for slow & non moving raw materials | - | 1,902,536 |
| Loss on sale and discard of fixed assets (net) | 1,104,574 | 1,600,606 |
| Diwali expenses | 101,769 | 93,427 |
| Office expenses | 27,526,377 | 16,616,912 |
| Security charges | 24,052,072 | 19,685,604 |
| Bad debt written off | 8,234,793 | 5,721,703 |
| Membership and subscriptions | 248,270 | 352,699 |
| Website design charges | 365,432 | 606,208 |
| Recruitment charges | 1,459,330 | 2,783,928 |
| Loss of stock due to flood | 270,371 | - |
| Merger & demerger expenses written off | 497,566 | - |
| Vehicle running & maintenance | 1,966,577 | 1,814,965 |
| Outsource services | 52,097,139 | 41,138,963 |
| Commission and brokerage | - | 164,051 |
| Cash discount | 54,307,465 | 30,556,394 |
| Lease charges- operating | 609,345 | 1,526,474 |
| Corporate social responsibility (refer note 44) | 11,613,785 | 6,993,685 |
| Advances written-off | - | 95,368 |
| Amount written-off due to reconciliation adjustment | - | 2,261,023 |
| Provision for employee advance | 639,678 | - |
| Warranty expenses on tablets | - | 520,000 |
| Exchange difference | 101,525 | - |
| Miscellaneous expenses | 18,387,891 | 16,387,199 |
| | 639,957,927 | 629,803,346 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

26. Finance cost

| | (Amount in ₹) | |
|--|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Interest expense | | |
| - On term loan | 108,668,442 | 80,832,379 |
| - On others | 221,453,988 | 212,490,770 |
| Processing fees - bank loan | 18,214,534 | 280,552 |
| Foreclosure charges | 38,586 | - |
| Amortization of ancillary borrowing cost | 337,080 | 6,219,219 |
| Bank charges | 6,996,246 | 6,009,100 |
| | 355,708,876 | 305,832,020 |

27. Depreciation and amortization expenses

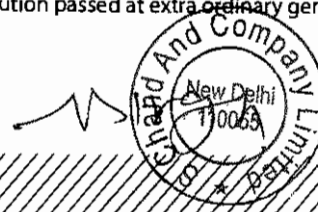
| | (Amount in ₹) | |
|---|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Depreciation of property, plant & equipment | 166,530,636 | 173,469,655 |
| Amortization of intangible assets | 115,274,930 | 85,597,387 |
| | 281,805,566 | 259,067,042 |

28. Earning per share (EPS)*

The following reflects the Profit and share data used in the basic and diluted EPS computations

| | (Amount in ₹) | |
|---|--------------------|--------------------|
| | 31 March 2017 | 31 March 2016 |
| Total operations for the year | | |
| Profit after tax, minority interest and share of associate company | 582,060,984 | 465,727,204 |
| Net Profit for calculation of Basic LPS | 582,060,984 | 465,727,204 |
| Net Profit as above | 582,060,984 | 465,727,204 |
| Net Profit for calculation of Diluted LPS | 582,060,984 | 465,727,204 |
| Weighted average number of equity shares in calculating Basic EPS | 29,844,496 | 27,273,549 |
| Effect of dilution: | | |
| Stock option granted under ESOP | 50,395 | 53,872 |
| Weighted average number of equity shares in calculating Diluted EPS | 29,894,891 | 27,327,421 |
| Profit per equity share (EPS) [nominal value of share ₹5] | | |
| (a) Basic | 19.50 | 17.08 |
| (b) Diluted | 19.47 | 17.05 |

*During the year ended 31 March 2017, the Company had split the equity share of face value of ₹ 10 each to face value of ₹ 5 each and further issued bonus shares to the shareholders in the ratio of 73:1 as per the resolution passed at extra ordinary general meeting (EOGM) dated 20 April 2016.



29. Gratuity benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service or part thereof in excess of six months. The scheme is funded with an insurance company for S Chand and Company Private Limited, Vikas Publishing House Private Limited and New saraswati House (India) Private Limited.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of profit and loss

| | 31 March 2017 | (Amount in ₹) 31 March 2016 |
|---|---------------------|--------------------------------|
| Net employee benefit expense recognized in employee cost | | |
| Current service cost | 18,216,921 | 16,026,826 |
| Interest cost on benefit obligation | 5,722,768 | 6,138,687 |
| Expected return on plan assets | (2,746,319) | (3,198,413) |
| Acquisition/business combination/divestiture | 1,471,127 | 397,680 |
| Net actuarial (gain) / loss recognized in the year | (3,711,311) | (6,054,633) |
| Net benefit expense | 18,953,186 | 13,310,147 |
| Actual return on plan assets | | |
| Expected Return on plan assets | 2,467,127 | 3,198,413 |
| Actuarial gain/(loss) on plan assets | 903,314 | (1,895,947) |
| (Amount in ₹) | 3,370,441 | 1,302,466 |
| Balance sheet | | |
| Benefit asset/ liability | | |
| Present value of defined benefit obligation | 123,449,865 | 111,995,177 |
| Fair value of plan assets | 74,635,751 | 61,906,353 |
| Plan assets/(liability) | (48,814,114) | (50,088,824) |
| Changes in the present value of the defined benefit obligation (D80) | | |
| Opening defined benefit obligation | 111,995,177 | 111,682,348 |
| Interest cost | 5,722,788 | 6,138,687 |
| Current service cost | 18,216,921 | 16,026,826 |
| Acquisition/business combination/divestiture | 270,494 | 1,642,138 |
| Benefits paid | (9,864,426) | (15,544,242) |
| Actuarial (gains) / losses on obligation | (2,891,089) | (7,950,580) |
| Closing defined benefit obligation | 123,449,865 | 111,995,177 |
| Changes in fair value of plan assets | | |
| Opening fair value of plan assets | 61,906,353 | 66,221,754 |
| Expected Return | 2,746,319 | 3,198,413 |
| Contributions by employer | 18,123,070 | 9,926,375 |
| Benefit paid | (8,766,421) | (15,544,242) |
| Actuarial gain/(loss) | 626,430 | (1,895,947) |
| Closing fair value of plan assets | 74,635,751 | 61,906,353 |

The Group expects to contribute ₹ 1,308,532 to gratuity in the next year (31 March 2016: ₹ 3,513,597)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | 31 March 2017 | 31 March 2016 |
|------------------------------|---------------|---------------|
| Kotak Life Insurance and LIC | 100% | 100% |

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

| | 31 March 2017 | 31 March 2016 |
|-------------------------------|---------------------------|---------------------------|
| Discount rate | 6.95% to 7.75% | 7.80% to 7.85% |
| Rate of return on plan assets | 8.00% | 7.50% to 9.00% |
| Salary Escalation | 6.00% to 8.00% | 6.00% to 8.00% |
| Employee turnover | 1% to 5% | 1% to 5% |
| Normal retirement age | 60 years | 60 years |
| Mortality | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate |

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

| | 31 March 2017 | 31 March 2016 | 31 March 2015 | 31 March 2014 | 31 March 2013 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligation | 123,449,865 | 111,995,177 | 111,682,349 | 58,641,105 | 48,613,182 |
| Plan assets | 74,635,751 | 61,906,353 | 66,221,754 | 38,147,715 | 32,456,000 |
| (Surplus)/ Deficit | 48,814,114 | 50,088,824 | 45,460,595 | 20,493,390 | 16,157,182 |

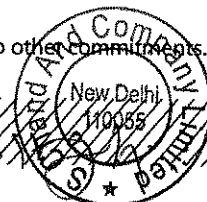
30. Capital and other commitments

| | 31 March 2017 | 31 March 2016 |
|--|---------------|---------------|
| Estimated amount of contracts remaining to be executed and not provided for (net of advances): | | |
| a Capital commitments | 541,693 | 26,811,270 |
| b Export commitments pertaining to export promotion | 77,893,802 | 77,893,802 |
| c Other commitments | 366,667 | 243,998 |
| | 78,802,162 | 104,949,070 |

- d The Holding Company has entered into a share purchased agreement as on 14 November 2016 to acquire 74% stake (including stake acquired through its 100% subsidiary, Eurasia Publishing House Private Limited) in 'Chhaya Prakashani Private Limited' based in Kolkata, West Bengal for a total consideration of INR 170 Crore and has been acquired on 5 December 2016. The remaining tranche of 26% will be acquired by 31 March 2019.

Chhaya Prakashani Private Limited is engaged in the business of printing and publishing of school books, college and engineering and children's books.

- e For commitment relating to lease agreements, please refer note no 32. There are no other commitments.



31. Contingent liabilities

| | (Amount in ₹) | |
|---|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Income Tax demand (refer note 'a' below)* | 67,583,454 | 67,480,280 |
| VAT claim by U. P. VAT Act (refer note 'b' below) | 1,650,000 | 1,650,000 |
| Stamp duty (refer note 'c' below) | 95,013,220 | 95,013,220 |
| Registration fee (refer note 'c' below) | 9,154,800 | - |

Notes:

- a. (i) In S Chand and Company Private Limited, for Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Assessing officer. The amount involved is ₹ 568,483.

In respect of Assessment Year 2014-2015, demand was raised due to disallowance of certain expenses under section 36(1)(va) of the Income Tax Act. The matter is pending with CIT(A). The amount involved is ₹ 103,174 (31 March 2016: Nil).

- (ii) In Nirja Publishers and Printers Private Limited, income tax demand pertaining to assessment year 2012-13 and 2011-12 amounting to ₹35,438,380 and ₹31,473,417 respectively.

The above demand is net of tax deposited by the company amounting to ₹8,000,000

The group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

- b. In DS Digital Private Limited, ₹1,100,000 has been paid for levy of penalty U/S 54(1) of U. P. VAT Act. Appeal filed by DS Digital Private Limited is pending.

- c. During the year ended 31 March 2016, the Group received notice under Indian Stamp Act, 1899 for non-payment of stamp duty on transfer of property on amalgamation and demerger held in the financial year 2011-12. The district registrar contented that order of Hon'ble High Court for amalgamation and demerger does not grants exemption in respect of payment of stamp duty.

During the year ended 31 March 2017, the Company has also received a demand notice from the Sub-Registrar under section 80A of the Registrations Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9,154,800.

As per the legal opinion obtained, management is of the view that no liability would accrue on the Company on account of such case. Accordingly, no provision has been made in the books of account for the same.

32. Leases

Operating lease: Group as lessee

- a. The Group has taken premises for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the period under the above lease agreements aggregates to ₹ 172,576,105 (31 March 2016: ₹125,778,445). These lease have average life of between one to nine years. There are no restrictions imposed by the lease agreements. There are no sub leases.
- b. The Group has taken certain machinery for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the period under the above lease agreements aggregates to ₹ 337,500 (31 March 2016: ₹8,309,735). There are no restrictions imposed by the lease agreements. There are no sub leases.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

- c. The Group has taken premises for factory use under operating lease agreements. The total lease rentals recognized as an expense during the period under the above lease agreements aggregates to ₹ 2,485,780 (31 March 2016: ₹3,101,707). There are no restrictions imposed by the lease agreements. There are no sub leases.
- d. The Group has taken vehicle for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the period under the above lease agreements aggregates to ₹ 1,821,996 (31 March 2016: ₹Nil). There are no restrictions imposed by the lease agreements. There are no sub leases.

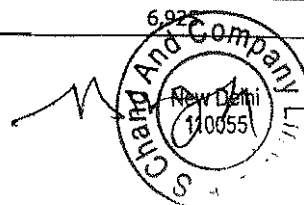
Future minimum rentals payable under non-cancellable operating leases are as follows :

| | 31 March 2017 | 31 March 2016 |
|---|--------------------|--------------------|
| Within one year | 53,172,293 | 58,857,422 |
| After one year but not more than five years | 186,327,276 | 172,530,491 |
| More than five years | 32,479,095 | 84,148,726 |
| | 271,978,664 | 315,536,639 |

33. Unhedge foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

| | 31 March 2017 | 31 March 2016 |
|-------------------------|---------------|---------------|
| Trade receivable | | |
| USD | 517,209 | 696,765 |
| INR | 33,533,248 | 46,213,524 |
| BHD | - | 23,400 |
| INR | - | 4,076,970 |
| Trade Payable | | |
| GBP | - | 205,264 |
| INR | - | 19,540,436 |
| Buyer Credit | | |
| GBP | - | 116,312 |
| INR | - | 11,098,678 |
| Cash on hand | | |
| USD | 180 | 1,133 |
| INR | 11,671 | 75,152 |
| EURO | 100 | 300 |
| INR | 6,925 | 22,536 |



34. Due to micro, small and medium enterprise as defined under the MSMED Act, 2006

The Amount due to Micro and small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31 March 2017 are as under:

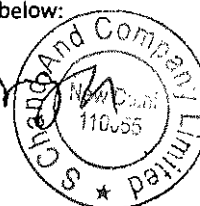
| Particulars | (Amount in ₹) | |
|---|-------------------|-------------------|
| | 31 March 2017 | 31 March 2016 |
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 61,758,487 | 23,699,927 |
| Interest due on above | 11,519 | 8,298 |
| | 61,770,006 | 23,708,225 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 11,519 | 8,298 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

35 Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2017, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 30 June 2012, the board of directors approved the Equity Settled ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the eligible employees. According to the Scheme 2012, two types of options are granted by the Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,194 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the company. However in case of growth options, in addition to this the board may also specify the certain corporate, individual or a combination performance parameters subject to which the option would vest. The other relevant terms of the grant are as below:

Signature



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| | Grant I | Grant II | Grant III (a) | Grant III (b) | Grant IV (a) | Grant IV (b) | Grant IV (c) | Grant IV (d) | Grant V | Grant VI | Grant VII |
|------------------------------------|---|---------------------------|---|---|----------------------------|---|---|---|---|--|----------------------------|
| Date of grant | 9-Jul-12 | 9-Jul-12 | 28-Jul-14 | 30-Sep-14 | 27-Aug-15 | 27-Aug-15 | 30-Sep-15 | 28-Mar-16 | 5-Aug-16 | 16-Aug-16 | 30-Nov-16 |
| Date of Board approval | 30-Jun-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 27-Aug-15 | 27-Aug-15 | 27-Aug-15 | 28-Mar-16 | 5-Aug-16 | 5-Aug-16 | 19-Sep-16 & 30-Nov-16 |
| Date of Shareholder's approval | 30-Jun-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 30-Sep-15 | 30-Sep-15 | 30-Sep-15 | 28-Mar-16 | 5-Aug-16 | 5-Aug-16 | 10-Nov-16 |
| Number of options granted | 2,194 | 292 | 180 | 75 | 441 | 185 | 248 | 40 | 93,388 | 51,060 | 12,506 |
| Method of settlement (Cash/Equity) | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity |
| Vesting Period | Year 1- 10% Year 2- 15% Year 3- 20% Year 4- 25% Year 5- 30% | 100% Immediate vesting | Year 1- 28% Year 2- 32% Year 3- 40% | Year 1- 28% Year 2- 32% Year 3- 40% | Year 1- 50% Year 2- 50% | Year 1- 25% Year 2- 35% Year 3- 40% | Year 1- 25% Year 2- 35% Year 3- 40% | Year 1- 25% Year 2- 35% Year 3- 40% | Year 1- 100% Year 2- 25% Year 3- 25% Year 4- 25% | Year 1- 25% Year 2- 25% Year 3- 25% Year 4- 25% | Year 1- 50% Year 2- 50% |

| Exercise Period | Exercise on listing but not later than two years from the listing/on sale | | | | | | | | | | |
|--|---|-------|--------|--------|--------|--------|--------|--------|-----|-----|-----|
| Exercise price | 9,110 | 9,110 | 36,870 | 36,870 | 36,870 | 45,000 | 45,000 | 45,000 | 304 | 304 | 392 |
| Intrinsic value of shares at the time of grant | 9,110 | 9,110 | 36,870 | 36,870 | 55,785 | 55,785 | 55,785 | 55,785 | 376 | 376 | 376 |

Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till March 31, 2016 is as below:

| Exercise Period | Exercise on listing but not later than two years from the listing/on sale | | | | | | | | | | |
|--|---|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Exercise price | 62 | 62 | 249 | 249 | 249 | 304 | 304 | 304 | 304 | 304 | 392 |
| Intrinsic value of shares at the time of grant | 62 | 62 | 249 | 249 | 377 | 377 | 377 | 377 | 376 | 376 | 376 |

The details of activities under Growth option (Grant I) are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 322 | 9,110 | 1,003 | 9,110 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | 681 | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 322 | - | - | - |
| Effect of bonus issue | 47,012 | - | - | - |
| Outstanding at the end of the year | 47,656 | 62 | 322 | 9,110 |
| Exercisable at the end of the year | 33,152 | - | - | - |

Chadd and Company
New Delhi
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The details of activities under Thankyou option (Grant II) are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 21 | 9,110 | 290 | 9,110 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | - | - | 269 | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 21 | - | - | - |
| Effect of bonus issue | 3,066 | - | - | - |
| Outstanding at the end of the year | 3,108 | 62 | 21 | 9,110 |
| Exercisable at the end of the year | 3,108 | - | 21 | - |

The weighted average remaining contractual life for Growth and Thankyou option outstanding as at 31 March 2017 is 2.91 years.

The details of activities under Grant III a and III b are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 253 | 36,870 | 255 | 36,870 |
| Granted during the year | - | - | - | - |
| Forfeited during the year | 10,804 | - | 2 | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 253 | - | - | - |
| Effect of bonus issue | 36,938 | - | - | - |
| Outstanding at the end of the year | 26,640 | 249 | 253 | 36,870 |
| Exercisable at the end of the year | 16,280 | - | 68 | - |

The weighted average remaining contractual life for option outstanding as at 31 March 2017 is 2.91 years.

The Company had granted 441 option during the financial year ended 31 March 2016. The details of activities under Grant IV a are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 441 | 36,870 | - | - |
| Granted during the year | - | - | 441 | 36,870 |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 441 | - | - | - |
| Effect of bonus issue | 64,386 | - | - | - |
| Outstanding at the end of the year | 65,268 | 249 | 441 | 36,870 |
| Exercisable at the end of the year | - | - | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

The weighted average remaining contractual life for option outstanding as at 31 March 2017 is 2.91 years.

The Company had granted 473 option during the financial year ended 31 March 2016. The details of activities under Grant IVb, IVc and IVd are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | 473 | 45,000 | - | - |
| Granted during the year | - | - | 473 | 45,000 |
| Forfeited during the year | 1,702 | - | - | - |
| Exercised during the year | - | - | - | - |
| Effect of share split | 473 | - | - | - |
| Effect of bonus issue | 69,058 | - | - | - |
| Outstanding at the end of the year | 68,302 | 304.05 | 473 | 45,000 |
| Exercisable at the end of the year | 15,910 | - | - | - |

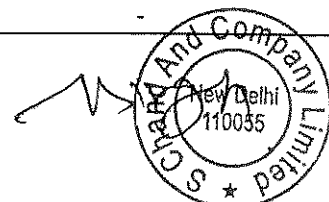
The weighted average remaining contractual life for option outstanding as at 31 March 2017 is 2.91 years.

The Company had granted 93,388 option during the year ended 31 March 2017. The details of activities under Grant V are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | 93,388 | 304 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 93,388 | 304 | - | - |
| Exercisable at the end of the year | - | - | - | - |

The Company had granted 51,060 option during the year ended 31 March 2017. The details of activities under Grant VI are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEP (₹) | No. of options | WAEP (₹) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | 51,060 | 304 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 51,060 | 304 | - | - |
| Exercisable at the end of the year | - | - | - | - |



The Company had granted 12,506 option during the year ended 31 March 2017. The details of activities under Grant VI are summarized below:

| | 31 March 2017 | | 31 March 2016 | |
|--|----------------|----------|----------------|----------|
| | No. of options | WAEF (₹) | No. of options | WAEF (₹) |
| Outstanding at the beginning of the year | - | - | - | - |
| Granted during the year | 12,506 | 392 | - | - |
| Forfeited during the year | - | - | - | - |
| Exercised during the year | - | - | - | - |
| Outstanding at the end of the year | 12,506 | 392 | - | - |
| Exercisable at the end of the year | - | - | - | - |

The weighted average remaining contractual life for option outstanding under Grant V, VI and VII as at 31 March 2017 is 2.91 years.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| | Grant IVa | Grant IVb | Grant IVc | Grant IVd | Grant V | Grant VI | Grant VII |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2016 | 31 March 2016 | 31 March 2016 | 31 March 2016 | 31 March 2017 | 31 March 2017 | 31 March 2017 |
| Dividend yield (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected volatility | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk-free interest rate | 7.67% | 7.71% | 7.46% | 7.63% | 6.73% | 6.86% | 5.99% |
| Weighted average share price (₹) | 377 | 377 | 377 | 377 | 376 | 376 | 376 |
| Exercise price (₹) | 249 | 304 | 304 | 304 | 304 | 304 | 392 |
| Expected life of options granted in years | 2.43 | 3.22 | 3.20 | 3.15 | 2.00 | 3.50 | 2.50 |
| Weighted average fair value of option at the time of grant (₹) | 168.74 | 137.24 | 135.03 | 133.56 | 109.08 | 117.94 | 36.97 |

Each vest has been considered as a separate grant with weights assigned to each vesting as per the vesting schedule. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life has been calculated as an average of minimum and maximum life. Since the Company is unlisted, the volatility has been considered to be zero.

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its loss after tax and earnings per share as reported would have changed to the amounts indicated below:

| | 31 March 2017 | 31 March 2016 |
|--|--------------------|--------------------|
| Profit after tax as reported | 582,060,983 | 465,772,282 |
| Impact in the statement of profit of loss as per fair valuation method | (6,535,385) | (1,794,809) |
| Proforma profit after tax | 575,525,598 | 463,977,473 |
| Earnings per share | | |
| Basic | | |
| - As reported | 19.50 | 17.08 |
| - Proforma | 19.28 | 17.01 |
| Diluted | | |
| - As reported | 19.47 | 17.05 |
| - Proforma | 19.25 | 16.98 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

36. As per requirement of Companies Act, 2013, following additional disclosure needs to be given in the Notes to Accounts for the year ended 31 March 2017 along with comparative numbers for 31 March 2016.

| Name of the entity | As at 31 March 2017 | | | |
|---|--|---------------|-------------------------------------|--------------|
| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss* | |
| | As % of consolidated net assets | Amount in ₹ | As % of consolidated profit or loss | Amount in ₹ |
| Parent | | | | |
| S Chand and Company Limited | 49% | 3,260,485,717 | 43% | 271,394,678 |
| Subsidiaries | | | | |
| Indian | | | | |
| Eurasia Publishing House Private Limited | 2% | 144,650,482 | -1% | (9,432,878) |
| BPI (India) Private Limited | 1% | 85,926,447 | 0% | 2,863,239 |
| Safari Digital Education Initiative Private Limited | 3% | 217,692,404 | -5% | (32,394,561) |
| Blackie & Son (Calcutta) Private Limited | 0% | 18,033,950 | 0% | 1,154,219 |
| Arch Papier-Mache Private Limited | 0% | - | 1% | 7,853,996 |
| Nirja Publishers and Printers Private Limited | 1% | 69,491,611 | 6% | 38,120,394 |
| Vikas Publishing House Private Limited | 8% | 559,741,864 | 23% | 145,816,511 |
| S Chand Edutech Private Limited | 0% | 5,976,753 | 0% | (299,775) |
| D S Digital Private Limited | 5% | 330,980,457 | -10% | (65,921,967) |
| New Saraswati House (India) Private Limited | 21% | 1,404,951,176 | 12% | 77,948,349 |
| Chhaya Prakashani Pvt. Ltd. | 4% | 298,779,947 | 26% | 163,251,217 |
| Minority interests in all subsidiaries | 2% | 130,540,822 | 9% | 54,561,640 |
| Associates (Indian) | | | | |
| Investment as per Equity Method | 3% | 176,571,405 | -3% | (18,292,437) |
| | 100% | 6,703,823,036 | 100% | 636,622,625 |

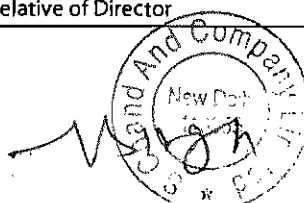
| Name of the entity | As at 31 March 2016 | | | |
|---|--|---------------|-------------------------------------|--------------|
| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss* | |
| | As % of consolidated net assets | Amount in ₹ | As % of consolidated profit or loss | Amount in ₹ |
| Parent | | | | |
| S Chand and Company Limited | 55.61% | 3,348,931,109 | 34.63% | 161,296,174 |
| Subsidiaries | | | | |
| Indian | | | | |
| Eurasia Publishing House Private Limited | -0.02% | (1,258,125) | 2.31% | 10,767,377 |
| BPI (India) Private Limited | 1.59% | 95,760,997 | -0.02% | (90,044) |
| Safari Digital Education Initiative Private Limited | 2.32% | 139,699,222 | -4.27% | (19,869,923) |
| Blackie & Son (Calcutta) Private Limited | 0.25% | 15,133,032 | 2.34% | 10,894,155 |
| Arch Papier-Mache Private Limited | 0.79% | 47,630,517 | 2.98% | 13,860,657 |
| Nirja Publishers and Printers Private Limited | -0.04% | (2,696,193) | 27.09% | 126,144,510 |
| Vikas Publishing House Private Limited | 9.66% | 582,048,255 | 23.47% | 109,318,287 |
| S Chand Edutech Private Limited | 0.03% | 2,073,878 | 1.58% | 7,348,691 |
| D S Digital Private Limited | 5.87% | 353,494,546 | -7.10% | (33,071,214) |
| New Saraswati House (India) Private Limited | 20.18% | 1,215,345,262 | 22.85% | 106,415,534 |
| Minority interests in all subsidiaries | 0.52% | 31,475,592 | -0.01% | (45,076) |
| Associates (Indian) | | | | |
| Investment as per Equity Method | 3.24% | 194,863,842 | 5.95% | (27,241,924) |
| | 100.00% | 6,022,501,934 | 100.00% | 465,727,204 |

* Management has elected to present these number on post-elimination basis.

37. Related party disclosure

Related parties and their relationship**Related parties under AS 18 with whom transactions have taken place during the year:**

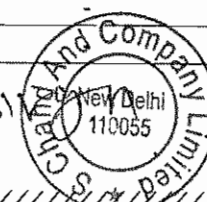
| | |
|---|--|
| Associates | : Edutor Technologies India Private Limited |
| Investing party in subsidiary company | : Ventureskies, FZE (Deregistered) |
| Enterprises over which Key Management Personnel or their relatives exercise significant influence | |
| | : M/s Hotel Tourist (Partnership Firm) |
| | : M/s Raasha Entertainment & Leisure LLP |
| | : SC Hotel Tourist Deluxe Private Limited |
| | : Shaara Hospitalities Private Limited |
| | : S. Chand Properties Private Limited |
| | : Shyam Lal Charitable Trust |
| | : Shyam Lal Nursing Home & Medical Research Centre Private Limited |
| | : RKG Hospitalities Private Limited |
| | : Amenity Public School |
| | : Smartivity Labs Private Limited |
| Key Management Personnel & their relatives | |
| - Mrs. Nirmala Gupta | : Director (till 20 May 2016) |
| - Mrs. Savita Gupta | : Whole time Director (till 20 May 2016) |
| | : Non-Executive Director (w.e.f 20 May 2016) |
| - Mr. Himanshu Gupta | : Joint Managing Director (till 20 May 2016) |
| | : Managing Director (w.e.f. 20 May 2016) |
| - Mrs. Ankita Gupta | : Director (till 20 May 2016) |
| - Mr. Dinesh Kumar Jhunjhnuwala | : Vice Chairman & Director Finance (till 20 May 2016) |
| | : Whole time Director (w.e.f. 20 May 2016) |
| - Mrs. Neerja Jhunjhnuwala | : Whole time Director (till 20 May 2016) |
| - Mr. Gaurav Kumar Jhunjhnuwala | : Whole time Director |
| - Mr. Saurabh Mittal | : Chief Finance Officer |
| - Mr. Jagdeep Singh | : Company Secretary |
| - Mr. Jai Saxena | : Director |
| - Mrs. Vidya Saxena | : Director |
| - Mr. Sumit Biswas | : Director (w.e.f 5 December 2016) |
| - Mr. Ravindra Kumar Gupta | : Relative of Director |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

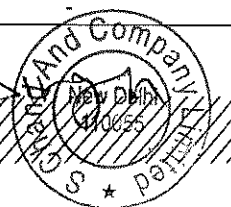
(Amount in ₹)

| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | Total |
|---|---------------|---|-------------|--|-------------|
| Sale of Books/ Paper/Services | | | | | |
| Educor Technologies India Private Limited | 31 March 2017 | - | 303,223 | - | 303,223 |
| | 31 March 2016 | - | (3,431,094) | - | (3,431,094) |
| M/s Hotel Tourist (Partnership Firm) | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Amenity Public School | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (41,260) | - | - | (41,260) |
| Sale of fixed assets | | | | | |
| Motif | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (141,400) | - | - | (141,400) |
| Purchases | | | | | |
| Prolific Papers Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| M/s Hotel Tourist (Partnership Firm) | 31 March 2017 | 4,809,799 | - | - | 4,809,799 |
| | 31 March 2016 | (5,051,098) | - | - | (5,051,098) |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | 1,190,347 | - | - | 1,190,347 |
| | 31 March 2016 | (1,303,400) | - | - | (1,303,400) |
| Educor Technologies India Pvt Ltd | 31 March 2017 | - | 3,740,783 | - | 3,740,783 |
| | 31 March 2016 | - | - | - | - |
| Smartivity Labs Private Limited | 31 March 2017 | 384,670 | - | - | 384,670 |
| | 31 March 2016 | - | - | - | - |
| S. Chand Hotels Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (1,176,234) | - | - | (1,176,234) |
| Staff welfare expenses | | | | | |
| M/s Hotel Tourist (Partnership Firm) | 31 March 2017 | 1,678,816 | - | - | 1,678,816 |
| | 31 March 2016 | (1,674,532) | - | - | (1,674,532) |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |



(Amount in ₹)

| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | Total |
|--|---------------|---|------------|--|--------------|
| Interest expenses | | | | | |
| Mr. Atul Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Other Expenses paid (reimbursement) | | | | | |
| Shyam Lal Charitable Trust | 31 March 2017 | 24,205 | - | - | 24,205 |
| | 31 March 2016 | (6,035) | - | - | (6,035) |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (355,526) | - | - | (355,526) |
| S. Chand Properties Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (15,545) | - | - | (15,545) |
| Shaara Hospitalities Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| S. Chand Hotels Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (614) | - | - | (614) |
| M/s Raasha Entertainment & Leisure LLP | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| M/s Hotel Tourist (Partnership Firm) | 31 March 2017 | 8,472 | - | - | 8,472 |
| | 31 March 2016 | (62,046) | - | - | (62,046) |
| Mrs. Ankita Gupta | 31 March 2017 | 547,768 | - | - | 547,768 |
| | 31 March 2016 | - | - | - | - |
| Edutor Technologies India Private Limited | 31 March 2017 | - | 109,390 | - | 109,390 |
| | 31 March 2016 | - | (69,792) | - | (69,792) |
| Rentals paid | | | | | |
| S. Chand Properties Private Limited | 31 March 2017 | 28,836,802 | - | - | 28,836,802 |
| | 31 March 2016 | (28,596,136) | - | - | (28,596,136) |
| Shyam Lal Nursing Home & Medical Research Centre Private Limited | 31 March 2017 | 598,000 | - | - | 598,000 |
| | 31 March 2016 | - | - | - | - |
| Ravindra Kumar Gupta | 31 March 2017 | - | - | 1,189,392 | 1,189,392 |
| | 31 March 2016 | - | - | (1,178,794) | (1,178,794) |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

(Amount in ₹)

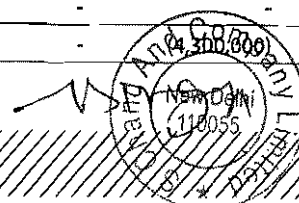
| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | Total |
|---|---------------|---|------------|--|-------------|
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | 9,618,000 | - | - | 9,618,000 |
| | 31 March 2016 | (9,567,040) | - | - | (9,567,040) |
| Orange Education Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (13,483) | - | - | (13,483) |
| Mrs. Savita Gupta | 31 March 2017 | - | - | 3,140,176 | 3,140,176 |
| | 31 March 2016 | - | - | (2,188,772) | (2,188,772) |
| Mrs. Neerja Jhunjhnuwala | 31 March 2017 | - | - | 2,284,660 | 2,284,660 |
| | 31 March 2016 | - | - | (2,266,426) | (2,266,426) |
| Mrs. Ankita Gupta | 31 March 2017 | - | - | 369,900 | 369,900 |
| | 31 March 2016 | - | - | (392,175) | (392,175) |
| Mr. Atul Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Mr. Ankur Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Mr. Sumit Biswas | 31 March 2017 | - | - | 150,000 | 150,000 |
| | 31 March 2016 | - | - | - | - |
| Orange Associates Private Limited | 31 March 2017 | 8,957,000 | - | - | 8,957,000 |
| | 31 March 2016 | (8,139,430) | - | - | (8,139,430) |
| Corporate social responsibility | | | | | |
| Shyam Lal Charitable Trust | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (1,500,000) | - | - | (1,500,000) |
| Remuneration | | | | | |
| Mrs. Nirmala Gupta | 31 March 2017 | - | - | 964,516 | 964,516 |
| | 31 March 2016 | - | - | (6,000,000) | (6,000,000) |
| Mrs. Savita Gupta | 31 March 2017 | - | - | 6,058,065 | 6,058,065 |
| | 31 March 2016 | - | - | (7,200,000) | (7,200,000) |
| Mr. Himanshu Gupta | 31 March 2017 | - | - | 11,050,145 | 11,050,145 |
| | 31 March 2016 | - | - | (9,015,000) | (9,015,000) |
| Mrs. Ankita Gupta | 31 March 2017 | - | - | 3,164,516 | 3,164,516 |
| | 31 March 2016 | - | - | (3,150,000) | (3,150,000) |
| Mr. Dinesh Kumar Jhunjhnuwala | 31 March 2017 | - | - | 10,902,968 | 10,902,968 |
| | 31 March 2016 | - | - | (9,165,000) | (9,165,000) |

(Amount in ₹)

| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | Total |
|--|---------------|---|-------------|--|-------------|
| Mrs. Neerja Jhunjhnuwala | 31 March 2017 | - | - | 3,164,516 | 3,164,516 |
| | 31 March 2016 | - | - | (3,795,000) | (3,795,000) |
| Mr. Gaurav Kumar Jhunjhnuwala | 31 March 2017 | - | - | 5,400,000 | 5,400,000 |
| | 31 March 2016 | - | - | (3,300,000) | (3,300,000) |
| Mr. Jai Saxena | 31 March 2017 | - | - | 3,750,000 | 3,750,000 |
| | 31 March 2016 | - | - | (3,750,000) | (3,750,000) |
| Mrs. Vidya Saxena | 31 March 2017 | - | - | 3,750,000 | 3,750,000 |
| | 31 March 2016 | - | - | (3,750,000) | (3,750,000) |
| Mr. Saurabh Mittal | 31 March 2017 | - | - | 9,432,428 | 9,432,428 |
| | 31 March 2016 | - | - | (7,950,620) | (7,950,620) |
| Mr. Jagdeep Singh | 31 March 2017 | - | - | 7,413,641 | 7,413,641 |
| | 31 March 2016 | - | - | (956,468) | (956,468) |
| Mr. Sumit Biswas | 31 March 2017 | - | - | 2,860,274 | 2,860,274 |
| | 31 March 2016 | - | - | - | - |
| Expenditure capitalised during construction period | | | | | |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Purchase of fixed assets | | | | | |
| Educor Technologies Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Balances outstanding as at 31 March 2017 | | | | | |
| Trade payables | | | | | |
| M/s Hotel Tourist | 31 March 2017 | 1,689,934 | - | - | 1,689,934 |
| | 31 March 2016 | (510,588) | - | - | (510,588) |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | 4,000 | - | - | 4,000 |
| | 31 March 2016 | (117,629) | - | - | (117,629) |
| Shyam Lal Nursing Home & Medical Research Centre Private Limited | 31 March 2017 | 159,545 | - | - | 159,545 |
| | 31 March 2016 | (95,575) | - | - | (95,575) |
| Venture Skies FZE | 31 March 2017 | - | 1,455,085 | - | 1,455,085 |
| | 31 March 2016 | - | (1,234,907) | - | (1,234,907) |

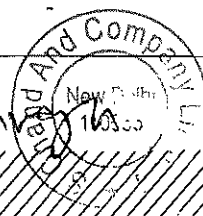
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | (Amount in ₹) |
|--|---------------|---|------------|--|---------------|
| | | | | | Total |
| Smartivity Labs Private Limited | 31 March 2017 | 35,343 | - | - | 35,343 |
| | 31 March 2016 | - | - | - | - |
| Edutor Technologies India Private Limited | 31 March 2017 | - | 1,501,881 | - | 1,501,881 |
| | 31 March 2016 | - | (101,732) | - | (101,732) |
| Loans and advances to related parties | | | | | |
| Smartivity Labs Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (1,500,000) | - | - | (1,500,000) |
| RKG Hospitalities Private Limited | 31 March 2017 | 342,139 | - | - | 342,139 |
| | 31 March 2016 | (342,139) | - | - | (342,139) |
| Shyam Lal Nursing Home & Medical Research Centre Private Limited | 31 March 2017 | 110,768 | - | - | 110,768 |
| | 31 March 2016 | (110,768) | - | - | (110,768) |
| Shaara Hospitalities Private Limited | 31 March 2017 | 13,804 | - | - | 13,804 |
| | 31 March 2016 | (13,804) | - | - | (13,804) |
| Shyam Lal Charitable Trust | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| S. Chand Properties Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| S. Chand Hotels Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Orange Associates Private Limited | 31 March 2017 | 14,549 | - | - | 14,549 |
| | 31 March 2016 | - | - | - | - |
| Raasha Entertainment & Leisure LLP | 31 March 2017 | 224,389 | - | - | 224,389 |
| | 31 March 2016 | (224,389) | - | - | (224,389) |
| M/s Hotel Tourist | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | 142,590 | - | - | 142,590 |
| | 31 March 2016 | (127,995) | - | - | (127,995) |
| Short term borrowings | | | | | |
| Mrs. Nirmala Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | (4,300,000) |



(Amount in ₹)

| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | Total |
|---|---------------|---|------------|--|--------------|
| Mr. Sumit Biswas | 31 March 2017 | - | - | 492,170 | 492,170 |
| | 31 March 2016 | - | - | - | - |
| Mr. Jai Saxena | 31 March 2017 | - | - | 8,678,444 | 8,678,444 |
| | 31 March 2016 | - | - | (12,495,000) | (12,495,000) |
| Mrs. Vidya Saxena | 31 March 2017 | - | - | 10,000 | 10,000 |
| | 31 March 2016 | - | - | (505,000) | (505,000) |
| Long term borrowings | | | | | |
| Mrs. Nirmala Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | (21,060,100) | (21,060,100) |
| Security deposits receivable | | | | | |
| S Chand Properties Private Limited | 31 March 2017 | 12,546,828 | - | - | 12,546,828 |
| | 31 March 2016 | (12,546,828) | - | - | (12,546,828) |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | 4,200,000 | - | - | 4,200,000 |
| | 31 March 2016 | (4,200,000) | - | - | (4,200,000) |
| Mrs. Savita Gupta | 31 March 2017 | - | - | 535,080 | 535,080 |
| | 31 March 2016 | - | - | (390,000) | (390,000) |
| Mrs. Neerja Jhunjhuwala | 31 March 2017 | - | - | 118,422 | 118,422 |
| | 31 March 2016 | - | - | (118,422) | (118,422) |
| Ravindra Kumar Gupta | 31 March 2017 | - | - | 408,750 | 408,750 |
| | 31 March 2016 | - | - | (408,750) | (408,750) |
| Orange Associates Private Limited | 31 March 2017 | 1,950,000 | - | - | 1,950,000 |
| | 31 March 2016 | - | - | - | - |
| Ankita Gupta | 31 March 2017 | - | - | 189,000 | 189,000 |
| | 31 March 2016 | - | - | (189,000) | (189,000) |
| Investments made during the year | | | | | |
| Smartivity Labs Private Limited (Preference shares) | 31 March 2017 | 9,492,300 | - | - | 9,492,300 |
| | 31 March 2016 | (6,138,441) | - | - | (6,138,441) |
| Smartivity Labs Private Limited (Equity shares) | 31 March 2017 | 516,803 | - | - | 516,803 |
| | 31 March 2016 | (1,334) | - | - | (1,334) |
| Edutor Technologies India Private Limited | 31 March 2017 | - | - | - | - |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| Nature of Transactions | Year | Enterprises over which Key Management Personnel or their relatives exercise significant influence | Associates | Key Managerial Personnel & their relatives | (Amount in ₹) |
|---|---------------|---|------------|--|---------------|
| | | | | | Total |
| | 31 March 2016 | - | - | - | - |
| Trade Receivables | | | | | |
| Hotel Tourist | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | (31,259) | - | - | (31,259) |
| Edutor Technologies India Private Limited | 31 March 2017 | - | 580,011 | - | 580,011 |
| | 31 March 2016 | - | (272,810) | - | (272,810) |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | - | - |
| Amenity Public School | 31 March 2017 | 227,000 | - | - | 227,000 |
| | 31 March 2016 | (227,000) | - | - | (227,000) |
| Remuneration payable | | | | | |
| Mrs. Nirmala Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | (500,000) | (500,000) |
| Mr. Gaurav Kumar Jhunjhnuwala | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | (200,000) | (200,000) |
| Mrs. Savita Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | (200,000) | (200,000) |
| Mr. Dinesh Kumar Jhunjhnuwala | 31 March 2017 | - | - | 443,040 | 443,040 |
| | 31 March 2016 | - | - | (300,000) | (300,000) |
| Mr. Himanshu Gupta | 31 March 2017 | - | - | 420,284 | 420,284 |
| | 31 March 2016 | - | - | (425,000) | (425,000) |
| Mrs. Neerja Jhunjhnuwala | 31 March 2017 | - | - | 300,000 | 300,000 |
| | 31 March 2016 | - | - | (100,000) | (100,000) |
| Mrs. Ankita Gupta | 31 March 2017 | - | - | - | - |
| | 31 March 2016 | - | - | (100,000) | (100,000) |
| Mr. Sumit Biswas | 31 March 2017 | - | - | 492,170 | 492,170 |
| | 31 March 2016 | - | - | - | - |
| Mr. Saurabh Mittal | 31 March 2017 | - | - | 474,852 | 474,852 |
| | 31 March 2016 | - | - | (973,270) | (973,270) |
| Mr. Jagdeep Singh | 31 March 2017 | - | - | 1,007,959 | 1,007,959 |
| | 31 March 2016 | - | - | (432,626) | (432,626) |

Handwritten signature and circular stamp of Chand Auto Company Limited, New Delhi, 110005.

38. BPI (India) Private Limited had entered into a contract with a foreign party for supply of certain children books. As per the contract material was to be supplied in lots. After receiving certain lots, BPI (India) Private Limited had requested the vendor to terminate the contract as there were no demands for such books. But the party had continued to supply books. The party has filed case against BPI (India) Private Limited for recovery of amount with interest. The case is currently lying with Delhi High court.

BPI (India) Private Limited will discuss with AD / Reserve Bank of India (RBI) for remitting / regularizing the payment due once the case is finally settled. Also, based on the discussions with the solicitor/expert, the management feels that BPI (India) Private Limited has a strong chance of success in above mentioned case and hence no provision for interest has been booked in the financial statements.

39. Safari Digital Education Initiative Private Limited is created for promotion of digital business carried on by other group companies. Management of Safari Digital Education Initiative Private Limited believes that an investment is made in the group companies so it is not an NBFC and the relevant rules & regulations of RBI are not applicable.

40. Merger of Vikas Publishing House Private Limited and Rajendra Ravindra Printers Private Limited

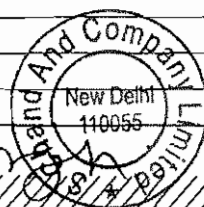
The Shareholders of Vikas Publishing (transferee) and Rajendra Ravindra Printer Pvt. Ltd (transferor) (RRPL), a subsidiary S Chand and Company Private Limited (Holding Company), had approved a scheme of amalgamation (the scheme) u/s 391-394 of the Companies Act, 1956 and applicable provisions of Companies Act 2013 (to the extent applicable). In accordance with the scheme RRPL merges with the company w.e.f. 1st April, 2014. The Hon'ble Delhi High Court has given its approval to the Scheme on February 18, 2016 and order was received by the company on April 7, 2016. The approved scheme was filed with the Registrar of Companies on April 27, 2016 and the Scheme became effective from such date. Assets and liabilities, rights and obligation of the RRPL were transferred into the Company (as provided in the Scheme).

The amalgamation has been given effect to in financial statement of the Company as at 31 March 2016 by using the "Pooling of Interests Method" as per Scheme. Accordingly, the assets and liabilities of RRPL as at 01 April 2014 have been taken over at cost. The following effects have been given in financial statements of the Vikas Publishing House Private Limited.

-Total of 100 equity shares of ₹100 each has been issued to the members of RRPL namely S Chand and Company Private Limited.

-Vikas Publishing House Private Limited recorded the assets and liabilities of the RRPL vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of RRPL on the day immediately preceding the Appointed Date (i.e. 31 March 2014). The details of RRPL net assets are as follows:

| Particulars | (Amount in ₹) |
|---|--------------------|
| | 31 March 2014 |
| Fixed Assets (Including Capital work in progress) | 78,597,112 |
| Receivables (Including Loans and Advances & Other assets) | 146,641,372 |
| Inventory | 1,230,670 |
| Investments (current & non-current) | 14,886,300 |
| Cash and bank balances | 2,232,949 |
| Total (A) | 243,588,403 |
| Borrowings (Secured & unsecured) | 1,264,001 |
| Deferred Tax Liability | 3,440,534 |
| Long Term Provision | 4,818,688 |
| Current Liabilities and Provisions* | 55,777,085 |
| Total (B) | 65,300,308 |
| Net Assets (A - B) | 178,288,095 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

The provision for tax for the current year has been computed after adjusting the carried forward business loss of ₹ 68,358,538 of the RRPL.

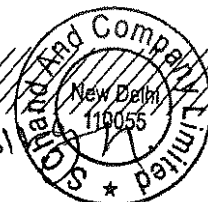
*During FY 2012-13, RRPL had sold its certain land and building (acquired in 1972) to Arch Papier-Mache, and claimed income tax exemption under section 47(iv) of Income Tax Act, 1961 ("Act"), as transfer to its wholly owned subsidiary. However, by virtue of merger of parent company RRPL into Vikas, the subsidiary company ceases to be wholly owned subsidiary of RRPL before expiry of 8 years from the date of transfer, accordingly, capital gains claimed as exempt under section 47(iv), would now be taxable in the year of transfer due to trigger of section 47A. Considering this, tax liability for ₹33,509,015 has been recognized and corresponding adjustment has been made to Reserve & Surplus taken over from RRPL as on 01 April 2014.

General Reserve taken over on account of Amalgamation as on 01 April 2014

| (Amount in ₹) | |
|--|---------------------|
| Particulars | 31 March 2014 |
| General Reserve 01 April 2014 | 68,394,981 |
| Adjustment during the year as per the scheme of amalgamation (Difference of net assets and consideration paid)* | (32,813,015) |
| General Reserve taken over | 35,581,966 |
| *Adjustment during the year as per the scheme of amalgamation (Difference of net assets and consideration paid) | |
| Net assets taken over | 178,288,095 |
| Less:- Profit and Loss as on 01 April 2014 | 142,696,129 |
| Less:- General Reserve taken 01 April 2014 | 68,394,981 |
| Less:- Purchase consideration | 10,000 |
| | (32,813,015) |

Since the Scheme received all the requisite approvals in the current year, operation of the transferor company from 01 April 2014 to 31 March 2015, as detailed below, have been accounted for in the current year's statement of Profit and as a separate line item.

| (Amount in ₹) | |
|---|---------------------|
| Particulars | 31 March 2014 |
| Income | |
| Revenue from operations | 71,296,608 |
| Other income | 2,074,304 |
| Total Revenue | 73,370,912 |
| Expenses | |
| Cost of raw materials and components consumed | 9,332,211 |
| Employee benefit expenses | 54,668,370 |
| Depreciation and amortization expenses | 24,637,597 |
| Finance cost | 13,517,079 |
| Other expenses | 29,909,385 |
| | 132,064,642 |
| Loss before tax | (58,693,730) |
| Tax expense | |
| Current tax | - |
| Deferred tax (credit) | (3,440,534) |
| Total tax Expense | (3,440,534) |
| Loss for the period 01 April 2014 to 31 March 2015 | (55,253,196) |



41. The Company had made an investment in 410 optionally convertible redeemable debentures of ₹100,000 each fully paid in Walldorf Integration Solutions Limited (Formerly Cityxys Technologies Limited) during the financial year 2007-08 as per the debenture subscription agreement dated 14 May 2007. The debentures were converted into 512,500 optionally convertible or redeemable preference shares during the financial year 2008-09 as per the debenture conversion agreement dated 03 March 2009. These preference shares were redeemable or convertible at the option of the shareholder as per the debenture conversion agreement. The preference shares were due for redemption or conversion during the financial year 2011-12 and the Company opted for redemption of preference shares which Walldorf Integration Solutions Limited (Formerly Cityxys Technologies Limited) failed and defaulted in redeeming the preference shares.

The Company had filed a case against Walldorf Integration Solutions Limited (Formerly Cityxys Technologies Limited) demanding redemption of the preference shares held by the Company during the financial year 2014-15, and the matter is pending before the Arbitral Tribunal for adjudication.

The Company after taking appropriate legal advice is reasonably confident w.r.t. outcome of the matter in Company's favor.

42. Net dividend remitted in foreign exchange

(Amount in ₹)

31 March 2017

| Period of remittance (ending on) | 1 April 2016 to 31 March 2017 |
|--|--|
| Number of non-resident shareholders | 1 |
| Number of equity shares held on which dividend was due | 130,128 |
| Amount remitted (in USD) | 48,319 |
| Amount remitted (in INR) | 3,253,200 |

43. Effect of acquisition/disposal of subsidiaries

The effect of acquisition and disposal of subsidiaries for the year ended 31 March 2017 are given below;

| Particulars | Acquisition | Disposal* | |
|---------------------------|----------------------|-------------------|-------------------|
| | 31 March 2017 | 31 March 2017 | 31 March 2016 |
| Balance sheet | | | |
| Equity | 385,971,885 | - | 38,513,409 |
| Non-current liabilities | 241,295 | - | 30,338,583 |
| Current liabilities | 472,098,701 | - | 11,424,658 |
| Total | 858,311,881 | - | 80,276,650 |
| Assets | | | |
| Non-current assets | 24,128,772 | - | 76,278,449 |
| Current assets | 834,183,109 | - | 3,998,201 |
| Total | 858,311,881 | - | 80,276,650 |
| Income | | | |
| Revenue from operation | 1,009,982,386 | - | - |
| Other income | 7,292,949 | 12,225,644 | 18,360,453 |
| | 1,017,275,335 | 12,225,644 | 18,360,453 |
| Expenses | | | |
| Cost of material consumed | 213,835,189 | - | - |
| Publication expenses | 19,834,137 | - | - |
| Change in inventories | 11,003,511 | - | - |

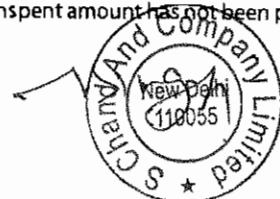
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017 (contd.)

| Particulars | Acquisition | Disposal* | |
|------------------------------------|--------------------|-------------------|-------------------|
| | 31 March 2017 | 31 March 2017 | 31 March 2016 |
| Employee benefit expenses | 101,630,476 | - | - |
| Finance costs | 79,818 | - | - |
| Depreciation and amortization cost | 7,717,001 | 868,868 | 30,298 |
| Selling and distribution expenses | 66,533,018 | - | - |
| Other expenses | 32,637,949 | 705,555 | 104,836 |
| | 683,570,844 | 1,574,423 | 135,134 |
| Profit before tax | 333,704,491 | 10,651,221 | 18,225,319 |

* Disposed off on 8 December 2016

44. Corporate Social Responsibility (CSR)

- In case of the Holding Company, CSR committee has been formed by the company to monitor CSR related activities. The Company has contributed ₹2,719,186 out of the total contributable amount of ₹3,440,000 (31 March 2016: ₹2,510,667) as of 31 March 2017 in accordance with section 135 read with schedule VII to the Companies Act, 2013 through various trusts and donation of books. Management has not spent the remaining amount of ₹ 720,814 as CSR committee is yet to identify the activity. Unspent amount has not been provided in the books.
- In case of Nirja Publishers and Printers Private Limited, the company has contributed ₹1,000,000 out of the total contributable amount of ₹2,689,329 (31 March 2016: ₹2,185,436) as of 31 March 2017 in accordance with section 135 read with schedule VII to the Companies Act, 2013 to a society involved in promoting education, including special education and employment enhancement vocational skill specially among children and students. Unspent amount has not been provided in books.
- In case of Vikas Publishing House Private Limited, CSR committee has been formed by the company to monitor CSR related activities. The company has contributed ₹ 6,883,263 for the year end 31 March 2017 (31 March 2016 : ₹ 3,339,964) on corporate social responsibility (CSR) activities under section 135 read with schedule VII to the Companies Act, 2013.
- In case of New Saraswati House, CSR committee has been formed by the Company to monitor CSR related activities. The Company has contributed ₹1,011,335 out of the total contributable amount of ₹3,291,207 as of 31 March 2017 in accordance with section 135 read with schedule VII to the Companies Act, 2013 through Read India . Management has not spent the remaining amount of ₹ 2,279,872 as CSR committee is yet to identify the activity. Unspent amount has not been provided in books.



45. Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 30 December 2016 is as provided in the table below:

| (Amount in ₹) | | | |
|---|--------------|------------------|------------------|
| Particulars | SBNs | Other | Total |
| Closing balance as at 8 November 2016 | 48,496,000 | 734,738 | 49,230,738 |
| Transactions between 9 November 2016 to 30 December 2016 | | | |
| Add: withdrawal from bank accounts | - | 2,622,500 | 2,622,500 |
| Add: receipts for permitted transactions | 10,000 | 6,489,945 | 6,499,945 |
| Less: paid for permitted transactions | (340,000) | (3,025,790) | (3,365,790) |
| Less: deposited in bank accounts | (48,166,000) | (4,599,888) | (52,765,888) |
| Closing balance as at 30 December 2016 | - | 1,055,885 | 1,055,885 |

46. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this period's classification.

The accompanying notes are an integral part of the consolidated interim financial statements.

As per our report of even date
For S R Batliboi & Associates LLP
 ICAI Firm registration number: 101049W/E300004
 Chartered Accountants

per Yogesh Midha
 Partner
 Membership no: 094941

Place: New Delhi
 Date: 12 June 2017

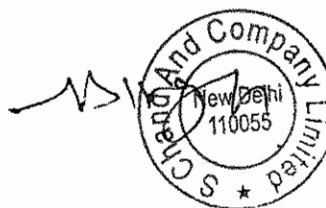
For and on behalf of the Board of Directors of
S Chand and Company Limited

sd/-
Himanshu Gupta
 Managing Director
 DIN: 00054015

sd/-
Saurabh Mittal
 Chief Financial Officer

sd/-
Savita Gupta
 Director
 DIN: 00053988

sd/-
Jagdeep Singh
 Company Secretary



NOTICE

S Chand And Company Limited
(CIN L22219DL1970PLC005400)

Registered Office: Ravindra Mansion, Ram Nagar, New Delhi-110055
Email: investors@schandgroup.com **Website:** www.schandgroup.com
Tel: +91 11 66672000 **Fax:** +91 11 23677446

NOTICE is hereby given that 46th Annual General Meeting ("AGM") of members of S Chand And Company Limited ("Company") will be held on Monday, September 25, 2017 at 11.30 am at Executive Club Resort, 439, Village Sahasraoorpur, Post office Fatehpur Beri, New Delhi 110074 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (both standalone and consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the Reports of Directors and Auditors thereon.
2. To confirm the payment of interim dividend and to declare final dividend on equity shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Ms. Savita Gupta (DIN 00053988), who retires by rotation, and being eligible, offers herself for re-appointment.
4. To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, M/s S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W), be and is hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this 46th AGM until the conclusion of the 51st AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required by the Act) at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

5. **Revision in remuneration of Mr. Himanshu Gupta, Managing Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and subject to such other approvals as may be required, approval of the members, be and is hereby accorded for revision of remuneration of Mr. Himanshu Gupta (DIN: 00054015), Managing Director of the Company with effect from April 1, 2017 on the terms and conditions including remuneration as mentioned below:

Part I: Salary

- a) Basic Salary ₹ 9,35,000/- per month on the scale of 9,35,000-93500-10,28,500

Part II: Following Perquisites-up to 10% of the basic salary

- a) Water and Electricity;
- b) Club Membership Fees; and
- c) Medical Expenses

Part III: Other Terms and Conditions:

The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under the Act and such alterations/variations shall always be within the overall limits of remuneration provided in this resolution.

No sitting fees will be paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof.

In addition to above basic salary and perquisites, Mr. Himanshu Gupta shall also be entitled to remuneration by way of commission up to 1% of the net profit of the Company in a particular year (calculated as per the provisions of section 198 of the Act).

Annual Increment in the remuneration (within the limits provided in this resolution) of Managing Director shall be effective after approval of the Board based on the recommendation of Nomination and Remuneration Committee of the Company



Total remuneration to Mr. Himanshu Gupta in any financial year shall not exceed 5% of the net profit (calculated as per the provisions of section 19B the Act) of the Company during that year.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above remuneration and perquisites of Mr. Himanshu Gupta will be within the overall ceiling laid down in Schedule V to the Act."

6. Revision in remuneration of Mr. Dinesh Kumar Jhunjhnuwala, Whole Time Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and subject to such other approvals as may be required, approval of the members be and is hereby accorded for revision of remuneration of Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988), Whole Time Director of the Company with effect from April 1, 2017 on the terms and conditions including remuneration as mentioned below:

Part I: Salary

- a) Basic Salary ₹ 9,35,000/- per month on the scale of 9,35,000-93500-10,28,500

Part II: Following Perquisites-upto 10% of the basic salary

- a) Water and Electricity;
b) Club Membership Fees; and
c) Medical Expenses

Part III: Other Terms and Conditions:

The terms and conditions of appointment of Whole Time Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under the Act and such alterations/variations shall always be within the overall limits of remuneration provided in this resolution.

No sitting fees will be paid to the Whole Time Director for attending meeting of the Board of Directors or any committee thereof.

In addition to above basic salary and perquisites, Mr. Dinesh Kumar Jhunjhnuwala shall also be entitled to remuneration by way of commission upto 1% of the net profit of the Company in a particular year (calculated under the provisions of section 19B of the Act).

Annual increment in the remuneration (within the limits provided in this resolution) of Whole Time Director shall be effective after approval of the Board based on the recommendation of Nomination and Remuneration Committee of the Company.

Total remuneration to Mr. Dinesh Kumar Jhunjhnuwala in any financial year shall not exceed 5% of the net profit (calculated as per the provisions of section 19B the Act) of the Company during that year.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above remuneration and perquisites of Mr. Dinesh Kumar Jhunjhnuwala will be within the overall ceiling laid down in Schedule V to the Act."

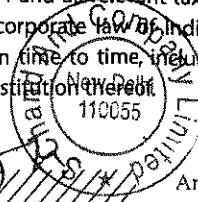
7. Amendment and Ratification of Employee Stock Option Scheme, 2012

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("Act") read with rules framed thereunder and Securities and Exchange Board of India (Share Based Employee Benefits Regulations 2014 ("SEBI ESOP Regulations"), as amended from time to time and subject to any other approvals as may be required, Employee Stock Option Scheme 2012 ("ESOP Scheme 2012") of the Company be and is hereby adopted and ratified with the following amendments:

- (i) The existing Definition of "Applicable Laws" shall be replaced with the following:

"Applicable Laws" means every law relating to Employee Stock Options, including, without limitation to, the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and all relevant tax, securities, exchange control or corporate law of India, as amended and updated from time to time, including any reenactment or any substitution thereof.



NOTICE (contd.)

- (ii) The name of the Company wherever appearing in the ESOP Scheme 2012 of the Company be replaced with 'S Chand And Company Limited'.
- (iii) The word 'Compensation Committee' wherever appearing in the ESOP Scheme 2012 be replaced with 'Nomination and Remuneration Committee'
- (iv) The existing definition of 'Employee' shall be replaced with the following:

"Employee" means (i) a permanent employee of the Company working in India or out of India; or (ii) a director of the Company, whether whole time or not, but excluding an independent director; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Clause 2.1. (ix) of a Subsidiary Company in India or out of India or of a Holding Company of the Company but excludes:

- a. An employee who is a promoter or belongs to the Promoter Group;
- b. A Director who either by himself/herself or through his/her relatives or through any body corporate directly or indirectly holds more than 10% of the outstanding equity shares of the Company;

- (v) The existing definition of 'Subsidiary Company' shall be replaced with the following:

"Subsidiary Company" means any subsidiary company of the Company, as defined in the Companies Act, 2013.

- (vi) Reference of Associate Company wherever appearing in ESOP Scheme 2012 shall stand deleted.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company including the Nomination and Remuneration Committee be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient in this regard".

8. Approval for grant of stock options to the employees of subsidiaries of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to all applicable provisions of the Companies Act, 2013 (including any statutory modification or reenactment thereof) ("**Act**") read with rules framed thereunder, and subject to the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ("**The SEBI ESOP Regulations**"), as amended, and subject to the Memorandum and Articles of Association of the Company, approval of the members be and is hereby accorded to grant stock options ("**Options**"), in one or more tranches, exercisable into equivalent number of equity shares of the Company (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), under the Employee Stock Option Scheme 2012 ("**ESOP Scheme 2012**"), as approved by the Board of Directors (which term for the purpose of this resolution shall deemed to include Nomination and Remuneration Committee of Board), to the present and future, permanent employees of the subsidiary company(ies) of the Company (whether in India or out of India) and their director(s) whether whole time or not but excluding independent directors, if any, from time to time, at an exercise price and on such terms and conditions to be determined by the Board of Directors of the Company.

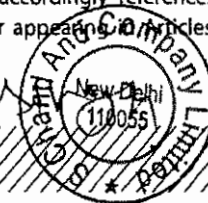
RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be considered necessary or expedient in this regard."

9. Amendment in Articles of Association

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to Section 14 and other applicable provisions of the Companies Act 2013 ("**Act**") and rules framed thereunder and in partial modification of the approval of members granted by way of passing Special Resolution in the general meeting held on August 31, 2016, consent of members be and is hereby granted to amend the Articles of Association of the Company in the following manner:

- (i) Part B from Articles of Association of the Company be deleted;
- (ii) Post deletion of Part B, Articles of Association shall be only in one part and accordingly references of Part A and Part B wherever appearing in Articles be deleted; and



(iii) Preamble of Articles given in the beginning just after name of the Company be substituted by the following:

The regulations contained in table "F" of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles. The regulations contained in these Articles are for the management of the Company and for the observance of the members thereof and their representatives subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitutions, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013."

10. Approval and ratification of Article 40 giving right to appoint director on the Board and Subsidiaries and Joint Ventures Governance Committee of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with rules framed thereunder and in compliance of an undertaking given by the Company in its Prospectus following existing Article 40 of Articles of Association of the Company be and is hereby approved and ratified:

Article 40

- (a) Notwithstanding anything to the contrary contained in these Articles, any Shareholder whose shareholding in the Company is seven and a half per cent (7.5%) or more of the total outstanding Equity Shares on a fully diluted basis, shall have the right to nominate one Director on the Board.
- (b) Notwithstanding anything to the contrary contained in these Articles, any Shareholder whose shareholding in the Company is ten per cent (10%) or more of the total outstanding Equity Shares (on a fully diluted basis), shall have the right to nominate its respective nominee Director as a member on the 'Subsidiaries and Joint Ventures Governance Committee' of the Board of Directors of the Company."

11. Approval of profit sharing arrangement between the Management Shareholders, International Finance Corporation and Everstone Capital Partner II LLC

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT consent of the members of the Company be and is hereby granted for the profit sharing arrangements entered into (by virtue of investment agreements dated October 7, 2015 entered into between the shareholders and Company before listing of the Company) between Mr. Himanshu Gupta, Mr. Dinesh Kumar Jhunjhnuwala, Ms. Neerja Jhunjhnuwala, Mr. Gaurav Kumar Jhunjhnuwala, Ms. Nirmala Gupta, Ms. Savita Gupta, Ms. Anika Gupta (Collectively referred as **"Management Shareholders"**), International Finance Corporation (**"IFC"**) and Everstone Capital Partners II LLC (**"Everstone"**) whereby Management Shareholders are entitled to receive 20% of the net consideration received by each of IFC and Everstone from the sale of their shares in the Company over and above a minimum realizable gain, being an Internal Rate of Return (**"IRR"**) on 26% on their respective investment in the Company."

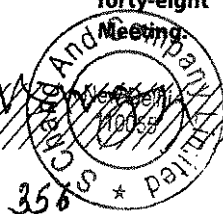
By Order of the Board
S Chand And Company Limited

sd/-
Jagdeep Singh
Company Secretary
Membership No. A15028

Date: August 9, 2017
Place: New Delhi

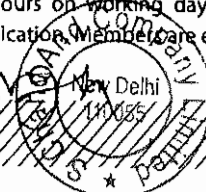
Notes:

1. **The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.**
2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a Member of the Company. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent 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 Member. The instrument appointing proxy in order to be valid and effective must be deposited at the Registered Office/Corporate office of the Company not later than forty-eight hours before the commencement of the**



NOTICE (contd.)

3. Members/Proxies should fill the Attendance Slip for attending the Meeting.
4. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
5. Corporate Members are requested to send a duly certified copy of the board resolution/authority authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. The register of Members and share transfer books of the Company shall remain closed from –Tuesday, September 19, 2017 to Monday, September 25, 2017 (both days inclusive).
7. Interim dividend at the rate of ₹ 25 per equity share was declared on April 29, 2016 for the year 2016-17 and had already been paid.
8. Final Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2017, if approved at the Meeting, will be payable to those eligible Members who hold shares:
 - (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on Monday, September 18, 2017.
 - (b) In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and/or its Registrar and Transfer Agents on or before Monday, September 18, 2017.
9. Members may avail nomination facility as provided under Section 72 of the Companies Act, 2013.
10. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the Directors proposed to be appointed/re-appointed is given in the Annexure I to the Notice.
11. The Company hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s Link Intime India Private Limited, Registrar and Transfer Agent (R&T) of the Company. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Company.
12. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agents, M/s Link Intime India Private Limited or at the Registered Office of the Company, quoting their Folio number(s). Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Share Transfer Agents. Any such changes effected by the DPs will be automatically reflected in the records of the Company subsequently.
13. Electronic copy of the Annual Report for financial year ending March 31, 2017 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for financial year ending March 31, 2017 are being sent in the permitted mode. Electronic copy of the Notice of the 46th AGM of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 46th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map are being sent in the permitted mode. Members may also note that the Notice of the 46th AGM, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for financial year ending March 31, 2017 will also be available on the Company's website www.schandgroup.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office/ Corporate Office at New Delhi for inspection without any fee during normal business hours on working days. Even after registering for e-communication, Members are entitled



to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may send requests to the Company's investor email id: investors@schandgroup.com.

14. Voting through electronic means:

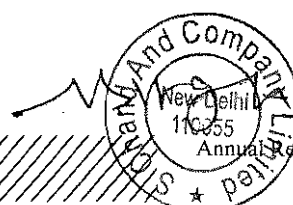
- I. The Company, in compliance of provisions of Section 108 of the Companies Act 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the 46th AGM by electronic means.
- II. The facility of casting votes by Members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by Central Depository Services (India) Limited ("**CDSL**").
 - (i) The voting period begins on Thursday, September 21, 2017 (9.00 am) and ends on Sunday, September 24, 2017 (5.00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of September 18, 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

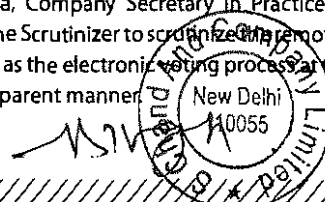
| | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use 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. <ul style="list-style-type: none"> 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 of S Chand And Company Limited.



NOTICE (contd.)

- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If Demat account holder has forgotten the same 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) **Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.
- III. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
 - IV. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - V. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - VI. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
 - VII. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 18, 2017 may obtain the login ID and password by sending a request at delhi@linkintime.co.in or investors@schandgroup.com.
 - VIII. Mr. R. S. Bhatia, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the electronic voting process at the AGM in a fair and transparent manner.



- IX. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours 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.
- X. The Results declared alongwith the Scrutinizer's Report shall be displayed at the Registered Office as well as the Corporate Office of the Company and uploaded on the Company's website www.schandgroup.com as well as on the website of CDSL after the same is declared by the Chairman/authorised person. The Results shall also be simultaneously forwarded to the stock exchanges.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5 & 6

The Board of Directors at their meeting held on August 9, 2017, subject to approval of members of the Company, has accorded its approval for revision in the remuneration of Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole

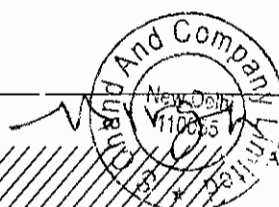
Time Director (collectively referred as "Executive Directors") for remainder of their respective tenures. The said revision in remuneration was approved by the Nomination and Remuneration Committee ("Committee") at its meeting held on August 8, 2017 and was recommended to Board for its approval.

While approving revision in remuneration of Executive Directors, the Committee considered Remuneration Policy and various parameters such as performance of the Company, growth in revenue and profits, expansion of business, expansion of product portfolio, acquisitions made during the year, listing of the Company, enhancing brand value and image of the Company and also considered individual role and performance of each executive director.

Pursuant to provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the above said revision in remuneration requires approval of members of the Company in a general meeting by way of an ordinary resolution. Accordingly, the resolutions set out at item nos. 5 and 6 of the Notice are placed before the members, for approval.

The details of Executive Director(s) whose remuneration is proposed to be revised, are provided below:

| Name of Director | Mr. Himanshu Gupta | Mr. Dinesh Kumar Jhunjhnuwala |
|--|--|---|
| Age | 38 years | 56 years |
| Date of First Appointment | 21.04.2000 | 11.12.2004 |
| Functional Area | 15 years of experience in knowledge products and services industry | 11 years of experience in knowledge products and services industry |
| Qualification | Bachelor's degree in Commerce from University of Delhi | Basic education |
| Remuneration in 2016-17 | 10,192,000 | 10,192,000 |
| Remuneration in 2015-16 | 3,600,000 | 3,600,000 |
| List of outside directorship held excluding alternate directorship | S. Chand Edutech Pvt. Ltd.; Nirja Publishers & Printers Pvt. Ltd.; DS Digital Pvt. Ltd.; Arch Papier- Mache Pvt. Ltd.; Shaara Hospitalities Pvt. Ltd.; S. Chand Hotels Pvt. Ltd.; Parampara Constructions Pvt. Ltd.; Vikas Publishing House Pvt. Ltd.; Amenity Sports Academy Pvt. Ltd. New Saraswati House (India) Pvt. Ltd.; and Chhaya Prakashani Pvt. Ltd. | Nirja Publishers & Printers Pvt. Ltd.; DS Digital Pvt. Ltd.; S. Chand Edutech Pvt. Ltd.; Vikas Publishing House Pvt. Ltd.; S Chand Properties Pvt. Ltd.; Arch Papier-Mache Pvt. Ltd.; New Saraswati House (India) Pvt. Ltd.; and Chhaya Prakashani Pvt. Ltd. |



NOTICE (contd.)

| Name of Director | Mr. Himanshu Gupta | Mr. Dinesh Kumar Jhunjhnuwala |
|---|--|-----------------------------------|
| Chairman/Member of the Committee of the Board of Directors of the Company | CSR Committee-Member Stakeholders Relationship Committee-Member | CSR Committee-Member |
| Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director | NIL | NIL |
| Number of Equity Shares held in the Company. | 5,727,454 | 3,790,229 |
| Number of Board Meetings attended during Financial year 2016-17 | 9 | 9 |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Mother-Ms. Savita Gupta | Son-Mr. Gaurav Kumar Jhunjhnuwala |

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions at Item Nos. 5 and 6 of the accompanying Notice except Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala since the remuneration of each of these directors is proposed to be revised and Ms. Savita Gupta who is relative of Mr. Himanshu Gupta and Mr. Gaurav Kumar Jhunjhnuwala who is relative of Mr. Dinesh Kumar Jhunjhnuwala.

Remuneration paid/payable to Executive Directors, is commensurate with industry standards and Board level positions held in similar sized domestic companies. Accordingly, Board recommends the resolutions set forth in Item nos. 5 and 6 for the approval of members.

Item No. 7

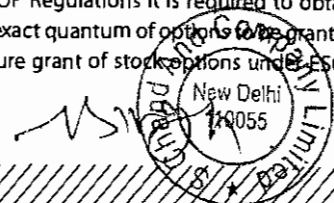
As per Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("The SEBI ESOP Regulations"), no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any scheme formulated prior to the listing of its equity shares unless such scheme is in conformity with The SEBI ESOP Regulations and such scheme is ratified by its members subsequent to initial public offer.

The Company, to attract, motivate, retain and reward employees for high levels of individual performance has implemented Employees Stock Option Scheme 2012 ("ESOP 2012"). ESOP 2012 was approved by the Board and shareholders on May 31, 2012 and June 30, 2012 (prior to the listing) respectively and was implemented with effect from July 9, 2012.

Post listing, the Company has not granted any further options under ESOP 2012 and 3103 stock options still remains to be granted. Therefore, ESOP 2012 shall continue to be in operation for grant of un-granted stock options, vesting and exercise of stock options already granted/to be granted subject the terms of vesting and exercise mentioned in ESOP 2012.

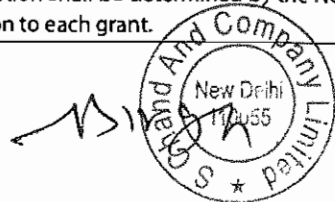
As per The SEBI ESOP Regulations, ESOP 2012 needs to be ratified by the shareholders after the listing of the shares. Accordingly, the Company places ESOP 2012 for ratification of members, with certain amendments as included in resolution forming part of this Notice, to align it with The SEBI ESOP Regulations.

Further, as per The SEBI ESOP Regulations it is required to obtain shareholders' approval for exact quantum of options to be granted under the scheme. The future grant of stock options under ESOP



2012 in one or more tranches, exercisable into equal number of equity shares of face value of ₹5/- each fully paid-up together with the stock options already granted, vested, and exercised under the above referred scheme for which in-principle listing approval has been granted by stock exchanges, shall be within the previously approved limit of 367,928 options. Disclosures relating to ESOP 2012 as required under the SEBI Regulations are as under:

| Particulars | Description |
|---|--|
| Brief Description of ESOP 2012 | <p>The Company, to attract, motivate, retain and reward employees for high levels of individual performance has implemented ESOP 2012. ESOP 2012 was approved by the Board and shareholders on May 31, 2012 and June 30, 2012 (prior to the listing) respectively and was implemented with effect from July 9, 2012.</p> <p>ESOP 2012 originally approved contemplated not exceeding 2486 options exercisable into not exceeding 2486 equity shares of the Company of face value of ₹ 10 each fully paid up. However, post stock split from ₹ 10 per share to ₹ 5 per share on April 20, 2016 and bonus shares issued by the Company on April 29, 2016 in the ratio of 73:1 the amended ESOP 2012 contemplates 367,928 equity shares of the Company exercisable into not exceeding into 367,928 equity shares of the Company of face value of ₹ 5 each fully paid up.</p> <p>Through ESOP 2012 the Company intends to offer opportunity of sharing the value created with those employees who have contributed to the growth of the Company and are expected to contribute in future also.</p> |
| Whether ESOP 2012 to be implemented and administered directly by the Company or through a trust | ESOP 2012 will be implemented directly by the Company |
| Whether ESOP 2012 involves new issue of shares or transfer of existing shares | New issue of shares by the Company |
| Total number of Options to be granted | 3,67,928 stock options exercisable into 3,67,928 equity shares of ₹ 5/-each |
| Details of Stock Options | <p>Options Granted: 364,825</p> <p>Options Vested: 251,970</p> <p>Options Exercised: 143,930</p> |
| Identification of employees eligible for grant of stock Options | Present and future permanent employees and directors (excluding Independent directors, employees who belongs to promoter group and director who is directly or indirectly holding more than 10% of the outstanding equity shares of the Company) of the Company and its subsidiaries as determined by the Nomination and Remuneration Committee or Board of Directors of the Company. |
| Requirements of vesting and period vesting | All the options granted on any date shall vest not earlier than one year and not later than seven years from the date of grant of options as may be determined by the Nomination and Remuneration Committee. Options would vest on passage of time and in addition to passage of time, Nomination and Remuneration Committee if feels necessary may specify performance parameters subject to which options would vest. |
| Exercise price or pricing formula | Exercise price per option shall be determined by the Nomination and Remuneration Committee in relation to each grant. |



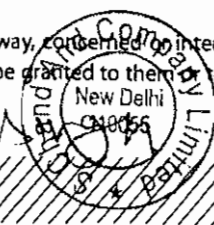
NOTICE (contd.)

| Particulars | Description |
|--|---|
| Exercise period and process of exercise and under certain circumstances in which options may lapse | <ul style="list-style-type: none"> An employee while in employment can exercise his vested options within a period of two years from the date of vesting. In case of resignation/termination (other than due to misconduct) an employee can exercise all the vested options as on the date of submission of resignation / date of termination before his last working day with the Company or before the expiry of the exercise period, whichever is earlier and unvested options shall stand cancelled. In case of termination due to misconduct all vested and unvested options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination. In case of retirement or early retirement approved by the Company, all vested options can be exercised by the employee immediately after, but in no event later than six months from the date of retirement and unvested options shall stand cancelled. In case of termination due to permanent disability all vested options as on the date of termination may be exercised by the employee, in case of his demise, the nominee or legal heirs, immediately after, but in no event later than six months from the date of termination of the employee, or before the expiry of the exercise period, whichever is later can exercise the options. In such case all unvested options shall vest immediately and would be exercised by the employee or his legal heir immediately but not later than six months from the date of retirement. In case of death of employee all vested options as on the date of death may be exercised by the nominee or legal heirs of employee, immediately after, but in no event later than six months from the date of death or before the expiry of the exercise period, whichever is later. In such case all unvested options shall vest immediately and would be exercised by the nominee or legal heir immediately but not later than six months from the date of death. In case of separation due to reasons other those mentioned above, the Nomination and Remuneration Committee will decide whether the vested options on the date of separation can be exercised by the employee or not, and such decision shall be final. All unvested options shall stand cancelled. |
| Adjustment of Options in case of consolidation, split and bonus | In case of consolidation, split or issue of bonus shares number of options shall stand adjusted so as to ensure that the cumulative paid up value (No of shares X face value per share) of the total shares arising out of exercise of Options that can be issued remain unchanged. |
| Maximum number of Options to be granted per Employee and in aggregate | The aggregate number of options to be granted under ESOP 2012 shall not exceed 3,67,928 options. For grant of options equal to 1% or more of issued share capital of the Company to an individual employee during any one year approval of shareholders will be taken. |
| Method of Valuation | Valuation of stock option is done as per applicable Indian Accounting standards |

Members may take note that none of the proposed amendment adversely effects the interest of the employees of the Company and its subsidiaries.

A draft copy of the amended ESOP Scheme of the Company will be available for inspection by the members at the Registered Office and Corporate Office of the Company in physical and electronic form between 11:00 A.M. to 5:00 P.M. on working days and the same will also be available at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them or to their relative who are employees of the Company or its subsidiaries, if any, under ESOP Scheme 2012.



The Board of Directors recommends this resolution for the approval of members.

Item No. 8

As per the provisions of Companies Act, 2013 and rules framed thereunder and The SEBI ESOP Regulations, as amended, the Company, subject to approval of members by way of passing special resolution, may grant stock options to the employees of its subsidiary(s) whether in India or out of India. ESOP 2012 also has provisions for giving stock options to the employees of subsidiaries. Therefore the Company, considering that in future, stock options may be granted to eligible employees of subsidiaries, is seeking approval of members by way of passing Special Resolution.

The Board of Directors recommends this resolution for approval of members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them or to their relative who are employees of the Company or its subsidiaries, if any, under ESOP Scheme 2012.

Item No. 9

The Company had by way of passing a Special Resolution in the meeting of members held on August 31, 2016 amended its Articles of Association ("Articles") and divided its Articles into two parts i.e. Part A and Part B. Post listing of the Company Part B of Articles stand terminated automatically with effect from the date of listing of securities of the Company on stock exchanges. Accordingly, presently only Part A of Articles is effective.

Considering this automatic termination of Part B, it is desirable to amend the Articles to remove the references of Part A and Part B wherever appearing in Articles and to make consequent changes in preamble of Articles.

A draft copy of the Amended Articles of Association of the Company will be available for inspection by the members at the Registered Office and Corporate Office of the Company in physical and electronic form between 11:00 A.M. to 5:00 P.M. on working days and the same will also be available at the AGM.

The Board of Directors recommends this resolution for the approval of members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested financially or otherwise, in the matter.

Item No. 10

As per Article 40 of Articles of Association of the Company, any shareholder who is holding seven and a half per cent (7.5%) or more of the total outstanding Equity Shares (on a fully diluted basis) of the Company shall have the right to nominate one Director on the Board of the Company. Further any Shareholder who is holding ten per cent (10%) or more of the total outstanding Equity Shares (on a fully diluted basis) of the Company, shall have the right to nominate its respective nominee Director as a member on the 'Subsidiaries and Joint Ventures Governance Committee' of the Board.

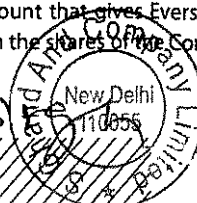
The Company has given an undertaking to Securities and Exchange Board of India ("SEBI") and also undertaken in its Prospectus that upon listing of the equity shares pursuant to the initial public offer, Company will seek approval of members through a special resolution regarding the rights available to the shareholders under Article 40 of Articles of Association. Accordingly, your Board places this Article 40 for approval of shareholders by way of passing Special Resolution.

The Board of Directors recommends this resolution for the approval of members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested in the matter except to the extent of their shareholding in the Company and resultant right to appoint a director in accordance with Article 40.

Item No. 11

Mr. Himanshu Gupta, Mr. Dinesh Kumar Jhunjhnuwala, Ms. Neerja Jhunjhnuwala, Mr. Gaurav Kumar Jhunjhnuwala, Ms. Nirmala Gupta, Ms. Savita Gupta and Ms. Anita Gupta (collectively referred as; "**Management Shareholders**") have a pre listing profit sharing arrangement with Everstone Capital Partners II LLC ("**Everstone**") and International Finance Corporation ("**IFC**") by virtue of investment agreement entered into between the Management Shareholders, Everstone, IFC and Company dated October 7, 2015. Under this arrangement, the Management Shareholders are entitled to receive (a) 20% of the net consideration received by IFC over a minimum realizable gain on transfer of all its equity shares in the Company, such minimum realizable gain being an amount that gives IFC an IRR of 26% on its total investment in the shares of the Company; and (b) 20% of the net consideration received by Everstone over a minimum realizable gain on transfer of all or any of its equity shares in the Company, such minimum realizable gain being an amount that gives Everstone an IRR of 26% on its total investment in the shares of the Company.



NOTICE (contd.)

The Company has given an undertaking to SEBI and also undertaken in its Prospectus that upon the listing of the equity shares pursuant to the initial public offer, Company will seek an approval of the Board of Directors and its Shareholders through an ordinary resolution in relation to this profit sharing arrangement. Accordingly, your Board seeks approval of shareholders for this profit sharing arrangement by way of an Ordinary Resolution.

The Board of Directors recommends this resolution for the approval of members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested in the matter except that Mr. Himanshu Gupta, Mr. Dinesh Kumar Jhunjhnuwala, Ms. Savita Gupta and Mr. Gaurav Kumar Jhunjhnuwala, to the extent of their shareholding in the Company and in the resultant sharing of profits, if any, by IFC and Everstone, are interested in this resolution. Further Mr. Deep Mishra being nominee of Everstone is interest in this resolution.

By Order of the Board

sd/-

Jagdeep Singh

Company Secretary

Membership No. A 15028

New Delhi, August 9, 2017

Registered Office:

Ravindra Mansion

Ramnagar, New Delhi-110055

Tel: +91 11 66672000

Fax: +91 11 23677446

Website: www.schandgroup.com

E-mail: investors@schandgroup.com

Annexure I to Notice

Details of Director seeking re-appointment at the Annual General Meeting under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

| Particulars | Ms. Savita Gupta |
|---|--|
| Date of Birth | October 27, 1949 |
| Date of Appointment | October 20, 1989 |
| Qualifications | Degree in bachelor's of arts and a degree in masters of arts in English literature, both from Chaudhary Charan Singh University, Meerut, Uttar Pradesh |
| Expertise in specific functional area | 25 years of experience in the knowledge products and services industry |
| Disclosure of relationships between directors inter-se | She is the Mother of Mr. Himanshu Gupta, Managing Director of the Company |
| No. of shares held in the Company | 1,218,634 equity shares |
| Directorships in other Companies (excluding private Companies, Section 8 companies and foreign companies) | S Chand And Company Limited Vikas Publishing House Pvt. Ltd. Nirja Publishers & Printers Pvt. Ltd. |
| Memberships/Directorships of Committees of other Companies including S Chand | S Chand And Company Limited Chairperson-Stakeholders Relationship Committee |

Save and except Ms. Savita Gupta and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3. Your Board recommends the Ordinary resolution as set out in this notice for your approval.



S Chand And Company Limited

Corporate Identification Number-L22219DL1970PLC005400

Registered Office: Ravindra Mansion, Ram Nagar, New Delhi - 110055

Tel.: + 91 11 666 72000 ; Fax: +91 91 11 23677446

Corporate Office A-27, Second Floor, Mohan Co-operative Industrial Estate, New Delhi 110044

Tel.: + 91 11 4973 1800 ; Fax: +91 91 11 4973 1801

Website: www.schandgroup.com

Forty Sixth Annual General Meeting to be held on Monday, September 25, 2017

at 11.30 A.M. at Executive Club Resort, 439, Village Sahaoorpur,

Post office Fatehpur Beri, New Delhi 110074

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L22219DL1970PLC005400

Name of the Company: S Chand And Company Limited.

Registered office: Ravindra Mansion, Ram Nagar, New Delhi - 110055

| | |
|----------------------|--|
| Name of the Member: | |
| Registered Address: | |
| E-mail Id: | |
| Folio No./Client Id: | |
| DP Id: | |

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him/her _____

2. Name: _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him/her _____

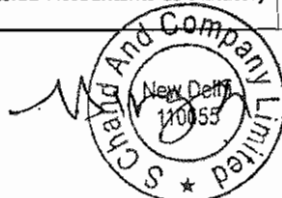
3. Name: _____

Address: _____

E-mail Id: _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, 25th day of September, 2017 at 11:30 A.M. at Executive Club Resort, 439 Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074 and at any adjournment thereof in respect of such resolutions as is indicated below:

| S. No. | Resolution | Vote | |
|-------------------|---|------|----------|
| | | For* | Against* |
| Ordinary Business | | | |
| 1 | Adoption of Audited Financial Statements (both standalone and consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the Reports of Directors and Auditors thereon | | |
| 2 | Confirmation of payment of interim dividend and to declare final dividend on equity shares for the financial year ended March 31, 2017. | | |
| 3 | Appointment of a Director In place of Mrs. Savita Gupta (DIN 00053988), who retires by rotation, and being eligible, offers herself for re-appointment. | | |
| 4 | Reappointment of M/s S. R. Balliboi & Associates LLP, Chartered Accountants as statutory auditors of the Company for a period of 5 years. | | |



NOTICE (contd.)

| Special Business | | | |
|------------------|--|--|--|
| 5 | Revision in remuneration of Mr. Himanshu Gupta, Managing Director of the Company | | |
| 6 | Revision in remuneration of Mr. Dinesh Kumar Jhunjhunwala, Whole Time Director of the Company | | |
| 7 | Amendment and Ratification of Employee Stock Option Scheme, 2012 | | |
| 8 | Approval for grant of stock options to the employees of subsidiaries of the Company | | |
| 9 | Amendment in Articles of Association | | |
| 10 | Approval and ratification of Article 40 giving right to appoint director on the Board and Subsidiaries and Joint Venture Governance Committee of the Company | | |
| 11 | Approval of profit sharing arrangement between the Management Shareholders, International Finance Corporation and Everstone Capital Partner II LLC | | |

Signed this _____ day of _____ 2017

Signature of shareholder _____

Signature of proxy holder(s) _____

Affix Re.
1 revenue
Stamp

Notes:

1. The form should be signed across the stamp as per specimen signature registered with the Company
2. The Companies Act, 2013 lays down that the Instrument appointing a proxy, in order to be effective, shall be deposited at the Registered office/Corporate office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting. A proxy need not be a member of the Company.
3. A Member may vote 'for' or 'against' each resolution. Please put a ☒ in the Box in the appropriate column either 'for' or 'against' the respective resolutions. If you leave the 'For' or 'Against' column blank in respect of any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.





S Chand And Company Limited

Corporate Identification Number-L22219DL1970PLC005400

Registered Office: Ravindra Mansion, Ram Nagar, New Delhi – 110055

Tel.: + 91 11 666 72000; Fax: +91 91 11 23677446

Corporate Office A-27, Second Floor, Mohan Co-operative Industrial Estate, New Delhi 110044

Tel.: + 91 11 4973 1800; Fax: +91 91 11 4973 1801

Website: www.schandgroup.com

Forty Sixth Annual General Meeting to be held on Monday, September 25, 2017

at 11.30 A.M. at Executive Club Resort, 439, Village Sahaoorpur,

Post office Fatehpur Beri, New Delhi 110074

ATTENDANCE SLIP

DPID-CLID /Folio No. -
Name of Shareholder (s) -
Address -

I / We certify that I am / we are Member(s) / Proxy of the Member(s) of the Company holding shares.

I hereby record my presence at the Forty Sixth Annual General Meeting of the Company to be held on Monday, September 25, 2017 at 11.30 A.M. at Executive Club Resort, 439, Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074.

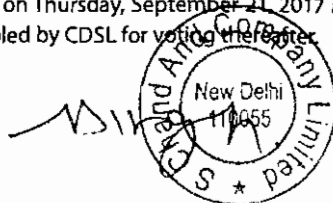
Signature of Member / Proxy

Notes:

1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Name of the Proxy in Block letters..... (in case the Proxy attends the meeting)
3. Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No.
4. Shareholders/proxy holders desiring to attend the meeting may bring his/her copy of Annual Report for reference at meeting

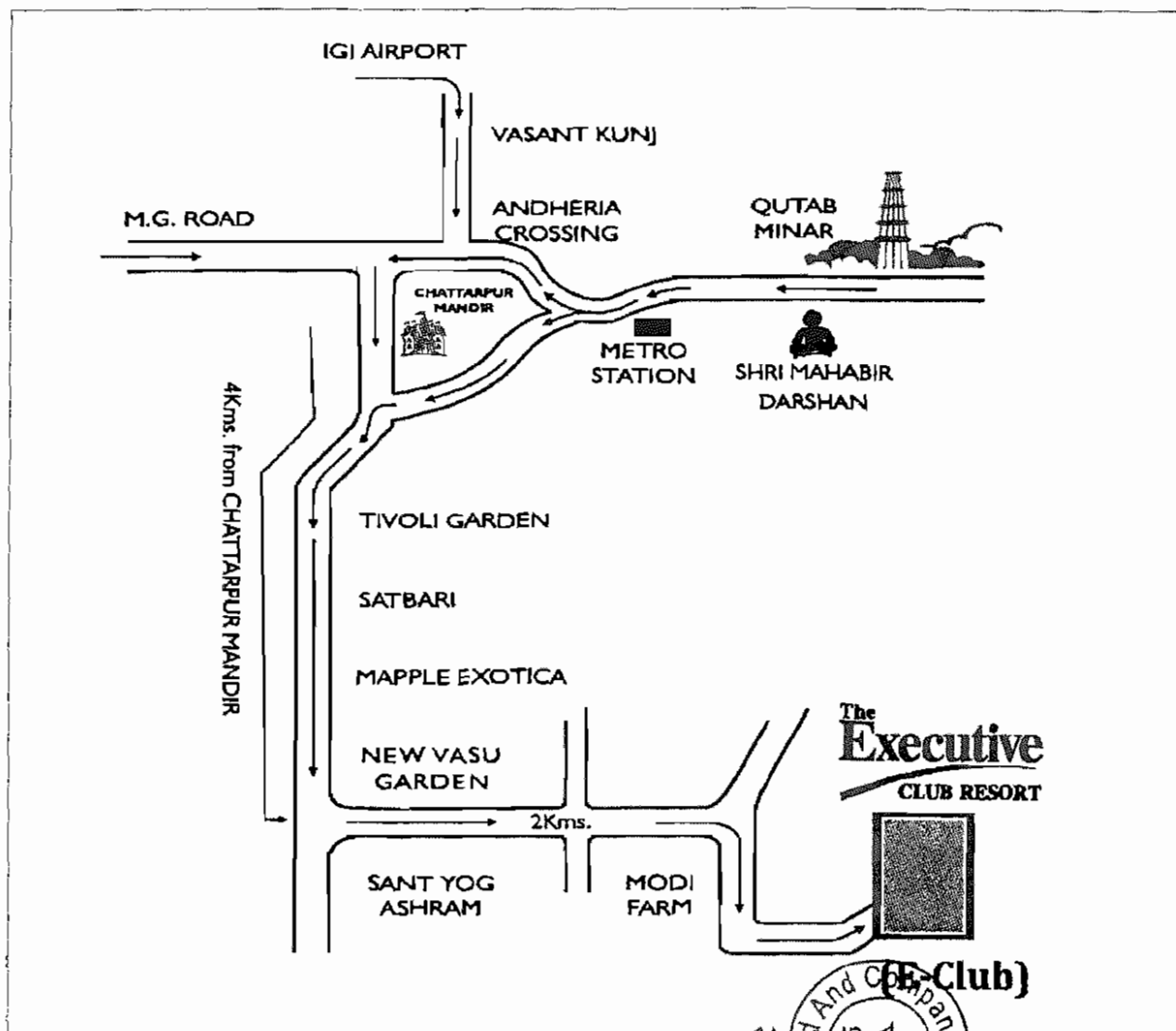
| Electronic Voting Sequence No. (EVSN) | User ID | Sequence Number |
|---------------------------------------|---------|-----------------|
| 170817004 | | |

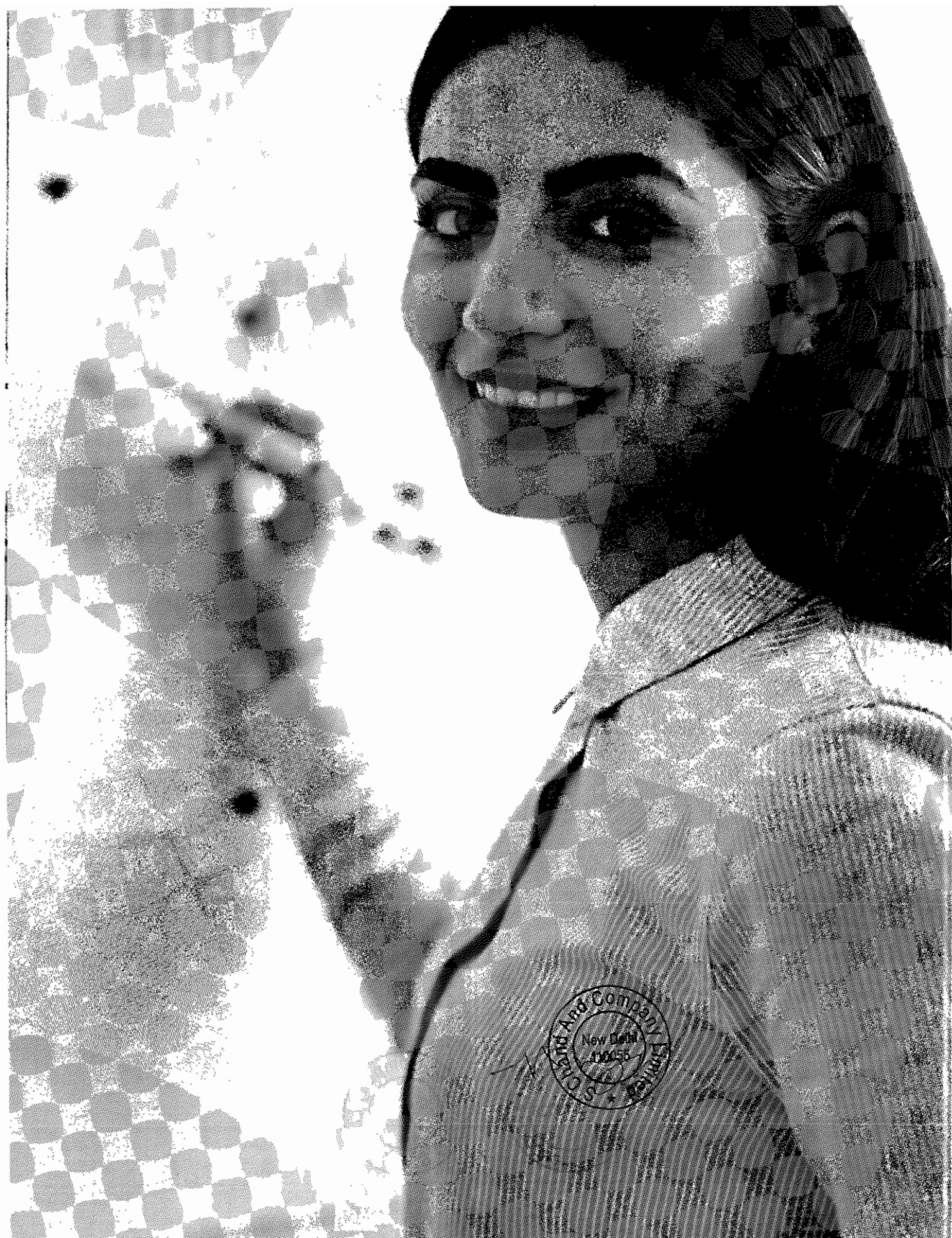
Note: Please read the instructions printed under the Note No. 14 to the Notice dated August 9, 2017 of the Forty Sixth Annual General Meeting. The voting period starts from 9.00 a.m. (IST) on Thursday, September 21, 2017 and ends at 05:00 p.m. (IST) on Sunday, September 24, 2017. The voting module shall be disabled by CDSL for voting thereafter.



NOTICE (contd.)

ROUTE MAP FROM QUTAB MINAR TO THE EXECUTIVE CLUB



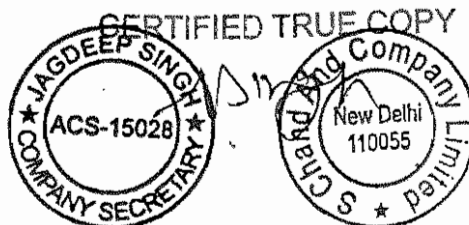




S. CHAND
PUBLISHING

REGISTERED OFFICE

S Chand And Company Limited
Ravindra Mansion, Ram Nagar,
New Delhi-110055
Tel: 91 11 66672000
Fax: 91 11 23677446
website: www.schandgroup.com



www.dickensonworld.com

Limited Review Report**Review Report to
The Board of Directors
S Chand and Company Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of S Chand and Company Limited ('the Company') for the quarter ended September 30, 2017 and year to date from April 01, 2017 to September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

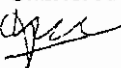
The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

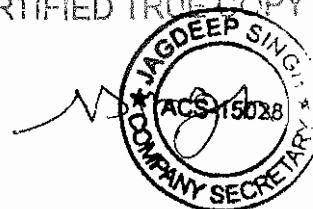
We have neither audited nor reviewed the accompanying standalone unaudited financial results and other financial information for the quarter ended September 30, 2016 and year to date from April 01, 2016 to September 30, 2016 and for the year ended March 31, 2017, which have been presented solely based on the information complied by management.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per Yogesh Midha
Partner
Membership No.: 094941



Place: New Delhi
Date: November 17, 2017

CERTIFIED TRUE COPY

S CHAND AND COMPANY LIMITED
CIN: L22219DL1970PLC005400
STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES

| Particulars | (₹ in millions) | |
|---|---|---|
| | September 30, 2017 Unaudited (Refer note 2) | March 31, 2017 Unaudited (Refer note 2) |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 81.02 | 111.70 |
| Capital work-in-progress | 3.38 | - |
| Intangible assets | 140.54 | 145.73 |
| Intangible assets under development | 13.91 | - |
| Financial assets | | |
| - Investments | 4,709.12 | 4,704.06 |
| - Loans | 1,159.19 | 1,153.07 |
| - Other financial assets | 58.81 | 4.76 |
| Other non-current assets | 82.44 | 27.44 |
| Deferred tax assets (net) | 167.20 | 69.11 |
| Total non-current assets (A) | 6,415.61 | 5,215.87 |
| Current assets | | |
| Inventories | 565.76 | 577.09 |
| Financial assets | | |
| - Investments | 1.98 | 1.94 |
| - Loans | 90.36 | 26.68 |
| - Trade receivables | 1,368.43 | 2,128.58 |
| - Cash and cash equivalents | 685.02 | 143.85 |
| - Other financial assets | 8.60 | 4.61 |
| Other current assets | 57.18 | 135.00 |
| Total current assets (B) | 2,777.33 | 3,017.75 |
| Total assets (A+B) | 9,192.94 | 8,233.62 |
| Equity and liabilities | | |
| Equity | | |
| Equity share capital | 174.20 | 149.22 |
| Other equity | | |
| - Retained earnings | 1,120.91 | 1,353.41 |
| - Other reserves | 6,625.16 | 3,517.34 |
| Total equity (C) | 7,920.27 | 5,019.97 |
| Non-current liabilities | | |
| Financial liabilities | | |
| - Borrowings | 5.78 | 8.05 |
| Net employee defined benefit liabilities | 10.15 | 8.46 |
| Other non-current liabilities | 5.69 | 4.92 |
| Total non current liabilities (D) | 21.62 | 21.43 |
| Current liabilities | | |
| Financial liabilities | | |
| - Borrowings | 509.43 | 798.83 |
| - Trade payables | 553.03 | 900.56 |
| - Other financial liabilities | 30.75 | 1,322.31 |
| Other current liabilities | 88.86 | 60.29 |
| Other provisions | 68.78 | 110.23 |
| Total current liabilities (E) | 1,250.85 | 3,192.22 |
| Total equity and liabilities (C+D+E) | 9,192.94 | 8,233.62 |

See accompanying notes to financial results.

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S.R. Batliboi & Associates LLP, New Delhi
for Identification



S CHAND AND COMPANY LIMITED
CIN:L22219DL1970PLC005406
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

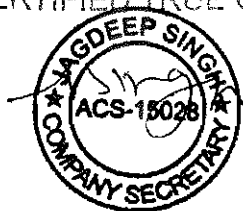
| | Particulars | Quarter ended | | | Half year ended | | Year ended |
|-------|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | September 30, 2017 | June 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 | March 31, 2017 |
| | | Unaudited (Refer note 2) | Unaudited (Refer note 2) | Unaudited (Refer note 2) | Unaudited (Refer note 2) | Unaudited (Refer note 2) | Unaudited (Refer note 2) |
| I | Revenue from operations | 173.59 | 293.51 | 280.78 | 467.10 | 438.52 | 2,926.02 |
| II | Other income | 59.09 | 46.02 | 21.83 | 105.11 | 45.38 | 96.39 |
| III | Total income (I+II) | 232.68 | 339.53 | 302.61 | 572.21 | 483.90 | 3,022.41 |
| IV | Expenses | | | | | | |
| | Cost of published goods/materials consumed | 89.11 | 67.17 | 185.26 | 156.28 | 251.35 | 935.88 |
| | Publication expenses | 28.21 | 47.80 | 28.55 | 76.01 | 50.51 | 117.00 |
| | Purchases of traded goods | 2.62 | 13.41 | 48.57 | 16.03 | 65.10 | 110.05 |
| | Changes in inventories of finished goods and traded goods | 3.02 | 33.01 | (73.81) | 36.03 | (91.92) | 33.28 |
| | Selling and distribution expenses | 46.27 | 46.15 | 52.44 | 92.42 | 88.10 | 206.39 |
| | Employee benefits expenses | 125.17 | 129.27 | 117.97 | 254.44 | 217.75 | 481.27 |
| | Finance costs | 17.10 | 40.13 | 24.66 | 57.23 | 48.16 | 149.05 |
| | Depreciation and amortization expense | 5.81 | 11.35 | 14.81 | 17.16 | 28.39 | 65.13 |
| | Other expenses | 75.31 | 70.79 | 66.72 | 146.10 | 146.21 | 276.64 |
| | Total expenses (IV) | 392.62 | 459.08 | 465.17 | 851.70 | 805.65 | 2,584.69 |
| V | Profit/(loss) before exceptional items and tax (III-IV) | (159.94) | (119.55) | (162.56) | (279.49) | (321.75) | 437.72 |
| VI | Exceptional items | - | - | - | - | - | - |
| VII | Profit/(loss) before tax (V-VI) | (159.94) | (119.55) | (162.56) | (279.49) | (321.75) | 437.72 |
| VIII | Tax expenses: | | | | | | |
| | 1) Current tax | - | - | - | - | - | 172.50 |
| | 2) Deferred tax | (58.02) | (40.52) | (48.34) | (98.54) | (98.90) | (6.99) |
| IX | Profit/(loss) for the period/year from continuing operations (VII-VIII) | (101.92) | (79.03) | (114.22) | (180.95) | (222.85) | 272.21 |
| X | Profit/(loss) from discontinued operations | - | - | - | - | - | - |
| XI | Tax expense of discontinued operations | - | - | - | - | - | - |
| XII | Profit/(loss) from discontinued operations (after tax) (X-XI) | - | - | - | - | - | - |
| XIII | Profit/(loss) for the period/year (after tax) (IX+XII) | (101.92) | (79.03) | (114.22) | (180.95) | (222.85) | 272.21 |
| XIV | Other comprehensive income | | | | | | |
| | A. (i) Items that will not be reclassified to profit or loss | | | | | | |
| | Re-measurement (gains)/losses on defined benefit plans | 0.43 | (1.74) | (0.99) | (1.31) | (1.10) | (0.42) |
| | (ii) Income tax related to items that will not be reclassified to profit or loss | (0.15) | 0.60 | 0.34 | 0.45 | 0.38 | 0.15 |
| | B. (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax related to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| XV | Total comprehensive income for the period/year (XIII+XIV) (comprising profit/(loss) and other comprehensive income for the period/year) | (102.20) | (77.89) | (113.57) | (180.09) | (222.13) | 272.48 |
| XVI | Paid-up equity share capital (face value of ₹ 5 each) | 174.20 | 173.48 | 149.22 | 174.20 | 149.22 | 149.22 |
| XVII | Reserves (excluding revaluation reserves) of previous accounting year | - | - | - | - | - | 4,870.75 |
| XVIII | Earnings/(loss) per equity share (in ₹) (for continuing operations) | | | | | | |
| | 1) Basic | (2.95) | (2.40) | (3.83) | (5.35) | (7.47) | 9.12 |
| | 2) Diluted | (2.95) | (2.40) | (3.83) | (5.35) | (7.47) | 9.10 |
| XIX | Earnings/(loss) per equity share (in ₹) (for discontinued operations) | | | | | | |
| | 1) Basic | - | - | - | - | - | - |
| | 2) Diluted | - | - | - | - | - | - |
| XX | Earnings/(loss) per equity share (in ₹) (for discontinued and continuing operations) | | | | | | |
| | 1) Basic | (2.95) | (2.40) | (3.83) | (5.35) | (7.47) | 9.12 |
| | 2) Diluted | (2.95) | (2.40) | (3.83) | (5.35) | (7.47) | 9.10 |

See accompanying notes to financial results

CERTIFIED TRUE COPY

S.R. Batliboi & Associates LLP, New Delhi

for Identification



S CHAND AND COMPANY LIMITED
CIN: L22219DL1970PLC005400
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

Notes:

- The Company has completed the Initial Public Offer (IPO) of 10,873,982 equity shares of ₹ 5 each at an issue price of ₹ 670 per share consisting of fresh issue of 4,850,746 equity shares and an offer for sale of 6,023,236 equity shares by selling shareholders. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") w.e.f. May 9, 2017. Accordingly, the unaudited standalone financial results for the quarter and half year ended September 30, 2017 is being prepared in accordance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").
- The above unaudited standalone financial results as reviewed by the Audit Committee have been approved by Board of Directors at its meeting held on November 17, 2017. A limited review of the results for the quarter and half year ended September 30, 2017 have been carried out by our statutory auditor. The standalone financial results and other financial information for the quarter and half year ended September 30, 2016 and for the year ended March 31, 2017 have not been audited or reviewed by our statutory auditor. However, the Management has exercised necessary due diligence to ensure that the unaudited standalone financial results provide a true and fair view of the Company's affairs.
- The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2016 and accordingly, these unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been restated accordingly.
- There is a possibility that these half yearly and quarterly results may require adjustment before constituting the final Ind AS financial statements as of and for the year ended March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.
- The details of utilization of IPO proceeds - ₹ 3,041.00 million (net of IPO related expenses) are as follows:

| Particulars | As per Prospectus | Utilised upto September 30, 2017 | |
|---|-------------------|----------------------------------|--|
| | | Utilised upto September 30, 2017 | Unutilised amount as at September 30, 2017 |
| Pre-payment of term loans availed by the Company and its subsidiaries | 2,550.00 | 2,550.00 | - |
| General corporate purposes | 491.00 | 74.05 | 416.95 |
| Total | 3,041.00 | 2,624.05 | 416.95 |

Unutilised amounts of the IPO proceeds as at September 30, 2017 have been temporarily parked in fixed deposits with bank.

- The Company has estimated ₹ 445.47 million (inclusive of Service tax/GST) as IPO related expenses. Of such IPO related expenses, certain expenses (such as listing fees etc.) aggregating to ₹ 19.93 million and ₹ 0.81 million are directly attributable to the Company and selling shareholders respectively. Remaining IPO related expenses aggregating to ₹ 424.73 million, have been allocated between the Company (₹ 159.47 million) and the selling shareholders (₹ 235.26 million) in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by selling shareholders. Till September 30, 2017, an amount of ₹ 330.98 million has been paid against IPO related expenses and the remaining amount of ₹ 114.49 million will be paid in due course. As at September 30, 2017, the total attributable amount to the Company (amount already incurred) has been adjusted towards securities premium.

- A reconciliation of the financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

| Particulars | Notes | Quarter ended | | |
|--|---------|--------------------|--------------------|----------------|
| | | September 30, 2016 | September 30, 2016 | March 31, 2017 |
| Profit / (loss) after tax as reported under previous GAAP | | (117.59) | (219.26) | 270.99 |
| Impact of measuring investments at fair value through profit and loss (FVTPL) | 8 (ii) | 2.39 | 4.79 | (0.48) |
| Impact of fair valuation of employee stock options plans | 8 (iii) | (1.75) | (1.57) | (2.77) |
| Impact of financial assets measured at amortised cost | 8 (iv) | (0.09) | (0.19) | (0.32) |
| Impact of reversal of amortisation of goodwill | 8 (v) | 1.89 | 3.76 | 7.49 |
| Impact of expected credit loss on financial assets | 8 (vi) | - | (9.62) | - |
| Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes to other comprehensive income | | (0.99) | (1.10) | (0.43) |
| Tax adjustments on above | | 1.72 | 0.34 | (2.28) |
| Profit after tax as reported under Ind AS | | (114.22) | (222.85) | 272.21 |
| Other comprehensive income (net of tax) | | 0.65 | 0.72 | 0.27 |
| Total comprehensive income as reported under Ind AS | | (113.57) | (222.13) | 272.48 |

- A reconciliation of the equity to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

| Particulars | Notes | As at | |
|---|---------|-----------------|-----------------|
| | | March 31, 2017 | April 1, 2016 |
| Equity as reported under previous GAAP | | 4,961.93 | 4,817.96 |
| Impact of measuring investments at fair value through profit and loss (FVTPL) | 8 (ii) | 0.22 | 0.70 |
| Impact of employee stock options plans granted to subsidiary companies | 8 (iii) | 3.61 | 1.17 |
| Impact of financial assets measured at amortised cost | 8 (iv) | (2.30) | (1.99) |
| Impact of reversal of amortisation of goodwill | 8 (v) | 7.49 | - |
| Impact of expected credit loss on financial assets | 8 (vi) | (149.14) | (149.14) |
| Tax adjustments on above | | 48.94 | 31.37 |
| Equity as reported under Ind AS | | 4,870.75 | 4,740.07 |

- Exemption applied at transition

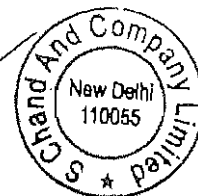
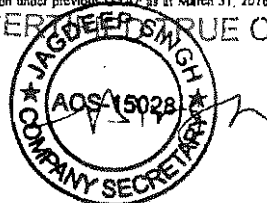
Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first time adopter. Ind AS 101 allows first time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemption in its financial results as below:

- Property, plant and equipment were carried at carrying amount in the statement of financial position under previous GAAP as at March 31, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e., April 1, 2016.

S.R. Batubai & Associates LLP, New Delhi

for Identification

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S CHAND AND COMPANY LIMITED
CIN:L22219DL1970PLC005400

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

- b. In respect of share based payments transactions, all grants of equity instruments that vested before the date of transition has not been considered for fair valuation.
- c. In respect of Business Combinations, the Company has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. to (business combinations that occurred before the date of transition to Ind ASs)
- (ii). Under previous GAAP, current quoted equity investments and mutual funds were valued at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in the statement of profit and loss.
- (iii). Under previous GAAP, the Company was accounting employee stock option plans as per intrinsic value method. Under Ind AS, these have been accounted for at fair value of option as per Ind AS 102. Further, compensation cost of options granted to employees of subsidiary companies have been capitalised with the cost of investments in such subsidiary companies under Ind AS 102.
- (iv). Under previous GAAP, security deposits given by the Company against lease agreements for office premises at various locations were measured at transaction value ignoring the time value of money. Under Ind AS, these deposits were considered as financial assets and has been valued at amortised cost.
- (v). Under previous GAAP, goodwill was amortised on straight line basis over a period of 10 years. Under Ind AS, Goodwill is required to be tested for impairment at each reporting date. Hence, amount of amortisation made for goodwill under IGAAP has been reversed in the statement of profit and loss.
- (vi). Under previous GAAP, provision was being made on financial assets on incurred loss model. Under Ind AS, provision on financial assets is required to be made as per expected credit loss model considering the expected cash shortfalls from such financial assets and delay in expected realization from such financial assets.
9. Based on the information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Ind AS 108 - "Operating Segment Reporting", notified under the Companies (Indian Accounting Standard) Rules, 2015.
10. The Company's financial results have, historically, been subject to seasonal trends between the last quarter and last financial year.

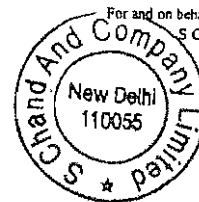
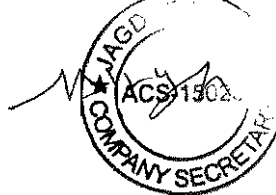
Traditionally, the academic session beginning from April contributes to higher revenue in the last quarter of the financial year. The Company sees a higher volume of book sales during the months of January, February and March because academic sessions start from the month of April. Ongoing revenue also demonstrate signs of seasonality with revenue generally lower during other quarters, which are not close to the beginning of academic session.

These trends are likely to continue in the future.

11. Figures for the previous quarters / periods have been regrouped / reclassified, wherever necessary, in conform to current quarters / periods.

Place: New Delhi,
Date: November 17, 2017

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For and on behalf of the Board of Directors of
S Chand and Company Limited

Himanshu Gupta
(Managing Director)

DIN - 08054015

S.R. Batliboi & Associates LLP, New Delhi

for Identification