

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Chhaya Prakashani Private Limited

**Report on the Ind AS Financial Statements**

We have audited the accompanying IndAs financial statements of Chhaya Prakashani Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IndAs 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 IndAs financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone IndAs financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IndAs 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 IndAs 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 IndAs 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 IndAs financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the IndAs financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Yogesh Midha**

Partner

Membership Number: 94941



Place: New Delhi

Date: 22 May 2018

## **Annexure 1 referred to in paragraph 1 of report on other legal and regulatory requirements**

### **Re: Chhaya Prakashani Private Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets were physical verified by the management in the previous year in accordance with the planned programme of verifying them once in two years which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noticed 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 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 interval during the year and no material discrepancies noted on such verification. Inventories lying with third parties have been confirmed by them on various date and no material discrepancies were noticed in respect of such confirmation.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loan secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause iii(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loan, investment guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 product/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax/goods and service tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty and duty of custom are 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, service tax/goods and service tax, value added tax, 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.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, service tax, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company does not have any dues to in respect of debenture holders or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approval mandate by provision of Section 197 read with schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Yogesh Midha  
Partner

Membership No.: 949491



Place: New Delhi

Date: 22 May 2018

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHHAYA PRAKASHANI 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")**

We have audited the internal financial controls over financial reporting of **Chhaya Prakashani Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Yogesh Midha**

Partner

Membership Number: 94941



Place of Signature: New Delhi

Date: 22 May 2018

(₹ in Million)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	8.33	10.45	16.26
Intangible assets	4	5.68	2.74	3.46
Intangible assets under development		-	1.83	-
Financial assets				
- Investments	5A	3.40	3.40	2.25
- Loans	5C	3.98	3.37	89.84
Other non-current assets	7	0.03	0.04	0.04
Deferred tax assets (net)	8	-	2.44	2.82
<b>Total non-current assets</b>		<b>21.42</b>	<b>24.27</b>	<b>114.67</b>
<b>Current assets</b>				
Inventories	6	146.64	109.54	104.29
Financial assets				
- Investments	5A	289.63	151.95	49.41
- Trade receivables	5B	344.85	201.24	64.94
- Loans	5C	1.13	5.68	6.16
- Cash and cash equivalents	5D	20.38	22.40	34.51
Other current assets	7	1.04	0.76	1.22
<b>Total current assets</b>		<b>803.67</b>	<b>491.57</b>	<b>260.53</b>
<b>Total assets</b>		<b>825.09</b>	<b>515.84</b>	<b>375.20</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	9	14.83	14.83	14.83
Other equity				
- Retained earnings	10	589.49	330.64	116.20
- Other reserves	10	41.31	41.31	41.31
<b>Total equity</b>		<b>645.63</b>	<b>386.78</b>	<b>172.34</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	11	-	-	0.03
Provisions	14	-	0.84	0.82
Deferred tax liabilities(net)	8	0.47	-	-
<b>Total non current liabilities</b>		<b>0.47</b>	<b>0.84</b>	<b>0.85</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	11	-	-	26.05
- Trade payables	12	142.67	112.38	106.72
- Other financial liabilities	13	-	0.03	1.70
Provisions	14	18.37	5.39	55.26
Other current liabilities	15	17.95	10.42	12.28
<b>Total current liabilities</b>		<b>178.99</b>	<b>128.22</b>	<b>202.01</b>
<b>Total equity and liabilities</b>		<b>825.09</b>	<b>515.84</b>	<b>375.20</b>
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 No. 101049W/E300004  
Chartered Accountants

per Yogesh Midha  
Partner  
Membership No.: 94941



Place : New Delhi  
Date : 22 May 2018

For and on behalf of the Board of Directors of  
Chhaya Prakashani Private Limited

Himanshu Gupta  
Director  
DIN:00054015

Sumit Biswas  
Director  
DIN:01183450

**Chhaya Prakashani Private Limited**  
**CIN: U22122WB2006PTC111821**  
**Statement of profit and loss for the year ended 31 March 2018**

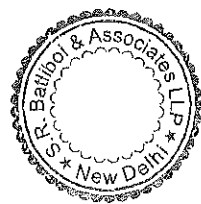
		(₹ in Million)	
	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>I Revenue from operations</b>	16	1,162.02	996.34
<b>II Other income</b>	17	15.64	7.31
<b>III Total income (I+II)</b>		<b>1,177.66</b>	<b>1,003.65</b>
<b>IV Expenses</b>			
Cost of raw material consumed	18	327.70	238.96
Purchase of traded goods	19	14.76	12.64
(Increase)/decrease in inventories of finished goods and work in progress	20	(12.88)	3.86
Publication expenses	21	227.60	224.96
Employee benefits expense	22	94.75	86.99
Selling and distribution expenses	23	87.91	64.15
Depreciation and amortisation expense	24	3.23	6.48
Other expenses	25	34.63	32.23
<b>Total expenses</b>		<b>777.70</b>	<b>670.27</b>
<b>V Profit before tax (III-IV)</b>		<b>399.96</b>	<b>333.38</b>
<b>VI Tax expense:</b>			
Current tax		138.33	115.31
Income tax adjustment related to earlier years		-	2.68
Deferred tax charge		2.87	0.57
<b>Total tax expenses</b>		<b>141.20</b>	<b>118.56</b>
<b>VII Profit for the year</b>		<b>258.76</b>	<b>214.82</b>
<b>VIII Other comprehensive income</b>			
- Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	26	0.13	(0.58)
Tax impact on re-measurement gain/(loss) on defined benefit plans		(0.04)	0.20
<b>IX Total Comprehensive Income for the year</b> (Comprising Profit and Other Comprehensive Income for the year)		<b>258.85</b>	<b>214.44</b>
<b>X Earnings per equity share:</b>			
(1) Basic	27	1,725.07	1,432.13
(2) Diluted		1,725.07	1,432.13
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 No. 101049W / E300004  
Chartered Accountants

*per*

per Yogesh Midha  
Partner  
Membership No.: 94941



Place : New Delhi  
Date : 22 May 2018

For and on behalf of the Board of Directors of  
Chhaya Prakashani Private Limited

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN:00054015

*Sumit Biswas*  
Sumit Biswas  
Director  
DIN:01183450



(₹ in millions)

	As at 31 March 2018	As at 31 March 2017
<b>Cash flow from operating activities</b>		
Profit before tax	399.96	333.38
Adjustment to reconcile profit before tax to net cash flows:-		
Depreciation and amortization	3.23	6.48
Income from financial assets at amortised cost	(6.59)	(1.23)
Interest expense	-	0.08
Interest income	(1.56)	(2.50)
(Profit)/loss on fixed assets sold	(0.24)	(0.81)
(Profit)/loss on Investment	(6.67)	(2.79)
Liabilities written back	(0.01)	(0.01)
Provision for Sales Return	21.50	1.44
Bad debts written off	0.10	0.19
Operating profit before working capital changes	409.72	334.23
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	(173.50)	(150.45)
(Increase)/decrease in other non-current assets and in other current assets	3.98	87.39
(Increase)/decrease in inventories	(28.71)	7.46
Increase/(decrease) in non current trade payables and current trade payables	30.20	5.48
Increase/(decrease) in other payables and Provision	6.48	(29.85)
<b>Cash generated from/(used in) operations</b>	<b>248.17</b>	<b>254.26</b>
Direct tax paid	(125.37)	(167.84)
<b>Net cash generated from operation</b>	<b>(A) 122.80</b>	<b>86.42</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, capital advances and capital work in progress	(3.50)	(4.26)
Proceeds from Sale of Property, Plant and Equipment	1.53	3.29
Investment in Subsidiaries, Associates & Joint Ventures	-	(1.15)
Sale/(purchase) of Current/Non-Current Investments (net)	(124.41)	(98.80)
Interest received	1.56	2.50
<b>Net cash used in investing activities</b>	<b>(B) (124.82)</b>	<b>(98.42)</b>
<b>C. Cash flow from financing activities</b>		
Proceed/(Repayment) for long-term borrowings(net)	-	(0.03)
Interest paid	-	(0.08)
<b>Net cash from financing activities</b>	<b>(C) -</b>	<b>(0.11)</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(A+B+C) (2.02)</b>	<b>(12.11)</b>
Cash and cash equivalents - at the beginning of the year	22.40	34.51
Cash and cash equivalents - at the end of the year	<b>20.38</b>	<b>22.40</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.59	2.35
Balance with banks on current accounts	19.79	20.05
Total Cash and cash equivalents (refer note 5C)	<b>20.38</b>	<b>22.40</b>
<b>Non-cash investing and financing transactions</b>		
Acquisition of property, plant and equipment by means of a finance lease	-	-
<b>Reconciliation of liabilities arising from financing activities</b>		

	Long term borrowings (including current maturities)	Short term borrowings
As at 31 March 2017	-	-
Cash flows	-	-
Non cash changes	-	-
As at 31 March 2018	-	-

**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 No. 101049W / E300004  
Chartered Accountants

per Yogesh Midha  
Partner  
Membership No.: 94941



Place : New Delhi  
Date : 22 May 2018

For and on behalf of the Board of Director of  
Chhaya Prakashani Private Limited

Himanshu Gupta  
Director  
DIN:00054015

Sumit Biswas  
Director  
DIN:01183450

Chhaya Prakashani Private Limited

CIN: U22122WB2006PTC111821

Statement of changes in equity for the year ended 31 March 2018

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 100 each)	No. of shares	(₹ in Million)
At 1 April 2016	1,48,284	14.83
Issued during the year	-	-
At 31 March 2017	1,48,284	14.83
Issued during the year	-	-
At 31 March 2018	1,48,284	14.83

B. Other equity

(₹ in Million)

Particulars	Reserve & Surplus			Total
	Retained earnings	General reserve	Security premium account	
As at 1 April 2016	116.20	30.00	11.31	157.51
Profit for the year	214.82	-	-	214.82
Other comprehensive income for the year	(0.38)	-	-	(0.38)
<b>Total Comprehensive Income for the year</b>	<b>214.44</b>	<b>-</b>	<b>-</b>	<b>214.44</b>
As at 31 March 2017	330.64	30.00	11.31	371.95
Profit for the year	258.76	-	-	258.76
Other comprehensive income for the year	0.09	-	-	0.09
<b>Total Comprehensive Income for the year</b>	<b>258.85</b>	<b>-</b>	<b>-</b>	<b>258.85</b>
As at 31 March 2018	589.49	30.00	11.31	630.80

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 No. 101049W / E300004  
Chartered Accountants

per Yogesh Midha  
Partner  
Membership No.: 94941

Place : New Delhi  
Date : 22 May 2018



For and on behalf of the Board of Directors of  
Chhaya Prakashani Private Limited

Himanshu Gupta  
Director  
DIN:00054015

Sumit Biswas  
Director  
DIN:01183450

**Chhaya Prakashani Private Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
**(Amounts in Indian Rupees, unless otherwise stated)**

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**1. Corporate information**

Chhaya Prakashani Private Limited (the company) is a private company incorporated under the provisions of the Companies Act, 1956. These are standalone financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

The Company is primarily engaged in publishing of educational books with products ranging from School Books, Competition Books, Reference Books, Technical Books, Professional Books, Children Books and Career in printing and binding of educational books.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Reconciliation and description of effect of transition to Ind AS has been summarised in Note 42.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR (Indian Rupees) and all values are rounded to the nearest million, except when otherwise indicated.

**2.2 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

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



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

### **2.3 Foreign currencies**

#### **Functional and presentational currency**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

#### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

### **2.4 Fair value measurement**

The Company measures certain financial instruments and equity settled employee share based payment plan at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



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- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, unquoted financial assets, and significant liabilities, such as valuation of unquoted investments and equity settled employee share based payment plan. Involvement of external valuers is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

## **2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

Sales tax/ Value added tax (VAT)/ Goods and services Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

### **Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of sales returns, turnover discounts and cash discounts.

The provision for anticipated returns is made primarily on the basis of historical return rates. The provision for turnover discount and cash discount is made on estimated basis based on historical trends.

### **Sale of services**

Service income is recognized on accrual basis as and when services are provided and invoices raised during the year.

### **Interest income**

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. For all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash



receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

## 2.6 Income taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

## **2.7 Property, plant and equipment**

Under the previous GAAP (Indian GAAP), property, plant and equipment, except land and building acquired before 1<sup>st</sup> April 2016, were carried in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value for all its item of property, plant and equipment as recognised in its Indian GAAP financial as deemed cost at the transition date, as at 1st April 2016.

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in the profit or loss as incurred.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably.

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 recognised in the statement of profit or loss when the asset is derecognised.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.



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## Depreciation

Till 31<sup>st</sup> March 2017, depreciation on property, plant and equipment was being provided on written down value method. W.e.f. 1<sup>st</sup> April 2017, depreciation is being provided on straight line method.

Depreciation on property, plant and equipment, other than leasehold improvements, have been provided on pro-rata basis, on the straight line method, using rates determined based on management's technical assessment of useful economic lives of the asset.

Followings are the estimated useful lives of various category of assets used.

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Office Equipment	5 years	5 years
Furniture & fixture	10 years	10 years
Vehicle	8 years	8 years
Electrical Installation	10 years	10 years
Computer	3 years	3 years

\*Tablets are depreciated at an estimated useful life of 3 years.

Leasehold improvements are amortised over economic useful life or unexpired period of lease whichever is less. Assets costing ₹ 5,000 or less are depreciated entirely in the year of purchase.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and machinery, vehicles, computers and building over estimated useful lives which are different from useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.8 Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost, net of accumulated amortization and accumulated impairment losses, if any.

On transition to Ind AS, The Company has elected to continue with the carrying value for all its item of intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date, as at 1st April 2016.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred.

### Amortisation and useful lives

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the





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expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is as follows:

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (5 years)	Amortized on straight line basis over the period of useful lives	Acquired
Trademark	Finite (5 years)	Amortized on straight line basis over the period of useful lives	Acquired
Copyrights	Finite (3-5 years)	Amortized on straight line basis over the period of copyright	Acquired

**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.



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## **2.9 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended period when active development activity of the qualifying assets is interrupted.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchanges differences to the extent regarded as an adjustment to the borrowing costs.

## **2.10 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### **Company as a lessee**

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

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## **2.11 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

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

## **2.12 Impairment of non-financial 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) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When



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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover 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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## **2.13 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.



### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

### **Financial assets at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

### **Debt instrument at FVTOCI**

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### **Equity instruments at FVTOCI**

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.



### **Financial assets at FVTPL**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are measured as at FVTOCI
- Lease receivables under Ind-AS 17.
- Contract assets and trade receivables under Ind-AS 18.
- Loan commitments which are not measured as at FVTPL.
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables, and
- All lease receivables resulting from transactions within the scope of Ind AS 17.



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The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

The balance sheet presentation for various financial instruments is described below:-

- a) For financial assets measured as at amortised cost and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.



A handwritten signature in black ink, appearing to be "M. H.", written over a horizontal line.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss



#### **Re-classification of Financial Assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **2.14 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 an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is 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 a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

#### **Compensated absences**

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.

### **2.15 Provisions**

#### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to



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be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

## **2.16 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short term investments with an original maturity of three months or less.

## **2.17 Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit or loss for the period attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## **2.18 Cash dividend and non-cash distribution to equity holders of the Company**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

## **2.19 Standards issued but not yet effective**

### **a. Ind AS 115 – Revenue from contracts with customers**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure



requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

**b. Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

**c. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

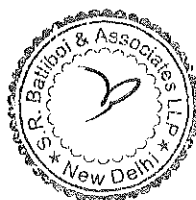
**Changes in accounting policies and disclosures**

**New and amended standards and interpretations**

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

**Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative**

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.



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## 3. Property, plant and equipment

(₹ in Million)

Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Electrical Installations	Computer	Total
<b>Cost<sup>^</sup></b>						
As at 1 April 2016	2.01	4.31	7.88	1.18	0.88	16.26
Additions	0.69	0.46	-	-	0.50	1.65
Deletions	-	-	(2.61)	-	-	(2.61)
<b>As at 31 March 2017</b>	<b>2.70</b>	<b>4.77</b>	<b>5.27</b>	<b>1.18</b>	<b>1.38</b>	<b>15.30</b>
Additions	0.07	0.21	-	-	0.61	0.89
Deletions	-	-	(1.94)	-	-	(1.94)
<b>As at 31 March 2018</b>	<b>2.77</b>	<b>4.98</b>	<b>3.33</b>	<b>1.18</b>	<b>1.99</b>	<b>14.25</b>
<b>Depreciation</b>						
As at 1 April 2016	-	-	-	-	-	-
Charge during the year	1.05	1.22	1.80	0.31	0.60	4.98
Deletions	-	-	(0.13)	-	-	(0.13)
<b>As at 31 March 2017</b>	<b>1.05</b>	<b>1.22</b>	<b>1.67</b>	<b>0.31</b>	<b>0.60</b>	<b>4.85</b>
Charge during the year	0.40	0.36	0.41	0.09	0.47	1.73
Deletions	-	-	(0.66)	-	-	(0.66)
<b>As at 31 March 2018</b>	<b>1.45</b>	<b>1.58</b>	<b>1.42</b>	<b>0.40</b>	<b>1.07</b>	<b>5.92</b>
<b>Net block</b>						
As at 1 April 2016	2.01	4.31	7.88	1.18	0.88	16.26
As at 31 March 2017	1.65	3.55	3.60	0.87	0.78	10.45
As at 31 March 2018	1.32	3.40	1.91	0.78	0.92	8.33

Note: Deemed cost as at April 1, 2016 is calculated as shown below:

(₹ in Million)

I. Particulars	Plant & Equipment	Furniture & Fixtures	Vehicles	Electrical Installations	Computer	Total
Gross block	5.28	7.40	14.92	1.45	3.36	32.41
Accumulated depreciation	(3.27)	(3.09)	(7.04)	(0.27)	(2.48)	(16.15)
<b>Deemed Cost as at 1 April 2016</b>	<b>2.01</b>	<b>4.31</b>	<b>7.88</b>	<b>1.18</b>	<b>0.88</b>	<b>16.26</b>

Note: The company has changed its estimate of depreciation on property, plant and equipment from financial year 2017-18, impact of change is given in below table:

Particular	(₹ in Million)
Depreciation as per written down value	3.51
Depreciation as per straight line method	1.73
Profit increased by	1.78

## 4. Intangible assets

(₹ in Million)

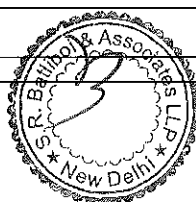
Particulars	Trade Mark	Copyright	Computer Software	Total
<b>Cost<sup>^</sup></b>				
As at 1 April 2016	0.05	1.19	2.22	3.46
Additions	0.14	0.52	0.12	0.78
Deletions	-	-	-	-
<b>As at 31 March 2017</b>	<b>0.19</b>	<b>1.71</b>	<b>2.34</b>	<b>4.24</b>
Additions	0.17	-	4.27	4.44
Deletions	-	-	-	-
<b>As at 31 March 2018</b>	<b>0.36</b>	<b>1.71</b>	<b>6.61</b>	<b>8.68</b>
<b>Amortization</b>				
As at 1 April 2016	-	-	-	-
Amortised during the year	0.03	0.93	0.54	1.50
Deletions	-	-	-	-
<b>As at 31 March 2017</b>	<b>0.03</b>	<b>0.93</b>	<b>0.54</b>	<b>1.50</b>
Charge for the year	0.06	0.52	0.92	1.50
Deletions	-	-	-	-
<b>As at 31 March 2018</b>	<b>0.09</b>	<b>1.45</b>	<b>1.46</b>	<b>3.00</b>
<b>Net block</b>				
As at 1 April 2016	0.05	1.19	2.22	3.46
As at 31 March 2017	0.16	0.78	1.80	2.74
As at 31 March 2018	0.27	0.26	5.15	5.68

<sup>^</sup> The Company has availed the deemed cost exemption and used the previous GAAP carrying amount of intangible assets as deemed cost.

Note: Deemed cost as at April 1, 2016 is calculated as shown below:

(₹ in Million)

Particulars	Trade Mark	Copyright	Computer Software	Total
Gross block	0.12	4.68	3.02	7.77
Accumulated amortization	(0.07)	(3.44)	(0.80)	(4.31)
<b>Deemed Cost as at 1 April 2016</b>	<b>0.05</b>	<b>1.19</b>	<b>2.22</b>	<b>3.46</b>



5. Financial assets

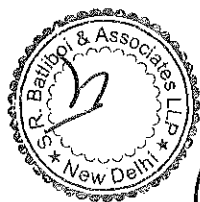
5A. Investments

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>a. Investments at cost</b>			
<b>i. Investments in equity shares (Unquoted)</b>			
<b>Investments in subsidiary</b>			
1,171 (31 March 2017: 1,171 and 31 March 2016: 1,171) equity shares in Indian Progressive Publishing Company Private Limited	0.12	0.12	0.12
5,000 (31 March 2017: 5,000 and 31 March 2016: Nil) equity shares in Publishing Services Private Limited	1.15	1.15	-
	<u>1.27</u>	<u>1.27</u>	<u>0.12</u>
<b>ii. Investments in Government and Trust securities (Unquoted)</b>			
Investment in Tax Free Bonds of Power Finance Corporation	2.13	2.13	2.13
	<u>2.13</u>	<u>2.13</u>	<u>2.13</u>
<b>b. Investments at Fair value through profit and loss</b>			
<b>i. Investments in Mutual Funds (Quoted)</b>			
Nil (31 March 2017: Nil and 31 March 2016: 506,217) units of Rs. 10 each Kotak Equity Arbitrage Fund - Dividend Plan	-	-	10.10
Nil (31 March 2017: Nil and 31 March 2016: 202,560) units of Rs. 10 each L & T India Value Fund - Growth	-	-	4.85
Nil (31 March 2017: Nil and 31 March 2016: 2,522,580) units of Rs. 10 each Reliance Arbitrage Advantage Fund - Dividend Plan	-	-	29.86
Nil (31 March 2017: Nil and 31 March 2016: 72,144) units of Rs. 10 each Sundaram S.M.I.L.E. Fund - Regular Plan Growth	-	-	4.60
Nil (31 March 2017: 138,171 and 31 March 2016: Nil) units of Rs.100 each Birla Sun Life Cash Manager - Growth -Direct Plan	-	56.10	-
Nil (31 March 2017: 76,752 and 31 March 2016: Nil) units of Rs.100 each Birla Sun Life Cash Manager - Growth -Regular Plan	-	30.10	-
Nil (31 March 2017: 3,269,594 and 31 March 2016: Nil) units of Rs.10 each Kotak Equity Arbitrage Fund - Dividend Plan	-	65.75	-
693,636 (31 March 2017: Nil and 31 March 2016: Nil) units of Rs.10 each Aditya Birla Sun Life Mutual Fund Growth-Regular Plan	289.63	-	-
	<u>289.63</u>	<u>151.95</u>	<u>49.41</u>
<b>Total</b>	<u>293.03</u>	<u>155.35</u>	<u>51.66</u>
<b>Aggregate value of quoted investment</b>	289.63	151.95	49.41
<b>Aggregate value of unquoted investment</b>	3.40	3.40	2.25
<b>Current</b>	289.63	151.95	49.41
<b>Non-Current</b>	3.40	3.40	2.25

5B. Trade receivables

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Trade receivables</b>			
Unsecured, considered good	344.68	200.74	64.94
Receivable from related parties (refer note 31c)	0.17	0.50	-
	<u>344.85</u>	<u>201.24</u>	<u>64.94</u>
<b>Less: allowance for expected credit loss</b>			
Unsecured, considered good	-	-	-
Doubtful	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>344.85</u>	<u>201.24</u>	<u>64.94</u>
<b>Current</b>	344.85	201.24	64.94

No trade receivable are dues from director or other officers of the Company either severally or jointly with any other person.



## 5C. Loans

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits - Non-current	1.92	1.84	1.16
Security deposits - Current	-	0.10	0.33
Loan to related parties (refer note 31c)	2.06	1.53	88.68
Advances recoverable in cash or kind	0.97	5.24	5.06
Employee advances	0.16	0.34	0.77
<b>Total</b>	<b>5.11</b>	<b>9.05</b>	<b>96.00</b>
<b>Current</b>	<b>1.13</b>	<b>5.68</b>	<b>6.16</b>
<b>Non-current</b>	<b>3.98</b>	<b>3.37</b>	<b>89.84</b>

## 5D. Cash and cash equivalents

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- In current accounts	19.79	18.92	31.81
Cash in hand	0.59	2.35	2.70
Deposits with original maturity for less than 3 months	-	1.13	-
<b>Total</b>	<b>20.38</b>	<b>22.40</b>	<b>34.51</b>
<b>Current</b>	<b>20.38</b>	<b>22.40</b>	<b>34.51</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 6. Inventories

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials	50.74	26.52	17.41
Semi finished goods	0.75	1.15	7.78
Finished goods	92.94	74.28	71.79
Traded goods - Books	2.21	7.59	7.31
<b>Total</b>	<b>146.64</b>	<b>109.54</b>	<b>104.29</b>
<b>Current</b>	<b>146.64</b>	<b>109.54</b>	<b>104.29</b>

## 7. Other assets

## 7A. Prepaid expenses

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses (Non current)	0.03	0.04	0.04
Prepaid expenses (Current)	0.73	0.76	0.62
<b>Total</b>	<b>0.76</b>	<b>0.80</b>	<b>0.66</b>

## 7B. Other assets

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unamortized expenses	-	-	0.60
Gratuity fund (net of provision for gratuity)	0.31	-	-
<b>Total</b>	<b>0.31</b>	<b>-</b>	<b>0.60</b>
<b>Current</b>	<b>1.04</b>	<b>0.76</b>	<b>1.22</b>
<b>Non-Current</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>



8. Deferred taxes

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Items leading to creation of deferred tax assets</b>			
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	1.61	2.04	2.34
Others	-	0.54	0.71
<b>Total deferred tax assets</b>	<u>1.61</u>	<u>2.58</u>	<u>3.05</u>
<b>Items leading to creation of deferred tax liabilities</b>			
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	2.08	0.14	0.23
<b>Total deferred tax liabilities</b>	<u>2.08</u>	<u>0.14</u>	<u>0.23</u>
<b>Net deferred tax assets/(liabilities)</b>	<u>(0.47)</u>	<u>2.44</u>	<u>2.82</u>

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9. Share capital

a. Authorised share capital (equity share of ₹ 100 each)

	No. of shares	(₹ in Million)
As at 1 April 2016	5,50,000	55.00
Issued during the year	-	-
As at 31 March 2017	5,50,000	55.00
Issued during the year	-	-
As at 31 March 2018	5,50,000	55.00

b. Issued, subscribed and fully paid equity capital (equity shares of ₹ 100 each)

	No. of shares	(₹ in Million)
As at 1 April 2016	1,48,284	14.83
Changes during the year	-	-
As at 31 March 2017	1,48,284	14.83
Changes during the year	-	-
As at 31 March 2018	1,48,284	14.83

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. No dividend has been proposed by the Board of Directors during the year ended 31 March 2018 (31 March 2017: 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, in proportion to their shareholding.

c. Shares held by holding company and their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company and their subsidiaries are as follow:

	As at 31 March 2018	As at 31 March 2017
S Chand and Company Limited (Ultimate holding company) (30.47% through its wholly subsidiary Eurasia Publishing House Private Limited)	74.00%	74.00%

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

Name of Shareholders	As at 31 March 2018		As at 31 March 2017	
	No of Shares	% of holding	No of Shares	% of holding
S Chand and Company Limited, Ultimate holding company	64,548	43.53%	64,548	43.53%
Eurasia Publishing House Private Limited	45,182	30.47%	45,182	30.47%
Sumit Biswas	38,554	26.00%	38,554	26.00%

e. Aggregate number of shares issued for consideration other than cash, during the period of five years immediately preceding the reporting date:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Equity share allotted pursuant to the Scheme of Arrangement	-	-	32,659
Equity share allotted pursuant to the takeover of proprietorship firm	-	-	2,500

10. Other equity

	(₹ in Million)	
	As at 31 March 2018	As at 31 March 2017
<b>General reserve</b>		
Balance at the beginning of the year	30.00	30.00
Increase/ (decrease) the year	-	-
<b>Balance at the end of the year</b>	<b>30.00</b>	<b>30.00</b>
<b>Security premium account</b>		
Balance at the beginning of the year	11.31	11.31
Increase/ (decrease) the year	-	-
<b>Balance at the end of the year</b>	<b>11.31</b>	<b>11.31</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	330.64	116.20
Add: Surplus during the year	258.85	214.44
<b>Balance at the end of the year</b>	<b>589.49</b>	<b>330.64</b>



11. Borrowings

11A. Non-current borrowings

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Vehicle loan</b>			
Indian rupee loan from bank (secured) (refer note 'a' below)	-	0.03	1.72
<b>Total</b>	-	0.03	1.72
Less: Current maturities of long term borrowings (shown in note 13)	-	(0.03)	(1.69)
<b>Net Non-current borrowings</b>	-	-	0.03
<b>Secured</b>	-	-	0.03

- a. Vehicle loans have been taken from ICICI Bank and carry interest @ 9.80% to 14.90%. The loan is repayable in 36 equal monthly instalments. The loan is secured by hypothecation of respective vehicles.

11B. Current borrowings

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Loan from related parties (refer note 31c)</b>			
Indian rupee loan from related parties (unsecured)	-	-	26.05
<b>Total</b>	-	-	26.05
<b>Secured</b>	-	-	-
<b>Unsecured</b>	-	-	26.05

12. Trade payables

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables of micro enterprises and small enterprises (refer note 32)	16.62	28.37	28.46
Trade payables of related entities (refer note 31c)	5.13	10.00	4.09
Trade payables other than micro enterprises and small enterprises	120.92	74.01	74.17
<b>Total</b>	142.67	112.38	106.72
<b>Current</b>	142.67	112.38	106.72

13. Other financial liabilities

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term borrowings	-	0.03	1.69
Interest accrued but not due on borrowings	-	-	0.01
<b>Total</b>	-	0.03	1.70
<b>Current</b>	-	0.03	1.70

14. Provisions

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity (Non current)	-	0.84	0.82
Provision for income tax	18.37	5.39	55.26
<b>Total</b>	18.37	6.23	56.08
<b>Current</b>	18.37	5.39	55.26
<b>Non current</b>	-	0.84	0.82

15. Other liabilities

	(₹ in Million)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues	16.64	9.07	9.76
Advance from customers	1.31	1.35	2.52
<b>Total</b>	17.95	10.42	12.28
<b>Current</b>	17.95	10.42	12.28





16. Revenue from operations

(₹ in Million)

For the year ended 31 March 2018 For the year ended 31 March 2017

Sale of products

Finished goods	1,186.74	1,025.90
Less: Turnover discount	(27.25)	(30.17)
	<u>1,159.49</u>	<u>995.73</u>

Other operating revenue

Scrap sales	2.53	0.61
<b>Total</b>	<u>1,162.02</u>	<u>996.34</u>

17. Other income

17.1 Finance income

Interest income		
- On bonds	0.18	0.18
- On fixed deposits	0.06	0.04
<b>Total (A)</b>	<u>0.24</u>	<u>0.22</u>

17.2 Other income

Dividend received	1.38	2.32
Miscellaneous income	0.25	0.17
Insurance claim	-	0.04
Amount written back	0.01	0.01
Profit on sale of fixed assets (net)	0.24	0.81
Fair value gain on investment	6.85	0.25
Profit on sales of investment (net)	6.67	3.49
<b>Total (B)</b>	<u>15.40</u>	<u>7.09</u>
<b>Total (A+B)</b>	<u>15.64</u>	<u>7.31</u>

18. Cost of raw material consumed

(₹ in Million)

For the year ended 31 March 2018 For the year ended 31 March 2017

Inventories at the beginning of the year	26.52	17.41
Add : Purchases during the year	351.92	248.07
	<u>378.44</u>	<u>265.48</u>
Less : Inventories at the end of the year	(50.74)	(26.52)
	<u>327.70</u>	<u>238.96</u>

Details of raw material purchased

Paper	351.92	248.07
<b>Total</b>	<u>351.92</u>	<u>248.07</u>

19. Purchase of traded goods

(₹ in Million)

For the year ended 31 March 2018 For the year ended 31 March 2017

Traded goods purchases	14.76	12.64
	<u>14.76</u>	<u>12.64</u>



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20. (Increase)/decrease in inventories of finished good and work-in-progress

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Inventories at the end of the year</b>		
Finished goods	95.15	81.87
Work in progress	0.75	1.15
	<u>95.90</u>	<u>83.02</u>
<b>Inventories at the beginning of the year</b>		
Finished goods	81.87	79.10
Work in progress	1.15	7.78
	<u>83.02</u>	<u>86.88</u>
<b>(Increase)/decrease in inventories</b>	<u>(12.88)</u>	<u>3.86</u>

Details of Inventories at the end of the year

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Finished goods</b>		
- Manufactured goods		
Books	92.94	74.28
Traded goods		
Books	2.21	7.59
	<u>95.15</u>	<u>81.87</u>

21. Publishing Expenses

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Printing and binding charges	149.93	139.50
Royalty expenses	73.56	59.56
Other publishing expenses	4.11	25.90
<b>Total</b>	<u>227.60</u>	<u>224.96</u>

22. Employee benefits expenses

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	89.27	81.77
Contribution to provident and other funds	3.24	2.75
Gratuity expense (refer note 29)	0.98	0.63
Staff welfare expenses	1.26	1.84
<b>Total</b>	<u>94.75</u>	<u>86.99</u>

23. Selling and distribution expenses

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisement	36.98	32.54
Business promotion	9.67	7.34
Freight and forwarding charges	22.04	12.62
Canvassing expenses	19.22	11.65
<b>Total</b>	<u>87.91</u>	<u>64.15</u>

24. Depreciation and amortisation expenses

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant & equipment	1.73	4.98
Amortisation of intangible assets	1.50	1.50
<b>Total</b>	<u>3.23</u>	<u>6.48</u>



25 Other expenses

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Communication cost	0.79	0.93
Rent	13.33	11.33
Rates and taxes	0.13	0.85
Insurance	1.31	1.35
Travelling & conveyance	0.35	0.31
Power and fuel	1.39	1.49
Repairs and maintenance		
-Others	4.24	3.18
Printing and stationery	0.73	1.13
Legal and professional fee	2.34	5.76
Payment to auditor (refer details below)	1.42	0.81
Foreign exchange difference	-	0.01
Corporate social responsibility expenses (refer note 37)	4.66	-
Sundry balance/bad debts written off	0.10	0.19
Amalgamation expenses	0.24	-
Merger & demerger expenses written off	-	0.60
Miscellaneous expenses	3.60	4.29
<b>Total</b>	<b>34.63</b>	<b>32.23</b>

Payment to auditor

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>As auditor</b>		
- For Statutory audit	1.42	0.81
	<b>1.42</b>	<b>0.81</b>

26. Components of Other Comprehensive Income (OCI)

The disaggregation of changes in other comprehensive income by each type of equity is shown below:

During the year ended 31 March 2018

(₹ in Million)

Particulars	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	0.13	0.13
Tax impact on re-measurement gains/(losses) on defined benefit plans	(0.04)	(0.04)
	<b>0.09</b>	<b>0.09</b>

During the year ended 31 March 2017

Particulars	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(0.58)	(0.58)
Tax impact on re-measurement gains/(losses) on defined benefit plans	0.20	0.20
	<b>(0.38)</b>	<b>(0.38)</b>

27. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity shareholders of the Company	258.76	214.82
Weighted average number of equity shares used for computing Earning per Share (Basic & Diluted)	0.15	0.15
Basic EPS	1,725.07	1,432.13
Diluted DPS	1,725.07	1,432.13



## 28a. Income taxes

(₹ in Million)

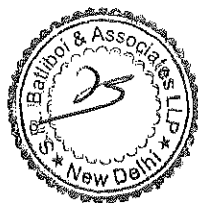
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income tax charged to statement of profit and loss</b>		
Current income tax charge	138.33	115.31
Income tax adjustment related to earlier year	-	2.68
Deferred tax charge	2.87	0.57
	<b>141.20</b>	<b>118.56</b>
<b>Income tax charged to other comprehensive income</b>		
Expenses (benefit) on re-measurement gain/(loss) on defined benefit plans	(0.04)	0.20
	<b>(0.04)</b>	<b>0.20</b>

## 28b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

(₹ in Million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before tax	399.96	333.38
At India's statutory income tax rate of 29.12% (31 March 2017: 33.06%)	116.47	110.22
Non deductible expenses	1.28	-
Others	23.45	8.34
<b>Income tax expense reported in the statement of profit and loss</b>	<b>141.20</b>	<b>118.56</b>

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**29. Gratuity and other post-employment benefits plan**

The Company has a defined benefit gratuity plan. Under the gratuity plan, Every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy. The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for gratuity plan.

**Statement of profit & loss account**

**Net employee benefit expense recognised in employee cost:**

	(₹ in Million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	0.78	0.53
Interest cost on defined obligation	0.14	0.04
Expected return on plan assets	0.06	0.06
	0.98	0.63

**Amount recognised in Other Comprehensive Income:**

	(₹ in Million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gains) / losses on obligation	0.15	0.60
Actuarial gains / (losses) on assets	0.02	0.02
	0.13	0.58

**Balance sheet**

**Changes in the present value of the defined benefit obligation are as follows:**

	(₹ in Million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening defined benefit obligation	3.74	2.51
Current service cost	0.78	0.53
Past service cost	0.14	-
Interest cost	0.27	0.20
Benefits paid	(0.03)	(0.10)
Actuarial (gains) / losses on obligation	(0.14)	0.60
Closing defined benefit obligation	4.76	3.74

**Changes in the fair value of plan assets are as follows:**

	(₹ in Million)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets	2.88	1.69
Expected return	0.21	0.13
Contributions by employer	2.00	1.14
Benefits paid	(0.03)	(0.10)
Actuarial gain/(loss)	(0.02)	0.02
Closing fair value of plane assets	5.04	2.88

The expected contribution for the next annual reporting period is Rs. 0.62 million (31 March 2017: ₹ 0.55 million)

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Investments with insurer	100%	100%

**The economic and demographic assumptions used in determining gratuity obligations for the company's plans are shown below:**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.35%	7.70%
Expected rate of return on assets	7.35%	7.70%
Expected rate of salary increase	7.00%	7.00%
Retirement age (in years)	60	60
Mortality Rate	100.00%	100.00%

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.

**The impact of sensitivity analysis due to changes in the significant actuarial assumptions on the defined benefit obligations is given in below table:**

	Change in assumptions	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	+ 1%	4.20	3.34
	- 1%	5.22	4.20
Expected rate of salary increase	+ 1%	5.41	4.15
	- 1%	4.18	3.72

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.



30. Leases

**Operating lease: Company as lessee**

The Company has taken premises for office and storage use under cancellable and non-cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs 13.33 Mn (31 March 2017; Rs. 11.33Mn). There are no restrictions imposed by the lease agreements. There are no sub leases.

31. Related party disclosure

a. Names of related parties and related party relationship

**Related parties where control exists**

Holding Company	S Chand and Company Limited (Formerly S Chand and Company Private Limited)
Fellow Subsidiary Company	Vikas Publishing House Private Limited New Saraswati House (India) Private Limited Eurasia Publishing House Private Limited
Wholly Owned Subsidiary Companies	Indian Progressive Publishing Co. Private Limited Publishing Services Private Limited

**Related parties with whom transactions have taken place during the year**

Enterprises under same control	Easy Note Stationery Private Limited (Formerly Chhaya Stationeries Private Limited) Chhaya Assets Private Limited
Key management personnel	Himanshu Gupta (Director) Sumit Biswas (Director) Sanjay Vijay Bhandarkar (Independent Director w.e.f 7 Dec 2016) Atul Nischal (Independent Director w.e.f 7 Dec 2016) Samir Khurana (Director) Dinesh Kumar Jhunjhnuwala (Director)

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**b. Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties during the year:

(₹ in Million)

Nature of Transactions	Period	Enterprises where Control exists	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel & their relatives	Total
<b>INCOME</b>					
<b>Sales</b>					
Easy Note Stationery Private Limited	31 March 2018	-	0.18	-	0.18
	31 March 2017	-	0.54	-	0.54
<b>EXPENSES</b>					
<b>Books/Paper Purchases</b>					
Indian Progressive Publishing Co. Private Limited	31 March 2018	14.76	-	-	14.76
	31 March 2017	10.64	-	-	10.64
Vikas Publishing House Private Limited	31 March 2018	-	0.43	-	0.43
	31 March 2017	-	2.00	-	2.00
<b>Contract Job Charges</b>					
Vikas Publishing House Private Limited	31 March 2018	-	1.53	-	1.53
	31 March 2017	-	18.02	-	18.02
<b>Director Remuneration</b>					
Sumit Biswas	31 March 2018	-	-	9.00	9.00
	31 March 2017	-	-	9.00	9.00
Shalini Biswas	31 March 2018	-	-	-	-
	31 March 2017	-	-	4.92	4.92
<b>Director Sitting Fees</b>					
Sanjay Vijay Bhandarkar	31 March 2018	-	-	0.23	0.23
	31 March 2017	-	-	0.05	0.05
Atul Nischal	31 March 2018	-	-	0.25	0.25
	31 March 2017	-	-	0.05	0.05
<b>Staff Welfare</b>					
New Saraswati House (India) Private Limited	31 March 2018	-	0.11	-	0.11
	31 March 2017	-	0.21	-	0.21
<b>Office Rent</b>					
Sumit Biswas	31 March 2018	-	-	0.60	0.60
	31 March 2017	-	-	0.15	0.15
Shalini Biswas	31 March 2018	-	-	-	-
	31 March 2017	-	-	0.45	0.45
Noyanika Biswas	31 March 2018	-	-	0.72	0.72
	31 March 2017	-	-	0.72	0.72
<b>Composing Charges</b>					
Publishing Services Private Limited	31 March 2018	15.82	-	-	15.82
	31 March 2017	20.25	-	-	20.25

**c. Balances outstanding at the Year end**

(₹ in Million)

Nature of Transactions	Period	Enterprises where Control exists	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel & their relatives	Total
<b>Unsecured Loans</b>					
Sumit Biswas	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	24.55	24.55
Shalini Biswas	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	1.50	1.50
<b>Trade payables</b>					
Vikas Publishing House Private Limited	31 March 2018	-	0.70	-	0.70
	31 March 2017	-	8.86	-	8.86
	1 April 2016	-	-	-	-
Indian Progressive Publishing Co. Private Limited	31 March 2018	4.43	-	-	4.43
	31 March 2017	1.14	-	-	1.14
	1 April 2016	4.09	-	-	4.09
<b>Other Liabilities</b>					
Sumit Biswas	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	1.26	1.26
<b>Trade Receivables</b>					
Easy Note Stationery Private Limited	31 March 2018	-	0.17	-	0.17
	31 March 2017	-	0.50	-	0.50
	1 April 2016	-	-	-	-
<b>Others</b>					
Publishing Services Private Limited	31 March 2018	2.06	-	-	2.06
	31 March 2017	1.53	-	-	1.53
	1 April 2016	5.36	-	-	5.36
Chhaya Assets Private Limited	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	83.33	-	-	83.33



32. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

	(₹ in Million)		
	31 March 2018	31 March 2017	1 April 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	16.62	28.37	28.46
- Interest due on above	-	-	0.02
	<u>16.62</u>	<u>28.37</u>	<u>28.48</u>

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 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

33. Expenditure in foreign currency (accrual basis)

	(₹ in Million)	
	31 March 2018	31 March 2017
Selling and distribution	1.80	-
Royalty expenses	0.02	-
	<u>1.82</u>	<u>-</u>

34. Imported and indigenously raw materials consumed

Raw Materials	Amount		Indigenously obtained	
	Percentage (%)	(₹ in Million)	Percentage (%)	(₹ in Million)
As at 31 March 2018	-	-	-	-
As at 31 March 2017	100%	327.70	100%	238.96

35. Segment reporting

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and resources and major customers. The Company's operations predominantly relate to publishing of books. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

36. Contingent liabilities

The Company does not have any contingent liability as at 31st March 2018 (31st March 2017: Nil and 1 April 2016: Nil)

37. Corporate Social Responsibility (CSR)

The Company has contributed ₹ 4.66 Mn (31 March 2017: ₹ Nil) out of the total contributable amount of ₹ 6.51 Mn (31 March 2017: ₹ 4.66 Mn) as of 31 March 2018 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.

38. Financial Instruments:- Financial risk management objectives and policies

The Company's principal financial liabilities trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in equity shares, mutual fund and government securities, advances to related party, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises two types of risk:-

- a.) Interest rate risk, and
- b.) commodity risk

Financial instruments affected by market risk include loans and borrowings, investments, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

a. Interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2018			
Borrowings	+0.5%	-	-
	-0.5%	-	-
As at 31 March 2017			
Borrowings	+0.5%	-	-
	-0.5%	-	-
As at 1 April 2016			
Borrowings	+0.5%	0.01	-
	-0.5%	(0.01)	-





**B. Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any significant credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Ageing analysis of trade receivables (net) as of the reporting date is as follows:

Age Bracket						(₹ in Million)
	Not Due	0-215 Days	216-365 Days	365-730 Days	More than 730 Days	Total
As at 1 April 2016	64.78	0.16	-	-	-	64.94
As at 31 March 2017	196.47	4.77	-	-	-	201.24
As at 31 March 2018	308.62	36.23	-	-	-	344.85

**C. Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

	(₹ in Million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Less than 1 year</b>			
- Borrowings	-	-	0.03
- Trade payables	142.67	112.38	106.72
- Other financial liabilities	-	0.03	1.70
	<b>142.67</b>	<b>112.41</b>	<b>108.45</b>

**39. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018 and 31 March 2017.

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40. Fair value of financial assets and liabilities

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI
(₹ in Million)									
<b>Assets</b>									
<b>Non current financial assets</b>									
- Investments	-	3.40	-	-	3.40	-	-	2.25	-
- Loans	-	3.98	-	-	3.37	-	-	89.84	-
<b>Current financial assets</b>									
- Investments	289.63	-	-	151.95	-	-	49.41	-	-
- Trade receivables	-	344.85	-	-	201.24	-	-	64.94	-
- Loans	-	1.13	-	-	5.68	-	-	6.16	-
- Cash and cash equivalents	-	20.38	-	-	22.40	-	-	34.51	-
- Other financial assets	-	-	-	-	-	-	-	-	-
<b>Liabilities</b>									
<b>Non-current financial liabilities</b>									
- Borrowings	-	-	-	-	-	-	-	0.03	-
<b>Current financial liabilities</b>									
- Borrowings	-	-	-	-	-	-	-	26.05	-
- Trade payables	-	142.67	-	-	112.38	-	-	106.72	-
- Other financial liabilities	-	-	-	-	0.03	-	-	1.70	-

The following assumptions/ methods were used to estimate the fair values:

- i.) The fair values of trade receivables, cash and cash equivalents, other current financial assets, trade payable and other current financial liabilities are considered to be same as their carrying values due to their short term nature.
- ii.) Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- iii.) The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.
- iv.) The Company classifies all its financial assets and financial liabilities to be measured at amortised cost. Hence the Company has not classified its financial instruments into three levels of fair value measurements hierarchy in accordance with the relevant Indian Accounting Standard.

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#### 41 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### A Judgements

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

###### Operating lease commitments – Company as a lessee

The Company has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

##### B Estimates and assumptions

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

##### Taxes

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 29

##### Provision for decommissioning

In measuring the provision for site restoration obligation, the Company uses the technical estimates to determine the expected cost of dismantling and removing the improvement or infrastructure for properties under lease. Discount rate are determined based on the government bond rate of a similar period as the liability.

##### Provision for trade receivable

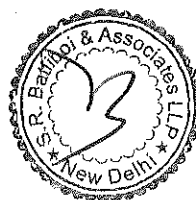
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer Note 5B.

##### Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



**42. First-time adoption of Ind AS**

i.) These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**Optional Exemptions Applied:**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

**a.) Deemed cost of Property, plant and equipment and Intangible assets**

Ind AS 101 permits a first-time adopter, where there is no change in functional currency, to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**b.) Investments in subsidiaries\***

As per the requirements of Ind AS 27, company has opted to record its investment in subsidiary at cost. Ind AS 101 provides that while measuring investment at cost, an entity shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(i) cost determined in accordance with Ind AS 27; or

(ii) deemed cost. The deemed cost of such an investment shall be its:-

(a) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(b) previous GAAP carrying amount at that date.

Accordingly, company has opted to record its investment in subsidiary at previous GAAP carrying amount at transition date.

(\*Investment in subsidiaries includes investment in subsidiary of holding company)

**ii.) Reconciliations**

Following reconciliations along with foot notes for the GAAP adjustments is inserted:

- Reconciliation of equity as at 1 April 2016 (the date of transition to Ind AS) (**Annexure I**)

- Reconciliation of equity as at 31 March 2017 (**Annexure IIa**)

- Reconciliation of profit and loss for year ended 31 March 2017 (**Annexure IIb**)

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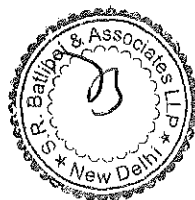


Annexure I - Reconciliation of equity as at 1 April 2016 (the date of transition to Ind AS)

(₹ in Million)

	Foot notes	Indian GAAP*	Ind AS Adjustment	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		16.26	-	16.26
Intangible assets		3.46	-	3.46
Financial assets				
- Investments	1	2.25	-	2.25
- Loans	2	90.23	(0.39)	89.84
Other non-current assets	2	-	0.04	0.04
Deferred tax assets (net)	4	2.11	0.71	2.82
<b>Total non-current assets</b>		<b>114.31</b>	<b>0.36</b>	<b>114.67</b>
<b>Current assets</b>				
Inventories		104.29	-	104.29
Financial assets				
- Investments	1	50.11	(0.70)	49.41
- Trade receivables		64.94	-	64.94
- Loans	2	5.83	0.33	6.16
- Cash and cash equivalents		34.51	-	34.51
Other current assets		1.19	0.03	1.22
<b>Total current assets</b>		<b>260.87</b>	<b>(0.34)</b>	<b>260.53</b>
<b>Total assets</b>		<b>375.18</b>	<b>0.02</b>	<b>375.20</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		14.83	-	14.83
Other equity				
- Retained earnings		116.32	(0.12)	116.20
- Other reserves		41.31	-	41.31
<b>Total equity</b>		<b>172.46</b>	<b>(0.12)</b>	<b>172.34</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings		0.03	-	0.03
Provisions		0.68	0.14	0.82
Deferred tax liabilities(net)		-	-	-
<b>Total non current liabilities</b>		<b>0.71</b>	<b>0.14</b>	<b>0.85</b>
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings		26.05	-	26.05
- Trade payables		106.72	-	106.72
- Other financial liabilities		1.70	-	1.70
Provisions		55.26	-	55.26
Other current liabilities		12.28	-	12.28
<b>Total current liabilities</b>		<b>202.01</b>	<b>-</b>	<b>202.01</b>
<b>Total equity and liabilities</b>		<b>375.18</b>	<b>0.02</b>	<b>375.20</b>

(\*Indian Gaap numbers have been regrouped to conform to classifications as per Ind AS)



## Annexure IIa - Reconciliation of equity as at 31 March 2017

(₹ in Million)

	Foot notes	Indian GAAP*	Ind AS Adjustment	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		10.45	-	10.45
Intangible assets		2.74	-	2.74
Intangible assets under development		1.83	-	1.83
Financial assets				
- Investments	1	3.40	-	3.40
- Loans	2	3.53	(0.16)	3.37
- Other financial assets		-	-	-
Other non-current assets	2	-	0.04	0.04
Deferred tax assets (net)	4	1.90	0.54	2.44
<b>Total non-current assets</b>		<b>23.85</b>	<b>0.42</b>	<b>24.27</b>
<b>Current assets</b>				
Inventories		98.15	11.39	109.54
Financial assets				
- Investments	1	151.70	0.25	151.95
- Trade receivables		212.63	(11.39)	201.24
- Loans	2	5.58	0.10	5.68
- Cash and cash equivalents		22.40	-	22.40
Other current assets	2	0.74	0.02	0.76
<b>Total current assets</b>		<b>491.20</b>	<b>0.37</b>	<b>491.57</b>
<b>Total assets</b>		<b>515.05</b>	<b>0.79</b>	<b>515.84</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		14.83	-	14.83
Other equity				
- Retained earnings		330.28	0.36	330.64
- Other reserves		41.31	-	41.31
<b>Total equity</b>		<b>386.42</b>	<b>0.36</b>	<b>386.78</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Provisions		0.41	0.43	0.84
<b>Total non current liabilities</b>		<b>0.41</b>	<b>0.43</b>	<b>0.84</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables		112.38	-	112.38
- Other financial liabilities		0.03	-	0.03
Provisions		5.39	-	5.39
Other current liabilities		10.42	-	10.42
<b>Total current liabilities</b>		<b>128.22</b>	<b>-</b>	<b>128.22</b>
<b>Total equity and liabilities</b>		<b>515.05</b>	<b>0.79</b>	<b>515.84</b>

(\*Indian Gaap numbers have been regrouped to conform to classifications as per Ind AS)



Annexure IIb - Reconciliation of profit and loss for year ended 31 March 2017

	Foot notes	Indian GAAP	Ind AS Adjustment	Ind AS
(₹ in Million)				
I Revenue from Operations		1,007.73	(11.39)	996.34
II Other income	1,2	6.33	0.98	7.31
III Total Income (I+II)		1,014.06	(10.41)	1,003.65
IV Expenses				
Cost of raw material consumed		238.96	-	238.96
Purchase of traded goods		12.64	-	12.64
(Increase)/decrease in inventories of finished goods and work in progress		15.25	(11.39)	3.86
Publication expenses		224.96	-	224.96
Employee benefits expense	3	87.27	(0.28)	86.99
Selling and distribution expenses		64.15	-	64.15
Finance cost		-	-	-
Depreciation and amortisation expense		6.48	-	6.48
Other expenses	2	32.20	0.03	32.23
Total expenses		681.91	(11.64)	670.27
V Profit before tax (III-IV)		332.15	1.23	333.38
VI Tax expense:				
Current tax		115.31	-	115.31
Income tax adjustment related to earlier years		2.68	-	2.68
Deferred tax (credit)/ charge		0.21	0.36	0.57
Total tax expenses		118.20	0.36	118.56
VII Profit for the year		213.95	0.87	214.82
VIII Other Comprehensive Income				
- Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans		-	(0.58)	(0.58)
Tax impact on re-measurement gains/(losses) on defined benefit plans		-	0.20	0.20
IX Total Comprehensive Income for the period (V + VI)		213.95	0.49	214.44

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31 March 2017 are as below:-

1.) Investments

Under previous GAAP, current investments were measured at lower of Cost or fair value. Under Ind AS these financial assets are classified as FVTPL and the changes in fair value are recognised in statement of profit and loss. On the transition date, these financial assets have been measured at their fair value which is higher than its cost as per previous GAAP, resulting in an increase/decrease in carrying value of the investments with corresponding increase/decrease being recognised in equity.

2.) Non current financial assets/ financial liabilities

Under previous GAAP, certain non-current financial assets/ liabilities which were measured at cost/ best estimate of the expenditure required to settle the obligation, at the balance sheet date without considering the effect of discounting where as these are measured at the present value on the balance sheet date under Ind AS. Accordingly the Company has recognised the adjustments to the respective carrying amount and the consequent impact on finance cost/ finance income due to unwinding of the discounting impact. The corresponding impact on the date of transition has been recognised in equity.

3.) Re-measurement differences

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind AS. Under previous GAAP, the re-measurement of the net defined benefit liability were recognised in the statement of profit and loss however under Ind AS, said re-measurement differences net of the related tax impact are recognised in the other comprehensive income.

4.) Revenue recognition

Under previous GAAP, rebate and discount were shown as an expense. Under IndAS, revenue is measured at fair value of the consideration received or receivable taking into account the amount of any trade discount and volume rebate allowed by the entity.

5.) Deferred tax


Under Ind AS, the Company has recognised the consequential tax implications on the impact on account of adjustments explained above.

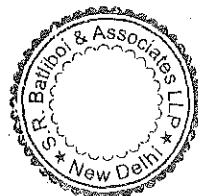
44 The Board of Directors in their meeting dated November 11, 2017 approved the merger of Publishing Services Private Limited with the Company, the company is fully owned subsidiary of Holding Company. The Company has filed an application with Registrar of Companies dated December 12, 2017 under section 233 of Companies Act, 2013 for merger of the aforesaid Company and waiting for approval.

45 Previous year figures have been audited by a firm other than S.R.Batliloi & Associates LLP and have been regrouped and rearranged wherever necessary to conform to current year's classification.

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


For S.R. Batliloi & Associates LLP  
 ICAI Firm Registration No. 101049W / E300004  
 Chartered Accountants

  
 per Yogesh Midha  
 Partner  
 Membership No.: 94941



Place : New Delhi  
 Date : 22 May 2018

For and on behalf of the Board of Directors of  
 Chhaya Prakashani Private Limited

  
 Himanshu Gupta  
 Director  
 DIN:00054015

  
 Sumit Biswas  
 Director  
 DIN:01183450