

INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand and Company Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of S Chand and Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information



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of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of eight subsidiaries, whose Ind AS financial statements include total assets of Rs 1,910.84 million and net assets of Rs 777.77 million as at March 31, 2018, and total revenues of Rs 513.47 million and net cash inflows of Rs 7.49 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 12.25 million for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of two associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate report in "Annexure 1" to this report;



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- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 40 to the consolidated Ind AS financial statements;
 - ii. The Group and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India during the year ended March 31, 2018.

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: 30 May 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF S CHAND AND COMPANY LIMITED

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

In conjunction with our audit of the consolidated financial statements of S Chand and Company Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of S Chand and Company Limited (hereinafter referred to as the "Holding Company") its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated 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 consolidated 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 consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

A company's internal financial control over financial reporting with reference to these consolidated 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 consolidated 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)



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provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these eight subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate.

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: 30 May 2018

(₹ in millions)

| | Notes | 31 March 2018 | 31 March 2017 | 1 April 2016 |
|--|-------|------------------|------------------|-----------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 3 | 1,073.68 | 977.52 | 1,020.91 |
| Capital work-in-progress | | 7.12 | 7.66 | 36.74 |
| Goodwill | 4 | 3,373.77 | 3,373.77 | 1,801.24 |
| Other intangible assets | 4 | 694.51 | 614.06 | 484.10 |
| Intangible assets under development | | 61.34 | 26.51 | 30.43 |
| Investment in associates | 5A | 178.60 | 188.35 | 201.00 |
| Financial assets | | | | |
| - Investments | 5B | 54.39 | 54.43 | 52.23 |
| - Loans | 5G | 93.23 | 43.29 | 40.08 |
| - Other financial assets | 5F | 11.88 | 9.05 | 27.67 |
| Other non-current assets | 7 | 125.59 | 107.81 | 105.07 |
| Income tax assets (net) | 8 | 9.11 | 20.31 | 35.57 |
| Deferred tax assets (net) | 9 | 219.82 | 173.62 | 186.41 |
| Total non-current assets | | 5,903.04 | 5,596.38 | 4,021.45 |
| Current assets | | | | |
| Inventories | 6 | 1,562.24 | 1,701.86 | 1,454.83 |
| Financial assets | | | | |
| - Investments | 5C | 467.63 | 155.43 | 123.95 |
| - Loans | 5G | 83.02 | 96.77 | 76.60 |
| - Trade receivables | 5D | 6,312.33 | 4,701.81 | 3,706.80 |
| - Cash and cash equivalents | 5E | 664.81 | 335.57 | 238.97 |
| - Other financial assets | 5F | 29.35 | 42.44 | 7.55 |
| Other current assets | 7 | 134.12 | 198.01 | 100.48 |
| Income tax assets (net) | 8 | 5.10 | 2.04 | 2.92 |
| Total current assets | | 9,258.60 | 7,233.93 | 5,712.10 |
| Total assets | | 15,161.64 | 12,830.31 | 9,733.55 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | 10 | 174.88 | 149.22 | 2.02 |
| Other equity | | | | |
| - Retained earnings | 11 | 3,333.75 | 2,314.36 | 1,889.35 |
| - Other reserves | 11 | 6,488.67 | 3,947.98 | 3,947.63 |
| Equity attributable to equity holders of the parent | | 9,997.30 | 6,411.56 | 5,839.00 |
| Non-controlling interests | | 42.05 | 132.39 | 31.47 |
| Total equity | | 10,039.35 | 6,543.95 | 5,870.47 |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | 13A | 265.87 | 313.36 | 680.67 |
| - Trade payables | 14 | 6.49 | 9.35 | 6.82 |
| - Other financial liabilities | 15 | 3.34 | 2.36 | 7.33 |
| Net employee defined benefit liabilities | 17 | 70.19 | 52.63 | 51.54 |
| Other non-current liabilities | 18 | 7.54 | 6.76 | 7.80 |
| Total non-current liabilities | | 353.43 | 384.46 | 754.16 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | 13B | 1,447.52 | 1,680.16 | 1,247.23 |
| - Trade payables | 14 | 2,110.03 | 1,809.52 | 1,479.51 |
| - Other financial liabilities | 15 | 730.45 | 2,038.73 | 102.74 |
| Other provisions | 16 | 251.43 | 183.53 | 118.48 |
| Net employee defined benefit liabilities | 17 | 7.08 | 6.48 | 6.51 |
| Other current liabilities | 18 | 222.35 | 183.48 | 154.45 |
| Total current liabilities | | 4,768.86 | 5,901.90 | 3,108.92 |
| Total equity and liabilities | | 15,161.64 | 12,830.31 | 9,733.55 |
| 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
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per Yogesh Midha
Partner
Membership Number: 94941



Place: New Delhi
Date: 30 May 2018

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

Himanshu Gupta
Director
DIN: 0054015

Saurabh Mittal
Chief Financial Officer

Dinesh Kumar Jhunjhnuwala
Director
DIN: 00282988

Jagdeep Singh
Company Secretary

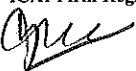
S Chand and Company Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2018
CIN:L22219DL1970PLC005400

| | | (₹ in millions) | |
|-------------|---|-------------------------------------|-------------------------------------|
| | | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| I | Revenue | | |
| | Revenue from operations | 19 | 7,944.45 |
| | Other income | 20.1 | 84.88 |
| | Finance income | 20.2 | 42.39 |
| | Total Revenue (I) | 8,071.72 | 6,621.56 |
| II | Expenses | | |
| | Cost of published goods/material consumed | 21 | 2,387.64 |
| | Purchase of traded goods | 22 | 74.20 |
| | Publication expense | 23 | 682.79 |
| | (Increase)/ decrease in inventories of finished goods, work-in-progress, scrap and components | 24 | 100.53 |
| | Employee benefits expense | 25 | 1,385.61 |
| | Selling and distribution expense | 26 | 737.17 |
| | Finance costs | 27 | 239.72 |
| | Depreciation and amortization expense | 28 | 192.84 |
| | Other expenses | 29 | 649.55 |
| | Total expenses (II) | 6,450.05 | 5,552.34 |
| III | Profit before share of loss of an associate (I-II) | 1,621.67 | 1,069.22 |
| IV | Share of loss in associates | 34 | (12.25) |
| V | Profit before tax (III - IV) | 1,609.42 | 1,046.56 |
| VI | Tax expense: | | |
| (1) | Current tax | 581.45 | 416.16 |
| (2) | Income tax adjustment related to earlier years | 3.10 | 4.18 |
| (3) | Deferred tax (credit)/ charge | (45.96) | 13.60 |
| VII | Profit for the period (V-VI) | 1,070.83 | 612.62 |
| VIII | Other Comprehensive Income | 30 | |
| | Items that will not be reclassified to profit or loss | | |
| | Re-measurement gains/(losses) on defined benefit plans | 1.13 | 3.26 |
| | Income tax effect | 0.24 | (1.38) |
| IX | Total Comprehensive Income for the period (VII + VIII) | 1,072.20 | 614.50 |
| | (Comprising Profit and Other Comprehensive Income for the year) | | |
| | Profit for the year | | |
| | Attributable to: | | |
| | - Equity holders of the parent | 1,072.06 | 558.08 |
| | - Non- controlling interests | 0.14 | 56.42 |
| VIII | Earnings per equity share: | 31 | |
| | Basic | 31.14 | 20.53 |
| | Diluted | 31.06 | 20.49 |

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
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

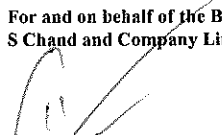


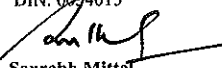
per Yogesh Midha
Partner
Membership Number: 94941

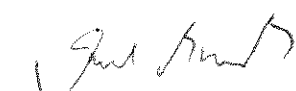


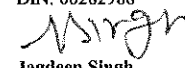
Place: New Delhi
Date: 30 May 2018

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


Himanshu Gupta
Director
DIN: 0054015


Saurabh Mittal
Chief Financial Officer


Dinesh Kumar Jhunjhnuwala
Director
DIN: 00282988


Jagdeep Singh
Company Secretary

S Chand and Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2018
CIN:L22219DL1970PLC005400

| | (₹ in millions) | |
|---|-----------------------|-----------------------|
| | For the year ended | For the year ended |
| A. Cash flow from operating activities | | |
| Profit before tax | 1,621.67 | 1,069.23 |
| Adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation and amortisation expenses | 192.84 | 264.33 |
| Loss on sale of property, plant & equipment (net) | 3.83 | 1.10 |
| Interest income | (42.39) | (13.39) |
| Dividend income on investments | (1.39) | (1.40) |
| Reversal of temporary diminution in value of investments | (41.00) | (0.39) |
| Miscellaneous amount written back | (3.77) | (0.47) |
| Net gain on sale of current investments | (6.65) | (5.58) |
| Interest paid on borrowings | 224.78 | 327.99 |
| Amortization of ancillary borrowing cost | 6.42 | 12.12 |
| Loss on Insurance claim receivable | - | 0.27 |
| Foreign exchange difference | 1.18 | 0.10 |
| Employee stock option expense | 12.21 | 17.53 |
| Provision for bad debts and advances | 39.67 | 69.70 |
| Bad debt written off | 1.49 | 9.77 |
| Operating profit before working capital changes | 2,008.89 | 1,750.91 |
| Movement in working capital: | | |
| (Increase)/ Decrease in inventories | 139.62 | (247.03) |
| (Increase)/ Decrease in trade receivable | (1,651.68) | (1,074.49) |
| (Increase)/ Decrease in loans and advances | 29.02 | (135.78) |
| (Increase)/ Decrease in other assets | 10.26 | (5.54) |
| Increase/ (Decrease) in provisions | 19.56 | 2.93 |
| Increase/ (Decrease) in trade payable | 301.42 | 333.02 |
| Increase/ (Decrease) in current liabilities | 34.80 | 53.24 |
| Cash generated from operations | 891.89 | 677.26 |
| Direct taxes paid (net of refunds) | (502.41) | (353.14) |
| Net cash generated from operating activities (A) | 389.48 | 324.12 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant & equipment (including assets acquired on acquisition) | (426.58) | (343.43) |
| Acquisition of subsidiaries, net of cash acquired | 9.56 | (1,528.93) |
| Investment in non current investments (including investments acquired on acquisition) | (2.46) | (12.21) |
| Purchase in current investments | (423.17) | (152.19) |
| Proceed from sale of current investments | 158.62 | 126.67 |
| Proceed from sale of subsidiary | - | 46.80 |
| Proceed from sale of property, plant and equipment | 29.95 | 26.40 |
| Dividend received | 1.39 | 1.40 |
| Interest received | 42.39 | 13.39 |
| Net cash used in investing activities (B) | (610.30) | (1,822.10) |
| C. Cash flows from financing activities | | |
| Proceed from issue of equity shares including securities premium | 3,318.05 | - |
| Interest paid on borrowings | (224.78) | (327.99) |
| Assets acquired under Finance Lease | (43.55) | (33.33) |
| Amortization of ancillary borrowing cost | (4.22) | (10.20) |
| Proceed from long term borrowings | 175.09 | - |
| Repayment of long term borrowings | (2,177.10) | 1,545.40 |
| Proceed/(repayment) from short term borrowings | (232.64) | 432.93 |
| Dividend paid on equity share | (43.56) | (10.08) |
| Payments made for fresh issuance of equity share capital | (207.19) | - |
| Tax on equity dividend paid | (8.87) | (2.05) |
| Net cash generated from financing activities (C) | 551.23 | 1,594.68 |



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S Chand and Company Limited
 Consolidated Cash Flow Statement for the year ended 31 March 2018
 CIN:L22219DL1970PLC005400

| | (₹ in millions) | |
|--|-----------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| Net increase in cash and cash equivalents (A+B+C) | 330.41 | 96.70 |
| Foreign exchange difference | (1.18) | (0.10) |
| Cash and cash equivalents at the beginning of the year | 335.57 | 238.97 |
| Cash and cash equivalents at the end of the year | 664.80 | 335.57 |
| Components of cash and cash equivalents | | |
| Cash in hand | 2.36 | 7.49 |
| With Banks - On current accounts | 274.12 | 321.56 |
| Deposits with original maturity of less than 3 months | 140.76 | 6.52 |
| Cheques in hand | 247.57 | - |
| Total cash and cash equivalents (note 5E) | 664.81 | 335.57 |
| Non-cash investing and financing transaction | | |
| Acquisition of property, plant and equipment by means of a finance lease | 43.55 | 33.33 |

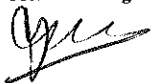
| Particulars | As at 31 March 2017 | Cash flows | Non cash changes | As at 31 March 2018 |
|---|------------------------|-------------------|------------------|------------------------|
| Long term borrowings (including current maturity) | 2,324.26 | (2,002.01) | - | 322.25 |
| Short term borrowings | 1,680.16 | (232.64) | - | 1,447.52 |
| | 4,004.42 | (2,234.65) | - | 1,769.77 |

Summary of significant accounting policies

2.1

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


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

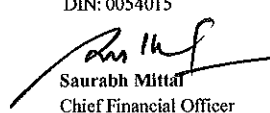

 per Yogesh Midha
 Partner
 Membership Number: 94941

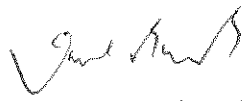


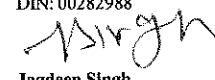
Place: New Delhi
 Date: 30 May 2018

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


 Himanshu Gupta
 Director
 DIN: 0054015


 Saurabh Mittal
 Chief Financial Officer


 Dinesh Kumar Jhunjhnuwala
 Director
 DIN: 00282988


 Jagdeep Singh
 Company Secretary

S Chand and Company Limited
Consolidated statement of changes in equity for the year ended 31st March 2018
CIN: L22219DL1970PLC005400

A. Equity share capital

| | No. of shares | (₹ in millions) |
|--|---------------|-----------------|
| Issued, subscribed and fully paid up | | |
| At 1 April 2016 | 201,652 | 2.02 |
| Issued during the period – share split | 201,652 | - |
| Issued during the period – bonus issue | 29,441,192 | 147.20 |
| At 31 March 2017 | 29,844,496 | 149.22 |
| Issued during the year - IPO | 4,850,746 | 24.26 |
| Issued during the year - ESOPs | 280,045 | 1.40 |
| At 31 March 2018 | 34,975,287 | 174.88 |

B. Other equity

| | Reserve & Surplus | | | | | | Total | Non-Controlling Interests | Total Equity |
|--|-------------------|------------------|------------------------------|-----------------|-----------------|---------------|----------|---------------------------|--------------|
| | Retained earnings | Security premium | Debenture redemption reserve | Capital reserve | General reserve | ESOPs reserve | | | |
| As at 1st April 2016 | 1,889.35 | 3,638.93 | 260.00 | 26.94 | 14.19 | 7.57 | 5,836.98 | 31.47 | 5,868.45 |
| Profit for the period | 556.20 | - | - | - | - | - | 556.20 | 56.42 | 612.62 |
| Other comprehensive income | 1.88 | - | - | - | - | - | 1.88 | - | 1.88 |
| Total comprehensive income | 2,447.43 | 3,638.93 | 260.00 | 26.94 | 14.19 | 7.57 | 6,395.06 | 87.89 | 6,482.95 |
| Issue of share capital (bonus issue) | - | (147.20) | - | - | - | - | (147.20) | - | (147.20) |
| Exercise of share options | - | - | - | - | - | - | - | - | - |
| Share based payments | - | - | - | - | - | 17.53 | 17.53 | - | 17.53 |
| Adjustment for Chhaya Consolidation | 9.06 | - | - | - | - | - | 9.06 | - | 9.06 |
| Transfer to debenture redemption reserve | (130.00) | - | 130.00 | - | - | - | - | - | - |
| Interim equity dividend | (10.08) | - | - | - | - | - | (10.08) | - | (10.08) |
| Dividend distribution tax | (2.05) | - | - | - | - | - | (2.05) | - | (2.05) |
| Acquisition of a subsidiary | - | - | - | 0.02 | - | - | 0.02 | 44.50 | 44.52 |
| As at 31st March 2017 | 2,314.36 | 3,491.73 | 390.00 | 26.96 | 14.19 | 25.10 | 6,262.34 | 132.39 | 6,394.73 |
| As at 31st March 2017 | 2,314.36 | 3,491.73 | 390.00 | 26.96 | 14.19 | 25.10 | 6,262.34 | 132.39 | 6,394.73 |
| Profit for the period | 1,070.69 | - | - | - | - | - | 1,070.69 | 0.14 | 1,070.83 |
| Other comprehensive income | 1.37 | - | - | - | - | - | 1.37 | - | 1.37 |
| Total comprehensive income | 3,386.42 | 3,491.73 | 390.00 | 26.96 | 14.19 | 25.10 | 7,334.40 | 132.53 | 7,466.93 |
| Issue of share capital | - | 3,292.39 | - | - | - | - | 3,292.39 | 9.80 | 3,302.19 |
| Exercise of share options | - | 29.42 | - | - | - | (29.42) | - | - | - |
| Share based payments | - | - | - | - | - | 12.21 | 12.21 | - | 12.21 |
| Transaction Costs | - | (207.19) | - | - | - | - | (207.19) | - | (207.19) |
| Final equity dividend | (43.56) | - | - | - | - | - | (43.56) | - | (43.56) |
| Dividend distribution tax | (8.87) | - | - | - | - | - | (8.87) | - | (8.87) |
| Acquisition of non-controlling interests | (0.24) | - | - | (556.72) | - | - | (556.96) | (100.28) | (657.24) |
| As at 31st March 2018 | 3,333.75 | 6,606.35 | 390.00 | (529.76) | 14.19 | 7.89 | 9,822.42 | 42.05 | 9,864.47 |

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
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per Yogesh Midha
Partner
Membership No.: 94941



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

Himanshu Gupta
Director
DIN: 0054015

Dinesh Kumar Jhunjhunwala
Director
DIN: 00282988

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

1. Corporate information

S Chand and Company Limited ('the company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The company has become a Public Limited Company w.e.f. 8th September 2016 and consequently the name of the company has changed from S Chand and Company Private Limited to S Chand and Company Limited. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 7361, Ram Nagar, Qutab Road, New Delhi - 110055. These are consolidated financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the group.

The group is principally engaged in publishing of educational books with products ranging from school books, higher academic books, competition and reference books, technical and professional books and children Books.

2. Significant accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP).

For all periods up to and including the year ended March 31 2017, the Group prepared its consolidated 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 March 31, 2018 are the first the Group has prepared in accordance with Ind AS. Reconciliation and description of transition to Ind AS has been summarised in Note 55.

The consolidated financial statements have been prepared on a historical cost convention, except for the following assets and liabilities which have been measured at fair value.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- ii) Equity settled employee share-based payment plan

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

2.1 Principles of consolidation

The consolidated financial statement relates to S Chand and Company Limited ('the group'), its subsidiary companies collectively referred to as 'the Group' ('the Group Companies') and associate companies. The consolidated financial statements have been prepared on the following basis:-

- i. The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances/ transactions and resulting profits in full. Unrealized profit / losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group.
- ii. Investment in associates (entity over which the group exercises significant influence, which is neither a subsidiary nor joint venture) are accounted for using the equity method as per Ind AS 28 (Investment in Associates and Joint ventures) in Consolidated Financial Statements. The consolidated financial statement include the share of loss of associate



S Chand and Company Limited**Notes to the consolidated financial statements for the year ended 31 March 2018****(Amounts in ₹ million, unless otherwise stated)**

companies, which are accounted under the 'Equity method' as per which the share of loss of the associate company has been adjusted to the carrying amount of investment. Further, for the purpose of consolidation, the proportionate share of loss of associates companies to the extent of investment in equity share has been considered.

- iii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the group's separate financial statements. Differences in accounting policies have been disclosed separately.
- iv. The difference between the cost to the Group of investment in Subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date.
- v. Minorities' interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.
- vi. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the group i.e. period ended 31 March 2018.

| Name of the Company | Country of Incorporation | Relationship as at 31 March 2018 | Percentage of effective ownership interest held (directly or indirectly) | | |
|--|--------------------------|---|--|---------------|--------------|
| | | | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Nirja Publishers and Printers Private Limited | India | Subsidiary of S Chand and Company Limited | 100% | 100% | 100% |
| Eurasia Publishing House Private Limited | India | Subsidiary of S Chand and Company Limited | 100% | 100% | 100% |
| Blackie & Son (Calcutta) Private Limited | India | Subsidiary of S Chand and Company Limited | 100% | 100% | 100% |
| Vikas Publishing House Private Limited* | India | Subsidiary of S Chand and Company Limited | 100% | 100% | 100% |
| Safari Digital Education Initiatives Private Limited** | India | Subsidiary of S Chand and Company Limited | 100% | 100% | 100% |



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S Chand and Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2018

(Amounts in ₹ million, unless otherwise stated)

| | | | | | |
|---|-------|--|--------|--------|--------|
| BPI (India) Private Limited | India | Subsidiary of Blackie & Son (Calcutta) Private Limited | 51% | 51% | 51% |
| Arch Papier-Mache Private Limited*** | India | Subsidiary of Vikas Publishing House Private Limited | - | - | 100% |
| S Chand Edutech Private Limited | India | Subsidiary of Safari Digital Education Initiatives Private Limited | 100% | 74% | 74% |
| D S Digital Private Limited**** | India | Subsidiary of S Chand and Company Limited | 99.93% | 99.93% | 99.93% |
| New Saraswati House (India) Private Limited***** | India | Subsidiary of S Chand and Company Limited | 100% | 100% | 100% |
| Chhaya Prakashani Private Limited***** | India | Subsidiary of S Chand and Company Limited | 100% | 74% | - |
| Indian Progressive Publishing Co. Private Limited | India | Wholly owned subsidiary of Chhaya Prakashani Private Limited | 100% | 74% | - |
| Publishing Services Private Limited | India | Wholly owned subsidiary of Chhaya Prakashani Private Limited | 100% | 74% | - |
| Edutor Technologies India Private Limited | India | Associate of Safari Digital Education Initiatives Private Limited | 44.66% | 44.66% | 44.66% |
| Smartivity Labs Private Limited | India | Associate of S Chand And Company Limited | 24.12% | 24.69% | 25.70% |

* 2% held by Nirja Publishers and Printers Private Limited

** 40.08% held by Nirja Publishers and Printers Private Limited

*** Subsidiary till 8th December 2016

**** 49% held by Safari Digital Education Initiatives Private Limited

***** 23.90% held by Vikas Publishing House Private Limited

***** 30.47% held by Eurasia Publishing House Private Limited



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2.2 Business Combinations and Goodwill

a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for associates and joint ventures.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in



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S Chand and Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2018

(Amounts in ₹ million, unless otherwise stated)

OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.3 Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The group 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 group has identified twelve months as its operating cycle.

2.4 Foreign currencies

Functional and presentational currency

The group's financial statements are presented in INR, which is also the group'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 group 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 Statement of profit or loss.

2.5 Fair value measurement

The group 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:

- i. in the principal market for the asset or liability, or
- ii. 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 group.

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 group 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:

- 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



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- 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 group 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 group's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the group'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 group's accounting policies. For this analysis, the group'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.

The group's management, in conjunction with the group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i. Disclosures for valuation methods, significant estimates and assumptions (Note 32)
- ii. Quantitative disclosures of fair value measurement hierarchy (Note 45)
- iii. Investment in unquoted equity shares (Note 5A, 5B and 5C)
- iv. Financial instruments (including those carried at amortised cost) (Note 45)
- v. Equity Settled employee share based payment plan (Note 36)

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. 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 group 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 inventory and credit risks.

Sales tax/ value added tax (VAT) is not received by the group 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 been transferred i.e. at the time of handing over goods to the carrier for transportation except in case of one subsidiary where revenue is recognised at the time of delivery of goods. 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.



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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.

Interest income

For all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). 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 gross carrying amount of the financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (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.

Dividends

Dividend Income is recognised when the group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental Income arising from operating leases of computers is accounted for on a straight line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

2.7 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 taxation authorities. 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 group 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 and associates, 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 and associates, 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.

2.8 Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any. The group 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, viz, April 01, 2016.

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and 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 group 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 statement of profit or loss as incurred.

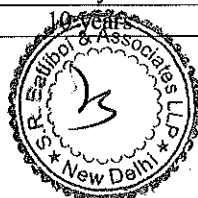
Depreciation

Till March 31, 2017, depreciation on property, plant and equipment was being provided on written down value method. w.e.f. April 01, 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 |
|---------------------|--------------------------------------|--------------------------------|
| Plant and equipment | 15 - 25 years | 15 years |
| Office Equipment | 5 - 15 years | 5 years |
| Furniture & fixture | 10 years | 10 years |



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S Chand and Company Limited
Notes to the consolidated financial statements for the year ended 31 March 2018
(Amounts in ₹ million, unless otherwise stated)

| | | |
|---------------------------------------|---------------|----------|
| Vehicle | 8 - 10 years | 8 years |
| Building (including Factory Building) | 40 - 60 years | 30 years |
| Electrical installation | 10 years | 10 years |
| Others – Computer | 3 - 6 years | 3 years |

Leasehold improvements are amortised over economic useful life or unexpired period of lease whichever is less.

The group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and machinery, vehicles and computers 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.

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.

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.

2.9 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. The group 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, viz, April 01, 2016.

In accordance with Ind AS 101 provisions related to first time adoption, the group has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with no adjustments. (Refer Note 4).

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. 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 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.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and 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 during development

Following 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 amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

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

| Intangible assets | Useful lives | Amortization method used | Internally generated or acquired |
|----------------------------------|-----------------------|--|---|
| Computer software | Finite (3 - 10 years) | Amortized on straight line basis over the period of useful lives | Acquired |
| Goodwill on business combination | Indefinite | No amortization | Acquired |
| Copyrights | Finite (5 - 10 years) | Amortized on straight line basis over the period of copyright | Acquired |
| Content development | Finite (10 seasons) | Amortized on straight line basis over the period of content | Internally generated |
| Technical Know-how | Finite (3 - 6 years) | Amortized on straight line basis over the period of copyright | Acquired |
| License fees | Finite (5 years) | Amortized on straight line basis over the period of copyright | Acquired |
| Website development | Finite (10 years) | Amortized on straight line basis over the period of copyright | Acquired |

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



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2.11 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.

Group 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 group 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.

Group as a lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating Leases are included in Fixed Assets. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.12 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 (FIFO) 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

2.13 Impairment of non-financial assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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.



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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 group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group'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 group 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 group 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.

2.14 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset



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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 'Financial 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 instruments 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 group 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 group 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 group 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 P&L.



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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 group 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 P&L.

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 group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group 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 group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group 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 group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group 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 group 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 group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the group 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 debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and 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 group 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.

The application of simplified approach does not require the group 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.



S Chand and Company Limited

Notes to the consolidated financial statements for the year ended 31 March 2018

(Amounts in ₹ million, unless otherwise stated)

For recognition of impairment loss on other financial assets and risk exposure, the group 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 group 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 group 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. On that basis, the group has estimated provision of 4.55% is required to be made on outstanding receivables at the reporting date.

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



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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 group'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 group 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 group. 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 group 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



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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 group 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 group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group 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 group 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 consolidated 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.

2.15 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an 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 group 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.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:



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- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group 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.

2.16 Share based payments

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

Equity settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.



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2.17 Provisions

Provisions are recognised when the group 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 group expects some or all of a provision to 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

2.18 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 of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the group's cash management.

2.19 Earnings Per Share (EPS)

Basic Earnings Per Share is calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity holders of the group (after adjusting for interest on the convertible preference shares) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.20 Cash dividend and non-cash distribution to equity holders of the group

The group recognises a liability to make cash or non-cash distributions to equity holders of the group when the distribution is authorised and the distribution is no longer at the discretion of the group. 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

2.21 All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

2.22 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 group will adopt the new standard on the required effective date using the modified retrospective method. The group 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 de-recognition 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 group's current practice is in line with the Interpretation, the group does not expect any effect on its financial statements.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The group 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 group has provided the information for both the current and the comparative period in Cash Flow Statement.

Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.



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3. Property, plant and equipment (₹ in millions)

| | Leasehold land | Building office | Building factory | Plant & machinery | Furniture & fixtures | Vehicles* | Office equipments | Leasehold improvement | Electrical installations | Computers | Total |
|-----------------------------|----------------|-----------------|------------------|-------------------|----------------------|-----------|-------------------|-----------------------|--------------------------|-----------|----------|
| Gross block | | | | | | | | | | | |
| As at 1 April 2016 | 106.35 | 14.47 | 204.92 | 390.21 | 49.86 | 53.11 | 39.12 | 22.46 | 14.86 | 125.55 | 1,020.91 |
| Additions | - | - | 36.99 | 105.74 | 5.12 | 29.20 | 10.01 | 0.76 | 0.02 | 31.78 | 219.62 |
| Acquisition of a subsidiary | - | - | - | 1.60 | 4.25 | 4.13 | 0.12 | - | 0.98 | 1.14 | 12.22 |
| Disposals | - | - | - | (15.89) | (0.62) | (10.28) | (0.07) | (1.01) | - | (3.51) | (31.38) |
| Transfer of a subsidiary | (41.10) | (0.56) | (36.99) | - | - | (3.63) | (0.96) | - | - | - | (83.24) |
| As at 31 March 2017 | 65.25 | 13.91 | 204.92 | 481.66 | 58.61 | 72.53 | 48.22 | 22.21 | 15.86 | 154.96 | 1,138.13 |
| Additions | - | - | - | 80.14 | 10.36 | 43.55 | 22.83 | 2.86 | - | 58.52 | 218.06 |
| Disposals | - | - | - | (18.95) | (0.04) | (6.29) | (0.10) | - | - | (23.95) | (49.33) |
| Impairment | - | - | - | - | - | - | - | - | - | (0.09) | (0.09) |
| As at 31 March 2018 | 65.25 | 13.91 | 204.92 | 542.85 | 68.93 | 109.79 | 70.95 | 24.87 | 15.86 | 189.44 | 1,306.77 |

Accumulated depreciation

| | | | | | | | | | | | |
|--------------------------|------|--------|--------|--------|--------|--------|--------|--------|------|---------|---------|
| As at 1 April 2016 | - | - | - | - | - | - | - | - | - | - | - |
| Charge for the year | 1.14 | 0.64 | 10.91 | 51.96 | 13.13 | 18.95 | 17.20 | 3.73 | 3.96 | 44.91 | 166.53 |
| Disposals | - | - | - | (1.75) | (0.08) | (1.76) | (0.25) | (0.04) | - | (1.40) | (5.05) |
| Transfer of a subsidiary | - | (0.02) | (0.60) | - | - | - | (0.25) | - | - | - | (0.87) |
| As at 31 March 2017 | 1.14 | 0.62 | 10.31 | 50.21 | 13.05 | 17.19 | 16.93 | 3.69 | 3.96 | 43.51 | 160.61 |
| Charge for the year | 1.14 | 0.22 | 3.34 | 21.69 | 6.92 | 7.92 | 9.08 | 4.24 | 1.40 | 32.11 | 88.06 |
| Disposals | - | - | - | (1.86) | (0.01) | (2.10) | (0.05) | - | - | (11.53) | (15.55) |
| Impairment | - | - | - | - | - | - | - | - | - | (0.03) | (0.03) |
| As at 31 March 2018 | 2.28 | 0.84 | 13.65 | 70.04 | 19.96 | 23.01 | 25.96 | 7.93 | 5.36 | 64.06 | 233.09 |

Net block

| | | | | | | | | | | | |
|---------------------|--------|-------|--------|--------|-------|-------|-------|-------|-------|--------|----------|
| As at 31 March 2016 | 106.35 | 14.47 | 204.92 | 390.21 | 49.86 | 53.11 | 39.12 | 22.46 | 14.86 | 125.55 | 1,020.91 |
| As at 31 March 2017 | 64.11 | 13.29 | 194.61 | 431.45 | 45.56 | 55.34 | 31.29 | 18.52 | 11.90 | 111.45 | 977.52 |
| As at 31 March 2018 | 62.97 | 13.07 | 191.27 | 472.81 | 48.97 | 86.78 | 44.99 | 16.94 | 10.50 | 125.38 | 1,073.68 |

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

| Particulars | Leasehold land | Building office | Building factory | Plant & machinery | Furniture & fixtures | Vehicles | Office equipments | Leasehold improvement | Electrical installations | Computers | Total |
|--------------------------------|----------------|-----------------|------------------|-------------------|----------------------|----------|-------------------|-----------------------|--------------------------|-----------|----------|
| Gross block | 116.02 | 22.68 | 219.36 | 605.24 | 109.85 | 127.51 | 106.83 | 29.21 | 23.06 | 328.41 | 1,688.17 |
| Accumulated depreciation | (9.67) | (8.21) | (14.44) | (215.03) | (59.99) | (74.40) | (67.71) | (6.75) | (8.20) | (202.86) | (667.26) |
| Deemed cost as at 1 April 2016 | 106.35 | 14.47 | 204.92 | 390.21 | 49.86 | 53.11 | 39.12 | 22.46 | 14.86 | 125.55 | 1,020.91 |

Note: Since the group 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 millions) |
|--|-----------------|
| Depreciation as per written down value | 129.06 |
| Depreciation as per straight line method | 57.91 |
| Profit for current year increased by | 71.15 |

*The carrying value of vehicles held under finance leases contracts at 31 March 2018 was ₹ 86.79 million (31 March 2017: ₹ 55.35 million) and ₹ 53.1 million. Additions during the year include ₹ 43.55 million (31 March 2017: ₹ 33.33 million) under finance leases contracts. Leased assets are pledged as security for the related finance leases.



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4. Intangible assets

| | Goodwill | Computer software | Trademark | Copy-right | Website designing | Technical knowhow | Content development (in House) | Mobile application | License fees | Total |
|---------------------------------|----------|-------------------|-----------|------------|-------------------|-------------------|--------------------------------|--------------------|--------------|----------|
| Gross block | | | | | | | | | | |
| As at 1 April 2016 | 1,801.24 | 55.23 | - | 145.80 | 0.11 | 3.21 | 278.94 | - | 0.81 | 2,285.34 |
| Purchase | - | 12.90 | 0.11 | 0.53 | - | - | 209.27 | - | - | 222.81 |
| Acquisition of a subsidiary | 1,573.43 | 4.52 | 0.06 | 0.64 | - | - | - | - | - | 1,578.65 |
| Disposals | (0.90) | (0.34) | - | - | - | - | - | - | - | (1.24) |
| As at 31 March 2017 | 3,373.77 | 72.31 | 0.17 | 146.97 | 0.11 | 3.21 | 488.21 | - | 0.81 | 4,085.56 |
| Purchase | - | 9.19 | 0.17 | 4.26 | - | - | 169.34 | 2.21 | - | 185.17 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at 31 March 2018 | 3,373.77 | 81.50 | 0.34 | 151.23 | 0.11 | 3.21 | 657.55 | 2.21 | 0.81 | 4,270.73 |
| Accumulated amortization | | | | | | | | | | |
| As at 1 April 2016 | - | - | - | - | - | - | - | - | - | - |
| Amortization for the year | - | 25.82 | 0.01 | 20.85 | 0.02 | 0.57 | 49.89 | - | 0.64 | 97.80 |
| Disposals | - | (0.07) | - | - | - | - | - | - | - | (0.07) |
| As at 31 March 2017 | - | 25.75 | 0.01 | 20.85 | 0.02 | 0.57 | 49.89 | - | 0.64 | 97.73 |
| Amortization for the year | - | 11.80 | 0.06 | 21.20 | 0.02 | 0.63 | 70.76 | 0.08 | 0.17 | 104.72 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at 31 March 2018 | - | 37.55 | 0.07 | 42.05 | 0.04 | 1.20 | 120.65 | 0.08 | 0.81 | 202.45 |
| Net block | | | | | | | | | | |
| As at 1 April 2016 | 1,801.24 | 55.23 | - | 145.80 | 0.11 | 3.21 | 278.94 | - | 0.81 | 2,285.34 |
| As at 31 March 2017 | 3,373.77 | 46.56 | 0.16 | 126.12 | 0.09 | 2.64 | 438.32 | - | 0.17 | 3,987.83 |
| As at 31 March 2018 | 3,373.77 | 43.95 | 0.27 | 109.18 | 0.07 | 2.01 | 536.90 | 2.13 | - | 4,068.28 |

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

| Particulars | Goodwill | Computer software | Trademark | Copy-right | Website designing | Technical knowhow | Content development (in House) | Mobile application | License fees | Total |
|--------------------------------|----------|-------------------|-----------|------------|-------------------|-------------------|--------------------------------|--------------------|--------------|----------|
| Gross block | 1,881.23 | 75.03 | - | 190.32 | 0.32 | 5.54 | 412.23 | - | 10.89 | 2,575.56 |
| Accumulated amortization | (79.99) | (19.80) | - | (44.52) | (0.21) | (2.33) | (133.29) | - | (10.08) | (290.22) |
| Deemed cost as at 1 April 2016 | 1,801.24 | 55.23 | - | 145.80 | 0.11 | 3.21 | 278.94 | - | 0.81 | 2,285.34 |

Impairment testing of goodwill
The Group performs test for goodwill impairment at least annually on March 31, or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. Any adverse changes in key assumptions about our businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge.



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5. Financial assets

| | (₹ in millions) | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| 5A. Investment in associates (refer note 34) | | | |
| Investment in unquoted equity shares | | | |
| 50 (31 March 2017: 50 and 1 April 2016: 1) share of ₹ 10 each fully paid up in Smartivity Labs Private Limited | 0.52 | 0.52 | 0.00 |
| 2,025,766 (31 March 2017: 2,025,766 and 1 April 2016: 2,025,766) Equity Shares of ₹ 2/- each fully paid up in Edutor Technologies (I) Private Limited | 168.55 | 175.35 | 194.86 |
| | 169.07 | 175.87 | 194.86 |
| Investment in unquoted preference shares | | | |
| 5,264 (31 March 2017: 5,064 and 1 April 2016: 4,164) 0.001% compulsorily convertible cumulative shares of ₹ 10 each fully paid up in Smartivity Labs Private Limited | 9.53 | 12.48 | 6.14 |
| | 9.53 | 12.48 | 6.14 |
| Total | 178.60 | 188.35 | 201.00 |
| 5B. Non-current investments | | | |
| Investments valued at cost | | | |
| Investment in unquoted equity shares | | | |
| 100 (31 March 2017: 100 and 1 April 2016: 100) Equity Shares of ₹. 10/- each of Gyankosh Solutions Private Limited | 0.01 | 0.01 | 0.01 |
| 100 (31 March 2017: 100 and 1 April 2016: 100) Equity Shares of ₹ 10/- each of Testbook Edu Solutions Private Limited | 0.83 | 0.83 | 0.83 |
| | 0.84 | 0.84 | 0.84 |
| Investment in unquoted preference shares | | | |
| 319,900 (31 March 2017: 319,900 and 1 April 2016: 319,900) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Gyankosh Solutions Private Limited | 24.15 | 24.15 | 24.15 |
| 2,690 (31 March 2017: 2,690 and 1 April 2016: 2,690) Compulsory Convertible Cumulative Preference Shares of ₹ 500/- each of Testbook Edu Solutions Private Limited | 22.23 | 22.23 | 22.23 |
| 353 (31 March 2017: 353 and 1 April 2016: 353) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Next Door Learning Solutions Private Limited | 4.87 | 4.87 | 4.87 |
| | 51.25 | 51.25 | 51.25 |
| Investments at fair value through profit and loss | | | |
| Investments in Government and Trust securities (Unquoted) | | | |
| Investment in Tax Free Bonds of Power Finance Corporation | 2.14 | 2.14 | - |
| National Savings Certificates | 0.03 | 0.03 | 0.03 |
| | 2.17 | 2.17 | 0.03 |
| Investments in quoted equity shares | | | |
| 500 (31 March 2017: 500 and 1 April 2016: 500) shares of ₹ 10 each fully paid up in State Bank of India | 0.11 | 0.14 | 0.09 |
| 200 (31 March 2017: 200 and 1 April 2016: 200) shares of ₹ 10 each fully paid up in Oriental Bank of Commerce | 0.02 | 0.03 | 0.02 |
| | 0.13 | 0.17 | 0.11 |
| Total Non- Current Investments | 54.39 | 54.43 | 52.23 |
| Aggregate value of quoted investment | 0.13 | 0.17 | 0.11 |
| Aggregate value of unquoted investment | 54.26 | 54.26 | 52.12 |
| Aggregate value of impairment in value of investments | 0.07 | 0.07 | 0.07 |



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5C. Investments - Current

| | (₹ in millions) | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Investments valued at cost | | | |
| Investment in others | | | |
| 512,500 (31 March 2017: 512,500 and 1 April 2016: 512,500) redeemable shares of ₹ 10 each fully paid up in M/s Walldorf Integration Solutions Limited (refer note no 49) | 64.06 | 41.00 | 41.00 |
| Less : Impairment of investment | - | (41.00) | (41.00) |
| | 64.06 | - | - |
| Investments at fair value through profit and loss | | | |
| Investments in quoted equity shares | | | |
| 1,000 (31 March 2017: 1,000 and 1 April 2016: 1,000) shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited | 0.14 | 0.09 | 0.08 |
| 125 (31 March 2017: 125 and 1 April 2016: 125) shares of ₹ 10 each fully paid up in M/s Reliance Power Limited | 0.00 | 0.01 | 0.01 |
| 400 (31 March 2017: 400 and 1 April 2016: 400) shares of ₹ 10 each fully paid up in M/s EIH Associated Hotel Limited | 0.19 | 0.14 | 0.12 |
| 10,000 (31 March 2017: 10,000 and 1 April 2016: 10,000) shares of Rs. 10 each fully paid up in M/s Bharat Glass Tubes Limited | - | - | - |
| 40 (31 March 2017: 40 and 1 April 2016: 40) shares of ₹ 10 each fully paid up in M/s Reliance Industries Limited | 0.04 | 0.03 | 0.02 |
| 21,600 (31 March 2017: 21,600 and 1 April 2016: 21,600) shares of ₹ 10 each fully paid up in M/s Winsome Breweries Limited | 0.20 | 0.21 | 0.16 |
| 500 (31 March 2017: 500 and 1 April 2016: 500) shares of ₹ 10 each fully paid up in State Bank of India | 0.12 | 0.15 | 0.10 |
| 200 (31 March 2017: 200 and 1 April 2016: 200) shares of ₹ 10 each fully paid up in Oriental Bank of Commerce | 0.02 | 0.03 | 0.02 |
| 42,564 (31 March 2017: 42,564 and 31 March 2016: 42,564) shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited | 0.56 | 0.72 | 0.46 |
| 10,457 (31 March 2017: 10,457 and 31 March 2016: 10,457) shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited | 0.01 | 0.01 | 0.01 |
| 2,000 (31 March 2017: 2,000 and 31 March 2016: 2,000) shares of ₹ 10 each fully paid up in M/s Vardhman Concrete Limited | 0.01 | 0.02 | 0.03 |
| 100 (31 March 2017: 100 and 31 March 2016: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited | 0.06 | 0.05 | 0.04 |
| 100 (31 March 2017: 100 and 31 March 2016: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares) | 0.06 | 0.05 | 0.04 |
| | 1.41 | 1.51 | 1.09 |
| Investments in mutual fund (quoted) | | | |
| Nil (31 March 2017: 138,171 and 31 March 2016: Nil) units of ₹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 ₹ 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 ₹ 10 each Kotak Equity Arbitrage Fund - Dividend Plan | - | 65.77 | - |
| 693,636 (31 March 2017: Nil and 31 March 2016: Nil) units of ₹ 10 each Aditya Birla Sun Life Mutual Fund Growth-Regular Plan | 289.63 | - | - |
| 57,906 (31 March 2017: 57,906 and 1 April 2016: 57,906) units of Templeton India Corporate Bond Opportunities Growth Fund | 1.01 | 0.97 | 0.87 |



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| | (₹ in millions) | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| 89,039 (31 March 2017: 83,834 and 1 April 2016: 82,212) units in Principal Monthly Income Plan - Dividend Reinvestment | 1.05 | 0.98 | 0.90 |
| 32,987 (31 March 2017: Nil and 1 April 2016: 40,359) units in HDFC Liquid Fund - Direct Plan Growth option | 110.47 | - | 120.45 |
| Nil (31 March 2017: Nil and 1 April 2016: 6,278) units in ICICI Prudential Fund | - | - | 0.64 |
| | 402.16 | 153.92 | 122.86 |
| Investment in debentures | | | |
| 50 (31 March 2017: 50 and 1 April 2016: 50) units of ₹ 40 each in MGF Limited | - | - | - |
| | - | - | - |
| Total current investments | 467.63 | 155.43 | 123.95 |
| Aggregate book value of quoted investments | 403.57 | 155.43 | 123.95 |
| Aggregate market value of quoted investments | 403.57 | 155.43 | 123.95 |
| Aggregate value of unquoted investments | 64.06 | - | - |
| Aggregate value of impairment in value of investments | - | 41.00 | 41.00 |

5D. Trade receivables

| | (₹ in millions) | | |
|---|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Trade receivables | 6,312.33 | 4,701.81 | 3,706.80 |
| Total trade receivables | 6,312.33 | 4,701.81 | 3,706.80 |
| Break-up for security details: | | | |
| Trade receivables | | | |
| Unsecured, considered good | 6,312.33 | 4,701.81 | 3,706.80 |
| Doubtful | 300.89 | 293.39 | 235.48 |
| | 6,613.22 | 4,995.20 | 3,942.28 |
| Impairment allowance | | | |
| (allowance for bad and doubtful debts) | | | |
| Doubtful | (300.89) | (293.39) | (235.48) |
| Total trade receivables | 6,312.33 | 4,701.81 | 3,706.80 |
| Current | 6,312.33 | 4,701.81 | 3,706.80 |
| Non-Current | - | - | - |

The movement in impairment of trade receivables as follow:

| | (₹ in millions) | | |
|-----------------------------|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Opening balance | 293.39 | 235.48 | 235.48 |
| Additions | 39.67 | 69.70 | - |
| Write off (net of recovery) | (32.17) | (11.79) | - |
| Closing balance | 300.89 | 293.39 | 235.48 |

Note: No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.



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5E. Cash and cash equivalents

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Balances with banks | | | |
| - In current accounts | 274.12 | 321.56 | 223.72 |
| - Deposits with original maturity of less than three months | 140.76 | 6.52 | 1.89 |
| Cheques/ drafts in hand | 247.57 | - | - |
| Cash in hand | 2.36 | 7.49 | 13.36 |
| Total | 664.81 | 335.57 | 238.97 |
| Current | 664.81 | 335.57 | 238.97 |
| Non-Current | - | - | - |

5F. Other financial assets

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Margin money deposit | | | |
| - Deposits with remaining maturity for less than 12 months | 14.14 | 2.55 | 5.76 |
| - Deposits with remaining maturity for more than 12 months | 7.18 | 4.41 | 4.47 |
| Interest accrued but not due on fixed deposits (short term) | 1.61 | 2.04 | 1.44 |
| Interest accrued but not due on fixed deposits (long term) | 1.37 | 0.32 | 0.28 |
| Advance to employees | 5.50 | 0.57 | 0.24 |
| Others | 0.40 | 0.12 | - |
| Restricted cash | 0.03 | - | - |
| Margin money | 11.00 | 41.48 | 23.03 |
| Total | 41.23 | 51.49 | 35.22 |
| Current | 29.35 | 42.44 | 7.55 |
| Non-current | 11.88 | 9.05 | 27.67 |

- i. Margin money deposit with a carrying amount of ₹0.11 million (31 March 2017: ₹ 0.11 million and 31 March 2016: ₹ 0.11 million) has been deposited with sales tax department.
- ii. Margin money deposit with a carrying amount of ₹ 5.94 million (31 March 2017: ₹ 34.14 million 01 April 2016: 18.28 million) has been earmarked for the repayment of Buyer Credit taken from Indusind Bank.
- iii. Margin money deposits with a carrying amount of ₹ 4.33 million (31 March 2017: ₹ 4.20 million and 01 April 2016: ₹ 4.18 million) are subject to first charges to secure the company's bank guarantees.
- iv. Margin money deposits with carrying amount of ₹ 0.54 million (31 March 2017: ₹ 0.38 million 01 April 2016: ₹ 0.38 million) is subject to Registration of UP VAT & DVAT.
- v. Margin money deposits with carrying amount of Nil (31 March 2017: ₹ 2.57 million 01 April 2016: Nil) has been earmarked against the LC taken from banks.
- vi. Margin money deposits amounting to ₹ 0.08 million (31 March 2017: ₹ 0.08 million 01 April 2016: ₹ 0.08 million) are under lien with banks towards bank guarantees issued by them
- vii. Restricted cash represent earmarked balance for dividend payouts.



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5G. Loans

| | (₹ in millions) | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Security deposits | | | |
| Unsecured, considered good | | | |
| - Current | 38.22 | 45.87 | 29.33 |
| - Non- current | 55.69 | 9.56 | 9.75 |
| Loans | | | |
| Unsecured, considered good | | | |
| - Current | - | - | - |
| - Non- current | 37.54 | 33.73 | 30.33 |
| Advances recoverable in cash or in kind | | | |
| Unsecured, considered good | | | |
| - Current | 43.33 | 50.06 | 44.95 |
| Unsecured, considered doubtful | | | |
| - Current | - | 0.69 | 0.69 |
| Advances recoverable from related parties | | | |
| Unsecured, considered good | | | |
| - Current | 1.47 | 0.84 | 2.32 |
| | 176.25 | 140.75 | 117.37 |
| Less: Allowance for expected credit loss | - | (0.69) | (0.69) |
| Total | 176.25 | 140.06 | 116.68 |
| Current | 83.02 | 96.77 | 76.60 |
| Non current | 93.23 | 43.29 | 40.08 |

6. Inventories

| | (₹ in millions) | | |
|---|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Raw materials (at cost) | 138.21 | 181.96 | 109.67 |
| Raw materials others | 3.78 | 1.02 | 2.62 |
| Stores and spares | 4.05 | 4.35 | 3.58 |
| Work in progress (at cost) | 14.67 | 26.86 | 31.52 |
| Finished goods (at lower of cost or net realisable value) | | | |
| - Manufactured goods | 1,380.61 | 1,451.26 | 1,274.94 |
| - Imported goods | 1.23 | 6.55 | 7.52 |
| - Traded goods | 19.69 | 31.76 | 26.88 |
| | 1,562.24 | 1,703.76 | 1,456.73 |
| Less: provision for slow moving stock-raw material and components | - | (1.90) | (1.90) |
| Total | 1,562.24 | 1,701.86 | 1,454.83 |



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7. Other assets

7A. Capital advances

| | (₹ in millions) | | |
|-----------------------------|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Unsecured, considered good. | 29.26 | 1.82 | 12.84 |
| Total | 29.26 | 1.82 | 12.84 |

7B. Other advances

| | (₹ in millions) | | |
|-----------------------------|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Unsecured, considered good. | 64.39 | 144.69 | 33.49 |
| Total | 64.39 | 144.69 | 33.49 |

7C. Prepaid expenses

| | (₹ in millions) | | |
|--------------------------------|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Prepaid expenses - current | 32.61 | 25.81 | 22.64 |
| Prepaid expenses - non-current | 14.80 | 16.25 | 20.95 |
| Total | 47.41 | 42.06 | 43.59 |

7D. Balance with statutory / government authorities

| | (₹ in millions) | | |
|----------------------------|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Unsecured, considered good | 23.48 | 13.75 | 11.01 |
| Total | 23.48 | 13.75 | 11.01 |

7E. Other assets

| | (₹ in millions) | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Income tax recoverable | 23.64 | 31.97 | 16.54 |
| MAT credit entitlement (Non current) | 69.89 | 63.45 | 64.22 |
| MAT credit entitlement (Current) | - | 4.24 | 7.10 |
| Ancillary cost of arranging borrowings (Non current) | 0.68 | 0.36 | 3.84 |
| Ancillary cost of arranging borrowings (Current) | 0.96 | 3.48 | 1.92 |
| Share issue expenses (current) | - | - | 11.00 |
| Total | 95.17 | 103.50 | 104.62 |
| Grand total | 259.71 | 305.82 | 205.55 |
| Current | 134.12 | 198.01 | 100.48 |
| Non current | 125.59 | 107.81 | 105.07 |

8. Income tax asset (net)

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Advance income tax (net of provision for tax) | 14.21 | 22.35 | 38.49 |
| Total | 14.21 | 22.35 | 38.49 |
| Current | 5.10 | 2.04 | 2.92 |
| Non-current | 9.11 | 20.31 | 35.57 |



9 Income Tax

A. The major components of income tax expense for the year are:

Statement of profit and loss:

| | (₹ in millions) | |
|---|-----------------|---------------|
| Profit or loss section | 31 March 2018 | 31 March 2017 |
| Current income tax: | | |
| Current income tax charge | 581.45 | 416.16 |
| Income tax adjustment related to earlier years | 3.10 | 4.18 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (45.96) | 13.60 |
| Income tax expense reported in the statement of profit or loss | 538.59 | 433.94 |
| OCI section | 31 March 2018 | 31 March 2017 |
| Deferred tax related to items recognised in OCI during in the year: | | |
| Net loss/(gain) on remeasurements of defined benefit plans | 0.24 | (1.38) |
| Income tax charged to OCI | 0.24 | (1.38) |

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

| | (₹ in millions) | |
|---|-----------------|---------------|
| | 31 March 2018 | 31 March 2017 |
| Accounting profit before income tax | 1,609.42 | 1,046.56 |
| At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%) | 556.99 | 362.19 |
| Adjustments: | | |
| - Adjustments in respect of current income tax of previous years | (2.93) | 1.50 |
| - Non-deductible expenses for tax purposes: | | |
| Permanent difference | 24.78 | 15.61 |
| Exempt income under section 80IC | (29.42) | 40.53 |
| Income taxable at lower than statutory tax rate | (3.18) | (2.99) |
| Others | - | (2.23) |
| Basis difference that will reverse during tax holiday period | (7.55) | 19.16 |
| | (0.10) | 0.17 |
| At the effective income tax rate of 33.46% (31 March 2017: 41.46%) | 538.59 | 433.94 |
| Income tax expense reported in the statement of profit and loss | 538.59 | 433.94 |

C. Deferred tax:

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Deferred tax relates to the following: | | | |
| 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 | 145.07 | 143.96 | 164.70 |
| Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements | (92.93) | (67.74) | (61.03) |
| Impact on account of brought forward depreciation of income tax | 60.67 | - | - |
| Impact on account of brought forward losses | 4.57 | - | - |
| Provision for doubtful debts | 101.80 | 116.65 | 78.92 |
| Provision for diminution in value of investments | - | 13.95 | 13.95 |
| Other | 0.64 | (33.20) | (10.13) |
| Net deferred tax assets | 219.82 | 173.62 | 186.41 |



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10. Share capital

| | (₹ in millions) | | |
|---|------------------------|------------------------|-----------------------|
| | As at 31 March 2018 | As at 31 March 2017 | As at 1 April 2016 |
| Authorised | | | |
| 40,000,000 (31 March 2017: 40,000,000 and 1 April 2016: 2,210,000) equity shares of ₹ 5/- each (31 March 2017: equity shares of ₹ 5 each and 31 March 2016: equity shares of ₹ 10 each) | 200.00 | 200.00 | 22.10 |
| Issued, subscribed and fully paid equity capital | | | |
| 34,975,287 (31 March 2017: 29,844,496 and 1 April 2016: 201,652) equity shares of ₹ 5/- each (31 March 2017: equity shares of ₹ 5 each and 31 March 2016: equity shares of ₹ 10 each) | 174.88 | 149.22 | 2.02 |
| | 174.88 | 149.22 | 2.02 |

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

| Authorised share capital | No. of shares | (₹ in millions) |
|-------------------------------------|---------------|-----------------|
| As at 1 April 2016 | 2,210,000 | 22.10 |
| Increase during the year | 37,790,000 | 177.90 |
| As at 31 March 2017 | 40,000,000 | 200.00 |
| Increase/(decrease) during the year | - | - |
| As at 31 March 2018 | 40,000,000 | 200.00 |

| Issued equity capital | No. of shares | (₹ in millions) |
|---|---------------|-----------------|
| Equity share of ₹ 5/- each issued, subscribed and fully paid | | |
| As at 1 April 2016 | 201,652 | 2.02 |
| Issued during the year – Share split | 201,652 | - |
| Issued during the year – Bonus issue | 29,441,192 | 147.20 |
| As at 31 March 2017 | 29,844,496 | 149.22 |
| Issued during the year - IPO | 4,850,746 | 24.26 |
| Issued during the year - ESOPs | 280,045 | 1.40 |
| As at 31 March 2018 | 34,975,287 | 174.88 |

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2017: ₹ 5 per share and 31 March 2016: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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



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S Chand and Company Limited
CIN: L22219DL1970PLC005400

Notes to financial statements as at 31 March 2018

c. Details of shareholders holding more than 5% shares in the company

| <u>As at 31 March 2018</u> | <u>No. of shares</u> | <u>% of holding</u> |
|---|----------------------|---------------------|
| Mr. Himanshu Gupta | 5,777,454 | 16.52% |
| Mr. Dinesh Kumar Jhunjhnuwala | 3,790,229 | 10.84% |
| Mrs. Neerja Jhunjhnuwala | 3,313,018 | 9.47% |
| Everstone Capital Partners II LLC | 3,323,229 | 9.50% |
| International Finance Corporation | 2,805,784 | 8.02% |
| HDFC Trustee Company Limited - HDFC Prudence Fund | 2,485,159 | 7.11% |

| <u>As at 31 March 2017</u> | <u>No. of shares</u> | <u>% of holding</u> |
|-----------------------------------|----------------------|---------------------|
| Mr. Dinesh Kumar Jhunjhnuwala | 4,064,820 | 13.62% |
| Mr. Himanshu Gupta | 6,167,752 | 20.67% |
| Mrs. Neerja Jhunjhnuwala | 3,553,036 | 11.91% |
| Everstone Capital Partners II LLC | 9,629,472 | 32.27% |
| International Finance Corporation | 2,805,784 | 9.40% |

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

| | <u>31 March 2018</u> | <u>31 March 2017</u> | <u>31 March 2016</u> |
|--|----------------------|----------------------|----------------------|
| | <u>No. of shares</u> | <u>No. of shares</u> | <u>No. of shares</u> |
| Equity shares allotted as fully paid up bonus shares by capitalization of securities premium | - | 29,441,192 | - |

e. **Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock options (ESOPs) plan of the company, please refer note 36.

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11. Other equity

| | (₹ in millions) | |
|--|------------------------|------------------------|
| | As at 31 March 2018 | As at 31 March 2017 |
| Retained earning | | |
| Balance as the beginning of the year | 2,314.36 | 1,889.35 |
| Add: Surplus during the year | 1,070.69 | 556.20 |
| Add: Other comprehensive income | 1.37 | 1.88 |
| Less: Adjustment relating to subsidiary companies | (0.24) | 9.06 |
| Less: Dividend for the year | (43.56) | (10.08) |
| Less: DDT on Dividend | (8.87) | (2.05) |
| Less :Transfer to debenture redemption reserve | - | (130.00) |
| Balance as the end of the year | 3,333.75 | 2,314.36 |
| Securities premium account | | |
| Balance as the beginning of the year | 3,491.73 | 3,638.93 |
| Add: Increase during the year on issue of new equity shares | 3,321.81 | - |
| Less: Decrease due to transaction cost for issued share capital | (207.19) | - |
| Less: Utilization towards issue of fully paid bonus shares | - | (147.20) |
| Balance as the end of the year | 6,606.35 | 3,491.73 |
| Debenture redemption reserve | | |
| Balance as the beginning of the year | 390.00 | 260.00 |
| Increase/(Decrease) during the year | - | 130.00 |
| Balance as the end of the year | 390.00 | 390.00 |
| Capital reserve | | |
| Balance as the beginning of the year | 26.96 | 26.94 |
| Increase/(Decrease) during the year | - | 0.02 |
| Less: Acquisition of non- controlling interest | (556.72) | - |
| Balance as the end of the year | (529.76) | 26.96 |
| General reserve | | |
| Balance as the beginning of the year | 14.19 | 14.19 |
| Increase/(Decrease) during the year | - | - |
| Balance as the end of the year | 14.19 | 14.19 |
| ESOPs reserve | | |
| Balance as the beginning of the year | 25.10 | 7.57 |
| Add: Compensation options granted during the year | 12.21 | 17.53 |
| Less: Transferred to securities premium on exercise of stock options | (29.42) | - |
| Balance as the end of the year | 7.89 | 25.10 |
| Total | 9,822.42 | 6,262.34 |



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12. Distribution made and proposed

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Final dividend on equity shares for the year ended 31 March 2017 : ₹ 1.25 per share | 43.56 | - | - |
| Dividend distribution tax on final dividend | 8.87 | - | - |
| Interim dividend for the year ended on 31 March 2018: ₹ Nil (31 March 2017: ₹ 25 per share) | - | 10.08 | - |
| Dividend distribution tax on interim dividend | - | 2.05 | - |
| Total | 52.43 | 12.13 | - |
| Proposed dividends on equity shares: | | | |
| Proposed dividend for the year ended on 31 March 2018: ₹ 1.50 per share (31 March 2017: ₹ 1.25 per share) | 52.46 | 43.56 | - |
| Dividend distribution tax on proposed dividend | 10.68 | 8.87 | - |
| Total | 63.14 | 52.43 | - |

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31.

13. Borrowings

13A. Non-current borrowings

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Term Loans | | | |
| Foreign Currency loan from banks (secured) (refer note 1 below) | 170.00 | - | - |
| Indian rupee loan from banks (secured) (refer note 2 to 5 below) | 30.00 | 129.34 | 142.09 |
| Indian rupee loan from others (secured) (refer note 6 to 13 below) | 48.38 | 171.62 | 442.34 |
| Indian rupee loan from related party (unsecured) | - | - | 22.49 |
| Vehicle loans | | | |
| Indian rupee loan from bank (secured) (refer note 14 to 20 below) | 13.13 | 10.82 | 12.07 |
| Indian rupee loan from others (secured) (refer note 21 to 23 below) | 4.36 | 1.58 | - |
| Buyers Credit | | | |
| Foreign Currency loan from bank (secured) (refer note 24 below) | - | - | 61.68 |
| Total non-current borrowings | 265.87 | 313.36 | 680.67 |
| Secured | 265.87 | 313.36 | 658.18 |
| Unsecured | - | - | 22.49 |

Notes:

- In New Saraswati House (India) Private Limited, Working Capital Loan of ₹ 170 millions from RBL Bank taken during the year and is carrying an interest rate of 9.15 % p.a. repayable in 12 quarterly instalments starting from May 2018. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over the entire existing and future fixed asset of the Company, and (iii) Corporate Guarantee of S Chand and Company Limited.
- In Vikas Publishing House Private Limited, the Indian rupees loan from IndusInd bank carries interest at one year MCLR plus 1.85% p.a. The loan is repayable in 18 equal quarterly instalments each after moratorium of six months along with interest from the date of loan. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of term loan. Further, the loan has been guaranteed by the corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited). Company has repaid full loan amount during the financial year 2017-18.
- In New Saraswati House (India) Private Limited, Loan Equivalent Ratio (LER) facility of ₹ 30 millions from RBL Bank taken during the year and is carrying an interest rate of 4.78 % p.a. repayable on demand. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over entire existing and future fixed asset of the Company, and (iii) Corporate Guarantee of S Chand and Company Limited.



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4. In Vikas Publishing House Private Limited, The Indian rupee loan from State Bank of India carries interest at Base rate plus 2.35% p.a. It is repayable in 20 equal quarterly installments; Quarterly Principal of Rs 8.5 million each plus interest on monthly basis, starting from April 2015. It is secured by Pari Passu Charge on commercial property situated at E-28, Sector -8, Noida and Hypothecation of furniture and fixtures and Collateral of Leasehold industrial plot and building situated at 20/4, Sahibabad Site IV, Industrial Area, Ghaziabad and Commercial property in basement floor bearing premises No. 16 , Old No. 1324, 18/3 , 4th Main, 4th Cross, Ward 27, Gandhinagar , Bangalore and Plant and Machinery. The loan is also secured by personal guarantee of directors and S Chand and Company Limited. Company has repaid full loan amount during the financial year 2017-18.
5. In Vikas Publishing House Private Limited, the Indian rupees loan from IndusInd bank carries interest at one year MCLR plus 1.95% p.a. The loan is repayable in 18 equal quarterly instalments each after moratorium of six months along with interest from the date of loan. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of term loan. Further, the loan has been guaranteed by the corporate guarantee of S Chand and Company Limited. Company has repaid full loan amount during the financial year 2017-18.
6. In S Chand And Company Limited, term loan from Axis Finance Limited has been taken during the year ended 31st March 2017 and carries interest @ 11.25 % p.a. linked to the Axis Bank Base Rate . The facility has been taken for a period of 5 years and is repayable in 14 equal quarterly instalments of ₹ 71.42 million beginning from June 2018. The facility has been secured against: (i) second pari passu charge on both present and future current and fixed assets of the Company, (ii) pledge on entire stake to be purchased by the Company i.e., 43.54% of Chhaya Prakashani Private Limited, (iii) pledge on 20% equity shares of the Company by the promoters to be replaced by pledge of 74% shares of Chhaya Prakashani Private Limited acquired by Company and Eurasia Publishing House Private Limited (iv) pledge on 100% equity shares of New Saraswati House (India) Private Limited, subsidiary Company (v) pledge on 100% equity shares of Eurasia Publishing House Private Limited, wholly owned subsidiary company (vi) charge over publishing license/ IPRs as well as brand of New Saraswati and (vii) PDCs for the interest and principal amount. The above securities are to be shared pari-passu with respect to both the facilities of Axis Finance Limited in borrower i.e., the Company and its wholly owned subsidiary Company, Eurasia Publishing House Private Limited. Furthermore, on acquisition of balance shares of Chhaya Prakashani Private Limited, the balance shares and the publishing license as well as the brand is to be charges to Axis Finance Limited.

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

- Any change in ownership structure and / or management control of borrower companies i.e., the Company and Eurasia Publishing House Private Limited and security providers i.e., New Saraswati House (India) Private Limited and Chhaya Prakashani Private Limited;
- Proceeds from any third party by way of further equity/debt infusion into borrower companies i.e., the Company and Eurasia Publishing House Private Limited;
- Rating downgrade
- Merger events
- Interest reset event, in case borrower is not agreeable with the revised interest rates.

The Company had disclosed this under the Objects Clause of the Prospectus filed with SEBI , hence the Term loan has been disclosed as "short term" under current maturities of long term borrowings. The Company listed on NSE and BSE on completion of Initial Public Offering ("IPO") on May 9, 2017 . The loan has been repaid during the financial year 2017-18.

7. In S Chand And Company Limited, term loan from Siemens Financial Limited taken during the financial year 2013-14, carries interest @ 13.75%. The loan is repayable in 36 equal monthly instalments beginning from June' 2013 onwards. The instalment amount ranges from Rs 0.18 million to of Rs 0.32 million. The loan is secured by hypothecation of equipments being purchased, currently valued at Rs 14.45 million. Further the loan has been guaranteed by personal guarantees of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company & demand promissory note issued in favour of lender. The loan has been repaid during the financial year 2016-17.
8. In S Chand And Company Limited, term loan from Siemens Financial Limited taken during the financial 2014-15, carries interest @ 13.50% to 13.75%. The loan is repayable in 36 equal monthly instalments beginning from August' 2014 onwards. The instalment amount ranges from ₹ 0.34 million to Rs 0.54 million. The loan is secured by hypothecation of assets being purchased, currently valued at Rs 14.45 million. Further the loan has been guaranteed by personal guarantees of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company & demand promissory note issued in favour of lender. The loan has been repaid during the current year.
9. In S Chand And Company Limited, term loan from Siemens Financial Limited taken during the financial year 2014-15 carries interest @13.50% . The loan is repayable in 36 equal monthly instalments of Rs 0.08 million beginning from April 2015. Further the loan has been guaranteed by personal guarantees of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company & demand promissory note issued in favour of lender. The loan has been repaid during the current year.



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Notes to consolidated financial statements as at 31 March 2018

10. In Vikas Publishing House Private Limited, Company has taken three term loan from Siemens Financial Services Private Limited for purchase of machines during the year, which carries interest @ 11.50% p.a. It is repayable in 36 Monthly equated monthly instalments. It is secured by hypothecation of respective machine and Corporate Guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited).
11. In DS Digital Private Limited, term loan from Siemens Financial Limited taken during the financial year 2015-16, carries interest @13.50% . The loan is repayable in 36 equal monthly instalments of Rs 0.08 million beginning from April 2015.
12. In Vikas Publishing House Private Limited, three term loans from Siemens Financial Services Private Limited for purchase of machines, which carries interest ranging between 11.5% to 13% p.a. It is repayable in 33 to 36 Monthly equated monthly instalments. It is secured by hypothecation of respective machine and Corporate Guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited). Company has made interest free refundable security deposits of Rs 2.7 million to lender, included in non current security deposit in Note 5G.
13. In S Chand And Company Limited, Term loan from Indo Star Capital Finance has been taken during the 2014-15 financial year, carries interest @ 12.50% p.a. to 12.95% p.a. linked to Kotak Bank Base Rate + 300 basis points with annual reset. (31 March 2016: 12.85% p.a. to 13.00% p.a.). The loan is repayable in 18 quarterly instalments beginning from December 2014 onwards. Till September 2015, instalment amount ranging from ₹ 14.00 million to ₹ 48.46 million per quarter. On December 2015, Company had made early repayment of loan facility amounting to ₹ 350 million, consequent to that repayment schedule has been revised. The remaining loan amount is repayable in 7 quarterly instalment beginning from September 2017 onwards. The instalment amount is ranging from ₹ 3.23 million to Rs 48.46 million per quarter. The loan is secured by (i) First and exclusive charge on optionally convertible redeemable debentures of New Saraswati House (India) Private Limited by way of pledge (ii) First and exclusive charge on 98% equity of Vikas Publishing House Private Limited by way of pledge (iii) Second pari passu charge on the entire fixed assets of the Company (iv) Second pari passu charge on all current assets of the Company. Further the loan facility has been secured demand promissory note issued in favour of lender. The loan has been repaid during the current year.
14. In Chhaya Prakashani Private Limited, 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.
15. In S Chand And Company Limited, Vehicle loans have been taken from HDFC Bank, ICICI Bank and Vijaya Bank and carry interest @ 10.00% to 12.00%. The loan is repayable in 36 to 60 equal monthly instalments ranging from ₹ 0.00 million to Rs 0.1 million. The loan is secured by hypothecation of respective vehicles.
16. In S Chand And Company Limited, Vehicle loan taken during the current year from Yes Bank Ltd, carry interest @ 8.90% p.a. The loan is repayable in 60 equal monthly instalments of Rs 0.02 million to Rs 0.03 million. The loan is secured by hypothecation of respective vehicle.
17. In New Saraswati House (India) Private Limited, Vehicle loan from HDFC bank has taken during the year, secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.36% p.a. The loan is repayable in 60 equal monthly instalments inclusive of interest ₹ 0.04 million each beginning from May 2016.
18. In Vikas Publishing House Private Limited, Company has taken vehicle loan from HDFC Bank Limited which carries interest at 9.50% p.a. It is repayable in 60 Monthly equated monthly instalments, starting from May 2016. It is secured by hypothecation of respective Vehicle.
19. In BPI (India) Private Limited, Vehicle Loan from HDFC Bank Limited carries interest @ 9.7% p.a. The loan is repayable in 60 equal monthly instalments of ₹ 0.05 million each including interest, from the date of loan, viz., 5 September 2013. The loan is secured by hypothecation of vehicle of the Company.
20. In Nirja Publishers & Printers Private Limited, Vehicle Loan from HDFC Bank taken during the year and carries interest rate @ 8.26% p.a. The loan is repayable in 37 monthly instalments of ₹ 0.31 million. The loan is secured by hypothecation of the respective vehicles.
21. In S Chand And Company Limited, Vehicle loan taken during 2016-17 from Daimler Financial, carry interest @ 9.81% p.a. The loan is repayable in 36 equal monthly instalments of Rs 0.13 million. The loan is secured by hypothecation of respective vehicle.



22. In New Saraswati House (India) Private Limited, Vehicle loan from Daimler Financial Services India Private Limited bank has taken during the year, secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.8% p.a. The loan is repayable in 36 equal monthly instalments inclusive of interest ₹ 0.13 millions each beginning from May 2016.
23. In Vikas Publishing House Private Limited, Company has taken vehicle loan from Daimler Financial Services Private Limited which carries interest at 9% p.a. It is repayable in 36 Monthly instalments, starting from September 2017. It is secured by hypothecation of respective Vehicle.
24. In Vikas Publishing House Private Limited, Buyer's credit has been taken from IndusInd bank for 3 different transactions, the maximum rate of interest being 10.22 % p.a and the buyer's credit was repayable in the year 2017, the maximum date for redemption being 13th July 2017 and it has been repaid with in time. The interest rate includes the cost of hedging the buyer's credit from IndusInd bank. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of buyer's credit. Further, the buyer's credit has been guaranteed by the corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited).

13B. Current borrowings

| | (₹ in millions) | | |
|---|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| a. Current maturity of loan | | | |
| Term Loans | | | |
| Indian rupee loan from banks (secured) | - | 566.75 | 54.19 |
| Indian rupee loan from financial institution (secured) | 44.97 | 1,331.86 | 19.61 |
| Indian rupee loan from financial institution (Unsecured) | - | 42.92 | - |
| Vehicle loans | | | |
| Indian rupee loan from bank (secured) | 9.47 | 6.37 | 24.40 |
| Indian rupee loan from financial institutions (secured) | 1.94 | 1.32 | - |
| Buyers Credit | | | |
| Foreign Currency loan from bank (secured) | - | 61.68 | - |
| Total current maturity of Indian currency loan | 56.38 | 2,010.90 | 98.20 |
| b. Buyers Credit | | | |
| Foreign Currency loan from bank (secured) (refer note 1 and 2 below) | 39.69 | - | 11.10 |
| c. Cash credit from banks | | | |
| Indian rupee loan from bank (secured) (refer note 3 to 15 below) | 853.85 | 726.47 | 785.01 |
| Indian rupee loan from bank (unsecured) | - | - | 7.00 |
| Bank overdraft | 5.49 | - | - |
| d. Indian rupee working capital demand loan from banks (secured) (refer note 16 to 21 below) | 540.00 | 945.00 | 426.82 |
| e. Loan from directors- unsecured (refer note 22 below) | 8.49 | 8.69 | 17.30 |
| Total current borrowings | 1,503.90 | 3,691.06 | 1,345.43 |
| Less: Amount presented under "other financial liabilities" | (56.38) | (2,010.90) | (98.20) |
| Total current borrowings | 1,447.52 | 1,680.16 | 1,247.23 |
| Secured | 1,439.03 | 1,628.55 | 1,222.93 |
| Unsecured | 8.49 | 51.61 | 24.30 |

Notes:

- In Vikas Publishing House Private Limited, Buyers credit from IndusInd Bank carries interest ranging between 2.37% to 2.93% p.a and facility is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding specifically charged to other lenders) and corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited).
- In Vikas Publishing House Private Limited, Buyers credit from IndusInd bank carries interest at 1.72 % p.a facility is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding specifically charged to other lenders) and corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited) This loan has been repaid in full during the year.



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3. In S Chand And Company Limited, Cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with DBS , Standard Chartered Bank , HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta , Directors of the Company. It carries interest rate ranging from 10% p.a. (31 March 2017: 12.10 % to 12.35% p.a.).
4. In S Chand And Company Limited, Cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 7 November 2017. This carries interest rate ranging from 10.85% to 11.05% p.a. (31 March 2017: 11.08% to 11.22% p.a.).
5. In S Chand And Company Limited, Cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 4 August 2017. This carries interest rate ranging from 8.60% to 11.15%. (31 March 2017: 10.75% to 11 % p.a.).
6. In S Chand And Company Limited, Cash Credit from HDFC Bank Limited (under Multiple Banking Arrangement with DBS , IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla , Directors of the Company upto 9 June 2017 & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This carries interest rate ranging from 9.50 % to 11.25% p.a. (31 March 2017: 11.25 % to 11.30 % p.a.).
7. In New Saraswati House (India) Private Limited, Cash Credit from HDFC bank is carrying an interest rate of 11.75% p.a. (31 March 2017: 11.85% p.a.) repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current assets (ii) first pari passu charges on entire existing and future movable fixed asset of the Company and (iii) Corporate Guarantee of S Chand and Company Limited.
8. In New Saraswati House (India) Private Limited, Cash Credit from DBS bank is carrying an interest rate of 10.95% p.a. (31 March 2017 : 9.50% p.a.) repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current assets (ii) first pari passu charge on entire existing and future movable fixed asset of the Company and (iii) Corporate Guarantee of S Chand and Company Limited.
9. In New Saraswati House (India) Private Limited, Cash Credit from Kotak Mahindra bank is taken during the year and is carrying an interest rate of 9.50% p.a. repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current assets (ii) first pari passu charge over the entire existing and future movable fixed asset of the Company and (iii) Corporate Guarantee of S Chand and Company Limited.
10. In New Saraswati House (India) Private Limited, Cash Credit/Working capital demand loan of ₹ 50 millions from RBL Bank taken during the year and is carrying an interest rate of 9.10 % p.a. repayable on demand. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over the entire existing and future movable fixed asset of the Company (iii) Corporate Guarantee of S Chand and Company Limited.
11. In Vikas Publishing House Private Limited, The company has taken the cash credit facility from HDFC Bank, IndusInd Bank, DBS bank and Standard Chartered Bank carries interest at MCLR plus spread (ranging from 1.30% to 2.15 %) p.a which are repayable on demand. Cash credit facility availed to the extent of sanction limit, is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding specifically charged to other lenders) and corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited) and and has been considered as secured. Cash credit availed over and above the sanction limit has been considered as unsecured and carries same interest rate as secured facility and is repayable on demand.
12. In BPI (India) Private Limited, Cash credit facility carry interest rate of Base Rate plus 2.25% per annum taken from IndusInd Bank on 12th February, 2015. Cash credit facility are secured by exclusive charge on all current assets and movable fixed assets except vehicle specifically charged to other lender of the Company (both present and future), exclusive charge on property of directors situated at DDA Flat No. D-7/7123, HIG First Floor, Vasant Kunj, New Delhi, and Property of Vikas Publishing House Pvt. Ltd. (Subsidiary of Group Co.) situated at 161718/1, Apartment No.4, 1st Floor, 4th Cross, Main Gandhi Nagar, Bangalore and corporate guarantee of M/s Blackie and Son (Calcutta) Private Limited & M/s S Chand and Co. Ltd and personal guarantee of Mr. Himanshu Gupta, Mr. Jai Saxena, Mrs Vidya Saxena and Mr. Dinesh Kumar Jhunjhnuwala.



13. In Nirja Publishers & Printers Private Limited, Cash credit from HDFC Bank and carries interest rate ranging from 11.25% to 11.30% p.a. The loan is repayable on demand. The loan is secured by (i) hypothecation of current assets (present and future) (ii) hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) (iii) Corporate guarantee of S Chand and Company Limited (Formerly S Chand and Company Private Limited) and (iv) personal guarantee of Mr. Dinesh Kumar Jhunjhnuwala and Mr. Himanshu Gupta. This facility has been repaid during the year.
14. In Nirja Publishers & Printers Private Limited, Cash credit from State Bank of India taken during the year and carries interest rate ranging from 8.35% to 10.75% p.a. The loan is repayable on demand. The loan is secured by (i) hypothecation of current assets (present and future) (ii) hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) (iii) Corporate guarantee of S Chand and Company Limited.
15. In DS Digital Private Limited, cash credit of ₹ 50 million from Standard Chartered Bank is secured by exclusive charge on entire current assets and movable fixed assets (except assets which are exclusively charged under equipment financing), personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and Corporate Guarantee of S Chand And Company Limited.
16. In S Chand And Company Limited, Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with DBS , IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla , Directors of the Company upto 9 June 2017 & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This loan carries interest rate ranging from 8.50 % to 9.50 % p.a. (31 March 2017: 9.25 % to 10.25 % p.a.).
17. In S Chand And Company Limited, Working capital demand loan from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 7 November 2017 . This loan carries interest rate ranging from 8.60 % to 11.35% p.a. (31 March 2017: 9.35 % to 11.35% p.a.).
18. In S Chand And Company Limited, Working capital demand loan from Standard Chartered Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 4 August 2017 . This loan carries interest rate ranging from 8.60 % to 9.15 % p.a. (31 March 2017 9.15% to 10.75% p.a.).
19. In S Chand And Company Limited, Working capital demand loan from DBS Bank Limited (under Multiple Banking Arrangement with HDFC Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company Upto 7 November 2017. This loan carries interest rate ranging from 8.45% to 9.25 % p.a (31 March 2017 9.15% to 9.50 %).
20. In S Chand And Company Limited, Working capital demand loan from DCB Bank Limited taken during the year 2016-17, is secured by way of subservient charge on the entire existing and future current assets and movable fixed assets of the Company. This loan carries interest rate of 9.35% p.a. The loan has been repaid in the Financial Year 2017-18.
21. In Vikas Publishing House Pvt. Limited, Working capital demand loan from HDFC Bank, DBS Bank and Standard Chartered Bank carries interest ranging from 8.75% to 9.75% p.a which are repayable on maturity. Working capital demand loan is facility is the sub limit of cash credit facility and secured by secured by the same security as provided in cash credit facility.
22. In BPI (India) Private Limited, Interest free Indian rupee loan is taken from director It is repayable after 31 March 2018.

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14. Trade payables

| | (₹ in millions) | | |
|---|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Non-Current | | | |
| Trade payables other than micro enterprises and small enterprises | 6.49 | 9.35 | 6.82 |
| Current | | | |
| Trade payables of micro enterprises and small enterprises (refer note 52) | 50.17 | 61.76 | 23.70 |
| Trade payables of related entities (refer note 38) | 0.58 | 1.69 | 0.63 |
| Trade payables other than micro enterprises and small enterprises | 2,059.28 | 1,746.07 | 1,455.18 |
| Total | 2,116.52 | 1,818.87 | 1,486.33 |
| Current | 2,110.03 | 1,809.52 | 1,479.51 |
| Non current | 6.49 | 9.35 | 6.82 |

15. Other financial liabilities

| | (₹ in millions) | | |
|---|-----------------|-----------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Other financial liabilities at amortised cost | | | |
| Interest accrued but not due | 4.49 | 8.47 | 8.84 |
| Interest accrued and due on short term borrowings | - | 0.61 | 1.41 |
| Interest accrued and due on security deposits | 1.05 | 0.28 | - |
| Interest accrued and due on bill discounted | 5.76 | - | - |
| Book Overdraft | - | - | 0.49 |
| Current maturity of long term loans (refer note 13B) | 56.38 | 2,010.90 | 98.20 |
| Security deposits received | 9.07 | 20.82 | 1.12 |
| Financial liability* (refer note 53) | 657.00 | - | - |
| Interest accrued on trade payables to micro and small enterprises (refer note 52) | 0.04 | 0.01 | 0.01 |
| Total | 733.79 | 2,041.09 | 110.07 |
| Current | 730.45 | 2,038.73 | 102.74 |
| Non current | 3.34 | 2.36 | 7.33 |

*Financial liability represents amount payable to minority shareholders for 38,554 shares of Chhaya Prakashani Private Limited towards purchase of remaining equity shares as per share purchase agreement.

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S Chand and Company Limited
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16. Other provisions

| | (₹ in millions) | | |
|---|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Provision for income tax (net of advance tax) | 251.40 | 183.53 | 118.48 |
| Provision for unclaimed dividend | 0.03 | - | - |
| Total other provisions | 251.43 | 183.53 | 118.48 |
| Current | 251.43 | 183.53 | 118.48 |
| Non-current | - | - | - |

17. Net employee defined benefit liabilities

| | (₹ in millions) | | |
|--|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Provision for gratuity (non-current) (refer note 35) | 66.63 | 49.37 | 49.89 |
| Provision for gratuity (current) (refer note 35) | 0.05 | 0.04 | 0.20 |
| Provision for leave encashment | 9.39 | 8.89 | 7.13 |
| Provision for bonus | 1.20 | 0.81 | 0.83 |
| Total | 77.27 | 59.11 | 58.05 |
| Current | 7.08 | 6.48 | 6.51 |
| Non current | 70.19 | 52.63 | 51.54 |

18. Other liabilities

| | (₹ in millions) | | |
|-----------------------------------|-----------------|---------------|---------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Other payables: | | | |
| Statutory dues payable | 155.85 | 91.57 | 84.74 |
| Rent equalization reserve | 6.05 | 4.92 | 2.56 |
| Creditors for capital expenditure | - | 5.14 | 10.68 |
| Deferred revenue | - | - | 6.35 |
| Advance from customers | 44.33 | 60.82 | 30.61 |
| Other payables | 23.66 | 27.79 | 27.31 |
| Total | 229.89 | 190.24 | 162.25 |
| Current | 222.35 | 183.48 | 154.45 |
| Non current | 7.54 | 6.76 | 7.80 |

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19. Revenue From Operations

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Sale of products | | |
| Finished goods | 8,030.81 | 6,591.71 |
| Traded goods | - | - |
| Less: Discount | (350.71) | (201.81) |
| Sale of services | 211.70 | 180.69 |
| Other operating revenue | | |
| Scrap sale | 48.84 | 14.26 |
| Sale of raw-materials | - | 1.38 |
| Miscellaneous Income | - | 0.91 |
| Export incentives | 3.81 | 5.04 |
| Total | 7,944.45 | 6,592.17 |
| Details of products sold | | |
| Finished goods sold | | |
| Books (published titles) | 7,893.90 | 6,403.27 |
| Educational kits | 5.50 | 20.22 |
| Stationary | 4.60 | - |
| E- Book sale | 2.06 | 4.85 |
| Curriculum books sales | 86.34 | 32.11 |
| Computers and peripherals | 38.41 | 131.16 |
| Maths and science labs (kit) | - | 0.10 |
| | 8,030.81 | 6,591.71 |
| Detail of sale of services | | |
| Domestic | | |
| Content development charges | 25.90 | 22.76 |
| Royalty income/ License fees | 1.25 | 1.64 |
| Training income | 4.85 | 0.50 |
| Student skill assessment | 3.10 | - |
| Customised interactive education services | 105.56 | 81.10 |
| Income from pre-school educational activity | 15.66 | 13.45 |
| Others | 0.55 | 1.86 |
| | 156.87 | 121.31 |
| Export | | |
| Customised interactive education services | 54.83 | 59.38 |
| | 54.83 | 59.38 |
| Total sale of services | 211.70 | 180.69 |



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20.1 Other income

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Other non-operating income | | |
| Dividend income on investments | 1.39 | 1.40 |
| Fair valuation gain on non-current investment | - | 0.06 |
| Gain on sale of current investments (net) | 6.65 | 5.58 |
| Duty drawback | 0.52 | 1.74 |
| Profit on sale of property, plant and equipment (net) | 0.38 | 0.95 |
| Fair value gain on financial instruments at fair value through profit or loss | 30.48 | 0.32 |
| Foreign exchange fluctuation gain (net) | 0.52 | 1.72 |
| Reversal of temporary diminution in value of investments (refer note 49) | 41.00 | 0.39 |
| Miscellaneous amount written back | 3.77 | 0.47 |
| Others | 0.17 | 3.37 |
| Total | 84.88 | 16.00 |

20.2 Finance income

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Interest income on: | | |
| - Bank deposits | 25.86 | 3.34 |
| - Income tax refund | 3.12 | 1.67 |
| - Unwinding of discount on security deposits paid | 7.82 | 3.78 |
| - On bonds | 0.18 | 0.04 |
| - Others | 5.41 | 4.56 |
| Total | 42.39 | 13.39 |

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S Chand and Company Limited
Notes to consolidated financial statements for the year ended 31 March 2018
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21 Cost of published goods/material consumed

| | (₹ in millions) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Inventories at the beginning of the year | 181.96 | 109.67 |
| Add : Purchases during the year | 2,345.79 | 1,907.17 |
| Add: Inventory acquired on acquisition of subsidiary | - | 35.24 |
| | 2,527.75 | 2,052.08 |
| Less : Inventory written off | (1.90) | - |
| Less : Inventories at the end of the year | (138.21) | (181.96) |
| Total | 2,387.64 | 1,870.12 |
| Details of raw material purchased | | |
| Paper | 1,638.10 | 1,299.93 |
| Books | 169.40 | 82.73 |
| E Books | 0.93 | 1.39 |
| Test papers & skill assessment reports | 1.20 | - |
| Printing and binding charges | 389.78 | 350.78 |
| CD and other items | 14.54 | 48.06 |
| Printing binding material | 131.84 | 124.28 |
| Total | 2,345.79 | 1,907.17 |

22. Purchase of traded goods

| | (₹ in millions) | |
|------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Traded books | 35.90 | 62.70 |
| Import of services | 3.66 | 2.56 |
| Computer & Peripherals | 33.52 | 116.76 |
| E Books | - | 0.12 |
| Science Labs (Kit) | - | 0.30 |
| English Labs (Kit) | 1.12 | 0.31 |
| Total | 74.20 | 182.75 |

23. Publication expenses

| | (₹ in millions) | |
|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Royalty expenses | 507.55 | 406.83 |
| Freight and cartage expenses | 10.77 | 11.51 |
| Power & fuel | 51.59 | 50.50 |
| Repairs and maintenance - machinery | 37.39 | 29.68 |
| Consumption of stores and spares | 3.57 | 6.57 |
| Other publishing expenses | 71.92 | 61.68 |
| Total | 682.79 | 566.77 |



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Notes to consolidated financial statements for the year ended 31 March 2018
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24. (Increase)/Decrease in inventories

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Inventories at the end of the year | | |
| Finished goods | 1,401.53 | 1,489.57 |
| Stores and spares | 4.05 | 4.35 |
| Work in progress | 14.67 | 26.86 |
| | 1,420.25 | 1,520.78 |
| Inventories at the beginning of the year | | |
| Finished goods | 1,489.57 | 1,284.99 |
| Inventory acquired on acquisition of subsidiary | - | 130.31 |
| Stores and spares | 4.35 | 3.58 |
| Work in progress | 26.86 | 31.52 |
| | 1,520.78 | 1,450.40 |
| (Increase)/decrease in inventories | 100.53 | (70.38) |

Details of Inventories

| | (₹ in millions) | |
|-----------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Work in Progress | | |
| Printed material for books | 14.67 | 26.86 |
| | 14.67 | 26.86 |
| Finished goods | | |
| - Manufactured goods | | |
| Books | 1,346.46 | 1,442.41 |
| Traded goods | | |
| Books | 38.15 | 39.59 |
| other trade items | 16.92 | 7.57 |
| | 1,401.53 | 1,489.57 |

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S Chand and Company Limited

Notes to consolidated financial statements for the year ended 31 March 2018

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25. Employee benefits expenses

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Salaries, wages and bonus | 1,213.78 | 1,018.85 |
| Contribution to provident and other funds | 72.07 | 59.99 |
| Gratuity expense (refer note 35) | 32.79 | 21.71 |
| Employee stock option expense | 12.21 | 17.53 |
| Staff welfare expenses | 54.76 | 56.43 |
| Total | 1,385.61 | 1,174.51 |

26. Selling and distribution expenses

| | (₹ in millions) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Advertisement and sales promotion | 220.97 | 155.46 |
| Meeting & conference expenses | 11.67 | 7.54 |
| Travelling and conveyance | 201.30 | 172.59 |
| Freight and forwarding charges | 198.31 | 161.54 |
| Packing expenses | 54.63 | 45.77 |
| Vehicle running and maintenance | 17.99 | 21.44 |
| Canvassing expenses | 19.25 | 8.32 |
| Leases rent - vehicles (refer note 37) | 1.01 | 1.82 |
| Book workshop expenses | 12.04 | 10.01 |
| Total | 737.17 | 584.49 |

27. Finance cost

| | (₹ in millions) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Interest on loans and debts | 224.49 | 327.31 |
| Unwinding of discount on security deposit received | 0.29 | 0.68 |
| Bank charges | 7.33 | 7.64 |
| Processing fees - bank loan | 1.19 | 5.81 |
| Amortization of ancillary borrowing costs | 6.42 | 12.12 |
| Total | 239.72 | 353.56 |

28. Depreciation and amortisation expense

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Depreciation of property, plant & equipment | 88.06 | 166.53 |
| Amortisation of intangible assets | 104.72 | 97.80 |
| Impairment of property, plant & equipment | 0.06 | - |
| Total | 192.84 | 264.33 |



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29. Other expenses

| | (₹ in millions) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Communication cost | 40.35 | 39.43 |
| Rent (refer note 37) | 213.21 | 193.92 |
| Rates and taxes | 2.07 | 5.83 |
| Insurance | 18.07 | 14.69 |
| Travelling and conveyance | 1.26 | 2.83 |
| Repairs and maintenance: | - | - |
| -Plant & machinery | 0.53 | 0.44 |
| -Buildings | 3.41 | 3.57 |
| -Others | 66.88 | 55.37 |
| Printing and stationery | 11.34 | 9.43 |
| Legal and professional fee | 51.79 | 47.97 |
| Payment to auditor (refer details below) | 14.59 | 11.49 |
| Water and electricity charges | 20.30 | 19.13 |
| Office expenses | 22.21 | 27.37 |
| Security expenses | 25.93 | 24.14 |
| Foreign exchange difference | 1.70 | 1.82 |
| Corporate social responsibility expenses (refer note 50) | 14.00 | 11.61 |
| Recruitment charges | 1.75 | 1.46 |
| Bad debts written off | 1.49 | 9.77 |
| Provision for bad & doubtful debts | 39.67 | 69.70 |
| Loss on sale of property, plant and equipment (net) | 4.21 | 2.05 |
| Miscellaneous expenses | 20.89 | 19.00 |
| Loss on Insurance claim receivable | - | 0.27 |
| Fair value loss on financial instruments at fair value through profit or loss | 0.03 | 0.10 |
| Outsourced employee cost | 69.77 | 52.10 |
| Director sitting fees | 2.04 | 0.73 |
| School van running expense | 2.06 | 1.97 |
| Total | 649.55 | 626.19 |

Payment to auditor

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|------------------------|-------------------------------------|-------------------------------------|
| As auditor | | |
| Audit fee | 11.83 | 11.41 |
| - Limited review | 2.12 | - |
| Other Services | 0.12 | - |
| Out of pocket expenses | 0.52 | 0.08 |
| Total | 14.59 | 11.49 |



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S Chand and Company Limited

Notes to consolidated financial statements for the year ended 31 March 2018

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30. 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 31st March 2018

| | (₹ in millions) | |
|--|-------------------|-------|
| | Retained earnings | Total |
| Re-measurement gains/(losses) on defined benefit plans | 1.13 | 1.13 |
| | 0.24 | 0.24 |
| Tax impact on re-measurement gains/(losses) on defined benefit plans | 1.37 | 1.37 |

During the year ended 31st March 2017

| | (₹ in millions) | |
|--|-------------------|--------|
| | Retained earnings | Total |
| Re-measurement gains/(losses) on defined benefit plans | 3.26 | 3.26 |
| | (1.38) | (1.38) |
| Tax impact on re-measurement gains/(losses) on defined benefit plans | 1.88 | 1.88 |

31. 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.

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Profit attributable to equity holders of the company (₹ in millions) | 1,070.83 | 612.63 |
| Weighted average number of equity shares used for computing Earning per Share (Basic) | 34,388,586 | 29,844,496 |
| Weighted average number of equity shares used for computing Earning per Share (Diluted) | 34,473,366 | 29,897,407 |
| Basic EPS (Amount in ₹) | 31.14 | 20.53 |
| Diluted DPS (Amount in ₹) | 31.06 | 20.49 |



32. Significant accounting judgements, estimates and assumptions

The preparation of the Group'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 Group'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 Group 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 Group 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 Group. 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 35.

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 5D.

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.



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33. Group information

Information about subsidiary company:

| Principal activities | Country of incorporation | % equity interest | | |
|--|--------------------------|-------------------|-------------|------------|
| | | 31 Mar 2018 | 31 Mar 2017 | 1 Apr 2016 |
| Nirja Publishers & Printers Private Limited | India | 100.00% | 100.00% | 100.00% |
| Safari Digital Education Initiatives Private Limited | India | 100.00% | 100.00% | 100.00% |
| Eurasia Publishing House Private Limited | India | 100.00% | 100.00% | 100.00% |
| Blackie & Son (Calcutta) Private Limited | India | 100.00% | 100.00% | 100.00% |
| Vikas Publishing House Private Limited | India | 99.93% | 99.93% | 99.93% |
| DS Digital Private Limited | India | 100.00% | 100.00% | 76.00% |
| New Saraswati House (India) Private Limited | India | 100.00% | 74.00% | - |
| Chhaya Prakashani Private Limited (w.e.f. 5 December 2016) * | India | 51.00% | 51.00% | 51.00% |
| BPI (India) Private Limited | India | - | - | 100.00% |
| Arch Papier Mache Private Limited (till 8 Dec 2016) | India | 100.00% | 74.00% | 74.00% |
| S Chand Edutech Private Limited | India | 100.00% | 74.00% | - |
| Indian Progressive Publishing Company Private Limited (w.e.f. 5 December 2016) * | India | 100.00% | 74.00% | - |
| Publishing Services Private Limited (w.e.f. 5 December 2016) * | India | 100.00% | 74.00% | - |

* Refer Note 53

Information about Associates:

| Principal activities | Country of incorporation | % equity interest | | |
|---|--------------------------|-------------------|-------------|------------|
| | | 31 Mar 2018 | 31 Mar 2017 | 1 Apr 2016 |
| Edutor Technologies India Private Limited | India | 44.66% | 44.66% | 44.66% |
| Smartivity Labs Private Limited | India | 24.12% | 24.69% | 25.70% |



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34. Investment in associates**34A. Edutor Technologies India Private Limited**

The Group has a 44.66% (31 March 17: 44.66% and 1 April 2016: 44.66% interest in Edutor Technologies India Private Limited, which is primarily engaged in the business of providing education and tutoring services of all kind through multimedia e-learning system, enabling students to achieve academic success through one-on-one tutoring and engage in personalized training by using the electronic devices such as gadgets, with specialization in length and breadth of all streams of education. Its registered and principal office of business is located at Hyderabad. Edutor Technologies India Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Edutor Technologies India Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Edutor Technologies India Private Limited:

| | (₹ in millions) | | |
|-------------------------------------|-----------------|-------------|--------------|
| | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
| Current assets | 29.81 | 20.36 | 28.52 |
| Non-current assets | 21.72 | 31.37 | 38.27 |
| Current liabilities | (60.37) | (47.71) | (21.34) |
| Non-current liabilities | (4.15) | (3.74) | (1.85) |
| Equity | (12.99) | 0.28 | 43.60 |
| Proportion of the Group's ownership | 44.66% | 44.66% | 44.66% |
| Carrying amount of the investment | 168.55 | 175.35 | 194.86 |

| | (₹ in millions) | |
|--|-----------------|----------------|
| | 31-Mar-18 | 31-Mar-17 |
| Revenue | 98.02 | 105.54 |
| Cost of raw material and components consumed | (25.10) | (46.18) |
| Depreciation & amortization | (8.16) | (9.78) |
| Finance cost | (3.24) | (1.88) |
| Employee benefit | (46.74) | (62.73) |
| Other expense | (29.61) | (28.51) |
| Loss before tax | (14.83) | (43.54) |
| Income tax expense | 0.68 | 1.03 |
| Loss for the year | (14.15) | (42.51) |
| Other Comprehensive Income | (1.09) | (1.18) |
| Total comprehensive income for the year | (15.24) | (43.69) |
| Group's share of loss for the year | (6.80) | (19.51) |

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 1 April 2016, 31 March 2017 or 31 March 2018.

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34B. Smartivity Labs Pvt Ltd

The Group has a 24.12% (24.69% on 31 March 2017 and 25.7% on 1 April 2016) interest in Smartivity Labs Pvt Ltd, which is primarily engaged in the business of Early Learning through Augmented Reality (AR) , STEM DIY Kits (Science , Technology and Maths) and also Virtual Reality (VRX) Content. Smartivity Labs Pvt Ltd is a private entity that is not listed on any public exchange. The Group's interest in Smartivity Labs Pvt Ltd is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Smartivity Labs Pvt Ltd:

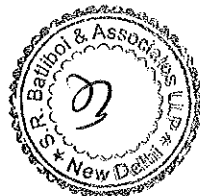
| | (₹ in millions) | | |
|-------------------------------------|-----------------|--------------|-------------|
| | 31-Mar-18 | 31-Mar-17 | 01-Apr-16 |
| Current assets | 60.39 | 32.11 | 6.22 |
| Non-current assets | 38.04 | 25.11 | 9.71 |
| Current liabilities | (67.36) | (20.05) | (13.51) |
| Equity | 31.07 | 37.17 | 2.42 |
| Proportion of the Group's ownership | 24.12% | 24.69% | 25.70% |
| Carrying amount of the investment | 10.05 | 13.00 | 6.14 |

| | (₹ in millions) | |
|--|-----------------|----------------|
| | 31-Mar-18 | 31-Mar-17 |
| Revenue | 98.89 | 41.09 |
| Cost of raw material and components consumed | (55.67) | (19.54) |
| Depreciation & amortization | (7.82) | (4.36) |
| Finance cost | (0.62) | (0.33) |
| Employee benefit | (31.70) | (16.84) |
| Other expense | (31.67) | (18.50) |
| Loss before tax | (28.59) | (18.48) |
| Income tax expense | 5.99 | 5.71 |
| Loss for the year | (22.60) | (12.77) |
| Other Comprehensive Income | - | - |
| Total comprehensive income for the year | (22.60) | (12.77) |
| Group's share of loss for the year | (5.45) | (3.15) |

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 1 April 2016, 31 March 2017 or 31 March 2018.

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

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of Rs 2 million. 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 recognized in the balance sheet for Gratuity Plan.

Statement of Profit & Loss account**Net employee benefit expense recognised in employee cost:**

| | (Rs. in million) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
| Current service cost | 21.58 | 18.42 |
| Past service cost | 7.53 | - |
| Interest cost on defined obligation | 7.00 | 5.62 |
| Expected return on plan assets | (3.32) | (2.58) |
| Acquisition/Business Combination/Divestiture | - | 0.25 |
| | <u>32.79</u> | <u>21.71</u> |

Amount recognised in Other Comprehensive Income:

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| Actuarial (gains) / losses on obligation | (2.15) | (2.45) |
| Actuarial gains / (losses) on assets | (1.02) | 0.81 |
| | <u>(1.13)</u> | <u>(3.26)</u> |

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

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|--|-------------------------------------|-------------------------------------|
| Opening defined benefit obligation | 98.05 | 84.90 |
| Current service cost | 21.58 | 18.42 |
| Past service cost | 7.53 | - |
| Interest cost | 7.00 | 5.62 |
| Benefits paid from plan assets | (7.70) | (9.77) |
| Benefits paid directly by employer | (1.73) | (0.14) |
| Actuarial (gains) / losses on obligation | (2.15) | (2.45) |
| Acquisition/ divestiture | - | 1.47 |
| Closing defined benefit obligation | <u>122.58</u> | <u>98.05</u> |



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

| | For the year ended 31 March 2018 | For the year ended 31 March 2017 |
|---|-------------------------------------|-------------------------------------|
| Opening fair value of plan assets | 48.64 | 35.64 |
| Expected return | 3.32 | 2.58 |
| Contributions by employer | 10.62 | 21.00 |
| Benefits paid | (7.70) | (9.77) |
| Actuarial gain/(loss) | 1.02 | (0.81) |
| Closing fair value of plan assets | 55.90 | 48.64 |
| Net liability recognised in financial statements | 66.68 | 49.41 |
| Current Portion | 0.05 | 0.04 |
| Non - Current Portion | 66.63 | 49.37 |

The Company expects to contribute Rs. 1.88 million to gratuity in this year (31 March 2017: Rs. 2.27 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% to 7.70% | 6.95% to 7.70% |
| Expected rate of return on assets | 7.35% to 8.00% | 6.00% to 8.00% |
| Expected rate of salary increase | 6% to 10% | 6% to 10% |
| Retirement Age (In years) | 58- 60 years | 58- 60 years |
| Employee turnover :- | | |
| - For Service upto 5 years | 3% to 15% | 3% to 15% |
| - For Service more than 5 years | 1.00% | 1.00% |
| Mortality Rate | IALM (2006-08) | IALM (2006-08) |

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% | 40.19 | 43.42 |
| | - 1% | 135.58 | 107.33 |
| Expected rate of salary increase | + 1% | 134.94 | 106.08 |
| | - 1% | 39.89 | 41.59 |

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 period.



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36. Employee stock option plans:

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2018 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 30 June 2012, the board of directors approved the Equity Settled ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the eligible employees. According to the Scheme 2012, two types of options are granted by the Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,194 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz. continuing employment with the company. However in case of growth options, in addition to this the board may also specify the certain corporate, individual or a combination performance parameters subject to which the option would vest. The other relevant terms of the grant are as below:

| | Grant I | Grant II | Grant III (a) | Grant III (b) | Grant III (c) | Grant IV (a) | Grant IV (b) | Grant IV (c) | Grant IV (d) | Grant V | Grant VI | Grant VII |
|---|-------------|------------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------------------|
| Date of grant | 09-Jul-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 28-Jul-14 | 27-Aug-15 | 27-Aug-15 | 30-Sep-15 | 28-Jul-16 | 05-Aug-16 | 16-Aug-16 | 30-Nov-16 |
| Date of Board approval | 30-Jun-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 28-Jul-14 | 27-Aug-15 | 27-Aug-15 | 27-Aug-15 | 28-Jul-16 | 05-Aug-16 | 05-Aug-16 | 19-Sep-16 & 30-Nov-16 |
| Date of Shareholder's approval | 30-Jun-12 | 30-Jun-12 | 28-Jul-14 | 30-Sep-14 | 28-Jul-14 | 30-Sep-15 | 30-Sep-15 | 30-Sep-15 | 28-Jul-16 | 05-Aug-16 | 05-Aug-16 | 10-Nov-16 |
| Number of options granted | 2,194 | 292 | 180 | 75 | 180 | 441 | 185 | 248 | 40 | 93,388 | 51,060 | 12,506 |
| Method of settlement (Cash/Equity) | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity | Equity |
| Vesting Period | Year 1- 10% | 100% Immediate vesting | Year 1- 32% | Year 1- 38% | Year 1- 32% | Year 1- 50% | Year 2- 35% | Year 1- 25% | Year 1- 25% | Year 1- 100% | Year 1- 25% | Year 1- 50% |
| | Year 2- 15% | | Year 2- 32% | Year 2- 32% | Year 2- 32% | Year 2- 50% | Year 3- 40% | Year 2- 35% | Year 2- 35% | Year 1- 25% | Year 2- 25% | Year 2- 50% |
| | Year 3- 20% | | Year 3- 40% | Year 3- 40% | Year 3- 40% | Year 3- 40% | | Year 3- 40% | Year 3- 40% | Year 3- 25% | Year 3- 25% | |
| | Year 4- 25% | | | | | | | | | Year 4- 25% | Year 4- 25% | |
| | Year 5- 10% | | | | | | | | | | | |
| Exercise Period | 9.110 | 9.110 | 56,870 | 56,870 | 56,870 | 36,870 | 45,000 | 45,000 | 45,000 | 304 | 304 | 392 |
| Exercise price | 9.110 | 9.110 | 10,949 | 10,949 | 10,949 | 25,227 | 20,944 | 20,594 | 20,504 | 112 | 159 | 60 |
| Fair value of shares at the time of grant | 4.159 | 4.109 | 10,949 | 10,949 | 10,949 | 170.45 | 141.51 | 159.15 | 137.87 | 112.41 | 158.97 | 60.40 |

Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 75:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till March 31, 2018 is as below:

| | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Exercise on listing but not later than two years from the listing date | 248.12 | 304.05 |
| Exercise price | 61.55 | 158.97 |
| Fair value of shares at the time of grant | 27.97 | 304.00 |

The details of activities under Growth option (Grant I) are summarized below:

| | March 31, 2018 | March 31, 2017 |
|---|----------------|----------------|
| Outstanding at the beginning of the year | 47,656 | 9,110 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Effect of share split | 47,656 | 322 |
| Effect of bonus issue | - | - |
| Outstanding at the end of the year | - | 322 |
| Exercisable at the end of the year | - | 47,012 |
| ** Includes 61 options which has vested 100% on account of demise of an employee. | - | 47,656 |
| ** denotes weighted average exercise price | - | 33,152 |

The details of activities under Thankyou option (Grant II) are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Outstanding at the beginning of the year | 3,108 | 21 |
| Granted during the year | - | - |
| Forfeited during the year | - | - |
| Exercised during the year | - | - |
| Effect of share split | 3,108 | 62 |
| Effect of bonus issue | - | - |
| Outstanding at the end of the year | - | 3,066 |
| Exercisable at the end of the year | - | 3,108 |

The weighted average remaining contractual life for Growth and Thankyou option outstanding as at March 31, 2018 is Nil.



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The details of activities under Grant III a and III b are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| | No. of options | No. of options |
| Outstanding at the beginning of the year | 26,640 | 36,870 |
| Granted during the year | - | 253 |
| Forfeited during the year | - | - |
| Exercised during the year | 26,640 | 10,804 |
| Effect of share split | - | - |
| Effect of bonus issue | - | 253 |
| Outstanding at the end of the year | - | 36,978 |
| Exercisable at the end of the year | - | 26,640 |
| | | 16,280 |

The weighted average remaining contractual life for option outstanding as at March 31, 2018 is NIL.

The Company had granted 441 option during the financial year ended 31 March 2016. The details of activities under Grant IV(a) are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| | No. of options | No. of options |
| Outstanding at the beginning of the year | 65,268 | - |
| Granted during the year | - | 441 |
| Forfeited during the year | - | - |
| Exercised during the year | 65,268 | - |
| Effect of share split | - | - |
| Effect of bonus issue | - | 441 |
| Outstanding at the end of the year | - | 64,386 |
| Exercisable at the end of the year | - | 65,268 |

The weighted average remaining contractual life for option outstanding as at March 31, 2018 is NIL.

The Company had granted 473 option during the financial year ended 31 March 2016. The details of activities under Grant IV(b), IV(c) and IV(d) are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| | No. of options | No. of options |
| Outstanding at the beginning of the year | 68,302 | - |
| Granted during the year | - | 304 |
| Forfeited during the year | - | - |
| Exercised during the year | 28,268 | 1,702 |
| Effect of share split | - | - |
| Effect of bonus issue | - | 473 |
| Outstanding at the end of the year | 40,034 | 69,058 |
| Exercisable at the end of the year | 12,210 | 68,302 |

The weighted average remaining contractual life for option outstanding as at March 31, 2018 under Grant IV(b) is 2.41 years, under Grant IV(c) is 2.5 years and under Grant IV(d) is 2.99 years.

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The Company had granted 93,388 option during the year ended 31 March 2017. The details of activities under Grant V are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|-----------------|-----------------|
| No. of options | W.A.F.P. (in ₹) | No. of options |
| Outstanding at the beginning of the year | 304 | - |
| Granted during the year | - | 93,388 |
| Forfeited during the year | - | - |
| Exercised during the year | 304 | - |
| Outstanding at the end of the year | - | - |
| Exercisable at the end of the year | - | - |
| | | W.A.F.P. (in ₹) |
| | | 304 |

The weighted average remaining contractual life for option outstanding under Grant V as at March 31, 2018 is Nil.

The Company had granted 51,060 option during the year ended 31 March 2017. The details of activities under Grant VI are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|-----------------|-----------------|
| No. of options | W.A.F.P. (in ₹) | No. of options |
| Outstanding at the beginning of the year | 304 | - |
| Granted during the year | - | 51,060 |
| Forfeited during the year | - | - |
| Exercised during the year | 304 | - |
| Outstanding at the end of the year | - | - |
| Exercisable at the end of the year | - | - |
| | | W.A.F.P. (in ₹) |
| | | 304 |

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2018 is Nil.

The Company had granted 12,506 option during the year ended 31 March 2017. The details of activities under Grant VII are summarized below:

| | March 31, 2018 | March 31, 2017 |
|--|-----------------|-----------------|
| No. of options | W.A.F.P. (in ₹) | No. of options |
| Outstanding at the beginning of the year | 392 | - |
| Granted during the year | - | 12,506 |
| Forfeited during the year | - | 1,303 |
| Exercised during the year | 2,952 | - |
| Outstanding at the end of the year | 6,451 | - |
| Exercisable at the end of the year | 1,750 | - |
| | | W.A.F.P. (in ₹) |
| | | 392 |

The weighted average remaining contractual life for option outstanding under Grant VII as at March 31, 2018 is 2.67 years.

The Black Scholes valuation model has been used for computing the weighted averages fair value considering the following inputs:

| | Grant IVb | Grant IVc | Grant IVd | Grant VI | Grant VII |
|---|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2018 | 31 March 2018 | 31 March 2018 | 31 March 2018 | 31 March 2018 |
| Dividend yield (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Expected volatility | 15.65% | 15.57% | 16.04% | 17.22% | 17.48% |
| Risk-free interest rate | 7.71% | 7.51% | 7.46% | 6.84% | 6.04% |
| Weighted average fair market price (₹) | 377 | 377 | 377 | 376 | 376 |
| Exercise price (₹) | 304 | 304 | 304 | 304 | 304 |
| Expected life of options granted in years | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |

Each vest has been considered as a separate grant with weights assigned to each vesting as per the vesting schedule. The minimum life of a stock option is the minimum period before which the options cannot be exercised. The expected life has been calculated as an average of minimum and maximum life.



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37. Leases

Operating lease: company as lessee

- a. 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 ₹ 213.21 million (31 March 2017: ₹ 193.92 million). These lease have average life of between one to nine years. There are no restrictions imposed by the lease agreements. There are no sub leases.
- b. The Company has taken vehicle for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 1.01 million (31 March 2017: ₹ 1.82 million). There are no restrictions imposed by the lease agreements. There are no sub leases.

Further minimum rental payable under non-cancellable operating lease are as follows : (₹ in millions)

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Within one year | 46.68 | 53.17 | 58.86 |
| After one year but not more than five years | 195.02 | 186.33 | 172.53 |
| After five years | 25.23 | 32.48 | 84.15 |

38. Related party disclosure

a. **Names of related parties and related party relationship**

Related parties where control exists

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

| | | |
|---|---|---|
| Enterprises over which Key Management personnel or their relatives exercise significant influence | : | Hotel Tourist (Partnership firm) |
| | : | Raasha Entertainment & Leisure LLP |
| | : | S Chand Hotels Private Limited |
| | : | SC Hotel Tourist Deluxe Private Limited |
| | : | Shaara Hospitalities Private Limited |
| | : | S Chand Properties Private Limited |
| | : | Shyam Lal Charitable Trust |
| | : | RKG Hospitalities Private Limited |

Key Management Personnel (KMP) & their relatives

| | | |
|------------------------------|---|---|
| Mrs. Nirmala Gupta | : | Chair Person and Managing Director (till 20 May 2016) |
| Mrs. Savita Gupta | : | Whole-time Director (till 20 May 2016) |
| | : | Director (w.e.f. 20 May 2016) |
| Mr. Himanshu Gupta | : | Joint Managing Director (till 20 May 2016) |
| | : | Managing Director (w.e.f. 20 May 2016) |
| Mrs. Ankita Gupta | : | Whole-time Director (till 20 May 2016) |
| Mr. Dinesh Kumar Jhunjhuwala | : | Vice Chair Person and Director Finance (till 20 May 2016) |
| | : | Whole-time Director (w.e.f. 20 May 2016) |
| Mrs. Neerja Jhunjhuwala | : | Whole time Director (till 20 May 2016) |
| Mr. Gaurav Jhunjhuwala | : | Director |
| Mr. Saurabh Mittal | : | Chief Financial Officer |
| Mr. Jagdeep Singh | : | Company Secretary |
| Relatives of KMP | : | Mr. Ravindra Kumar Gupta |
| | : | Mrs. Neerja Jhunjhuwala (w.e.f. 20 May 2016) |



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(₹ in millions)

| Nature of Transactions | Period/Year Ended | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
|--|-------------------|--|--|-------|
| Purchase- (Other) from | | | | |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2018 | 3.09 | - | 3.09 |
| | 31 March 2017 | 1.19 | - | 1.19 |
| S Chand Hotels Private Limited | 31 March 2018 | 0.13 | - | 0.13 |
| | 31 March 2017 | - | - | - |
| Hotel Tourist | 31 March 2018 | 3.76 | - | 3.76 |
| | 31 March 2017 | 6.50 | - | 6.50 |
| Other expenses paid (reimbursement) | | | | |
| Shyam Lal Charitable Trust | 31 March 2018 | - | - | - |
| | 31 March 2017 | 0.02 | - | 0.02 |
| Ankita Gupta | 31 March 2018 | - | 0.51 | 0.51 |
| | 31 March 2017 | - | 0.55 | 0.55 |
| Rentals paid | | | | |
| S Chand Properties Private Limited | 31 March 2018 | 29.42 | - | 29.42 |
| | 31 March 2017 | 28.84 | - | 28.84 |
| Mrs.Savita Gupta | 31 March 2018 | - | 3.25 | 3.25 |
| | 31 March 2017 | - | 3.14 | 3.14 |
| Mrs.Neerja Jhunjhuwala | 31 March 2018 | - | 2.51 | 2.51 |
| | 31 March 2017 | - | 2.28 | 2.28 |
| Ravindra Kumar Gupta | 31 March 2018 | - | 1.21 | 1.21 |
| | 31 March 2017 | - | 1.19 | 1.19 |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2018 | 9.84 | - | 9.84 |
| | 31 March 2017 | 9.62 | - | 9.62 |
| Ankita Gupta | 31 March 2018 | - | 0.40 | 0.40 |
| | 31 March 2017 | - | 0.40 | 0.40 |
| Remuneration to KMP | | | | |
| Mrs. Nirmala Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | 0.16 | 0.16 |
| Mr. Gaurav Jhunjhuwala | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | 0.20 | 0.20 |
| Mrs.Savita Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | 0.40 | 0.40 |
| Mr. Dinesh Kumar Jhunjhuwala | 31 March 2018 | - | 16.42 | 16.42 |
| | 31 March 2017 | - | 10.19 | 10.19 |
| Mr. Himanshu Gupta | 31 March 2018 | - | 16.42 | 16.42 |
| | 31 March 2017 | - | 10.19 | 10.19 |
| Mrs.Neerja Jhunjhuwala | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | 0.16 | 0.16 |
| Mrs. Ankita Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | 0.16 | 0.16 |
| Saurabh Mittal | 31 March 2018 | - | 12.76 | 12.76 |
| | 31 March 2017 | - | 9.43 | 9.43 |
| Jagdeep Singh | 31 March 2018 | - | 5.49 | 5.49 |
| | 31 March 2017 | - | 7.41 | 7.41 |



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(₹ in millions)

| Nature of Transactions | Period/Year Ended | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
|---|-------------------|--|--|-------|
| Balances outstanding as at 31 March 2018 | | | | |
| Security deposit receivable | | | | |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2018 | 4.20 | - | 4.20 |
| | 31 March 2017 | 4.20 | - | 4.20 |
| | 1 April 2016 | 4.20 | - | 4.20 |
| Ankita Gupta | 31 March 2018 | - | 0.19 | 0.19 |
| | 31 March 2017 | - | 0.19 | 0.19 |
| | 1 April 2016 | - | 0.19 | 0.19 |
| S Chand Properties Private Limited | 31 March 2018 | 12.55 | - | 12.55 |
| | 31 March 2017 | 12.55 | - | 12.55 |
| | 1 April 2016 | 12.55 | - | 12.55 |
| Mrs.Savita Gupta | 31 March 2018 | - | 0.54 | 0.54 |
| | 31 March 2017 | - | 0.54 | 0.54 |
| | 1 April 2016 | - | 0.39 | 0.39 |
| Mrs.Neerja Jhunjhnuwala | 31 March 2018 | - | 0.12 | 0.12 |
| | 31 March 2017 | - | 0.12 | 0.12 |
| | 1 April 2016 | - | 0.12 | 0.12 |
| Ravindra Kumar Gupta | 31 March 2018 | - | 0.41 | 0.41 |
| | 31 March 2017 | - | 0.41 | 0.41 |
| | 1 April 2016 | - | 0.41 | 0.41 |
| Loans and advances | | | | |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2018 | - | - | - |
| | 31 March 2017 | 0.14 | - | 0.14 |
| | 1 April 2016 | 0.13 | - | 0.13 |
| Raasha Entertainment & Leisure LLP | 31 March 2018 | 0.22 | - | 0.22 |
| | 31 March 2017 | 0.22 | - | 0.22 |
| | 1 April 2016 | 0.22 | - | 0.22 |
| Shaara Hospitalities Private Limited | 31 March 2018 | 0.01 | - | 0.01 |
| | 31 March 2017 | 0.01 | - | 0.01 |
| | 1 April 2016 | 0.01 | - | 0.01 |
| RKG Hospitalities Private Limited | 31 March 2018 | 0.34 | - | 0.34 |
| | 31 March 2017 | 0.34 | - | 0.34 |
| | 1 April 2016 | 0.34 | - | 0.34 |
| Trade payables | | | | |
| Hotel Tourist | 31 March 2018 | 0.24 | - | 0.24 |
| | 31 March 2017 | 1.69 | - | 1.69 |
| | 1 April 2016 | 0.51 | - | 0.51 |
| SC Hotel Tourist Deluxe Private Limited | 31 March 2018 | 0.34 | - | 0.34 |
| | 31 March 2017 | 0.00 | - | 0.00 |
| | 1 April 2016 | 0.12 | - | 0.12 |
| Directors remuneration payable | | | | |
| Nirmala Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | - | - |
| | 1 April 2016 | - | 0.10 | 0.10 |
| Gaurav Jhunjhunwala | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | - | - |
| | 1 April 2016 | - | 0.10 | 0.10 |
| Savita Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | - | - |
| | 1 April 2016 | - | 0.20 | 0.20 |



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| (₹ in millions) | | | | |
|--------------------------|-------------------|--|--|-------|
| Nature of Transactions | Period/Year Ended | Enterprises over which KMP or their relatives exercise significant influence | Key Managerial Personnel & their relatives | Total |
| Dinesh Kumar Jhunjhuwala | 31 March 2018 | - | 0.28 | 0.28 |
| | 31 March 2017 | - | 0.44 | 0.44 |
| | 1 April 2016 | - | 0.30 | 0.30 |
| Himanshu Gupta | 31 March 2018 | - | 0.38 | 0.38 |
| | 31 March 2017 | - | 0.42 | 0.42 |
| | 1 April 2016 | - | 0.30 | 0.30 |
| Neerja Jhunjhuwala | 31 March 2018 | - | 0.30 | 0.30 |
| | 31 March 2017 | - | 0.30 | 0.30 |
| | 1 April 2016 | - | 0.10 | 0.10 |
| Ankita Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | - | - |
| | 1 April 2016 | - | 0.10 | 0.10 |
| Saurabh Mittal | 31 March 2018 | - | 0.60 | 0.60 |
| | 31 March 2017 | - | 0.47 | 0.47 |
| | 1 April 2016 | - | 0.97 | 0.97 |
| Jagdeep Singh | 31 March 2018 | - | 0.30 | 0.30 |
| | 31 March 2017 | - | 1.01 | 1.01 |
| | 1 April 2016 | - | 0.43 | 0.43 |
| Unsecured Loan | | | | |
| Mrs. Nirrnala Gupta | 31 March 2018 | - | - | - |
| | 31 March 2017 | - | - | - |
| | 1 April 2016 | - | 21.06 | 21.06 |

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| 39. Capital and other commitment | (₹ in millions) | | |
|---|-----------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| a. Capital commitment (net of advance) | 75.17 | 0.54 | 26.81 |
| b. Relating to Export Promotion Capital Goods commitment. | 77.89 | 77.89 | 77.89 |
| c. Other commitments | 0.28 | 0.37 | 0.24 |

| 40. Contingent liabilities | (₹ in millions) | | |
|---|-----------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Stamp duty (refer note 'a' below) | 95.01 | 95.01 | 95.01 |
| Registration fee (refer note 'a' below) | 9.15 | 9.15 | - |
| Income Tax demand (refer note 'b', 'c' and 'd' below) | 0.67 | 67.58 | 0.57 |
| VAT claim by U. P. VAT Act. (refer note 'e') | 2.75 | 2.75 | 2.75 |
| Contractual Obligations | 2.04 | - | - |

a. During the year 2015-16, S Chand and Company Limited received notice under Indian Stamp Act, 1899 for non-payment of stamp duty on transfer of property on amalgamation and demerger held in the financial year 2011-12. The district registrar contended that order of Hon'ble High Court for amalgamation and demerger does not grants exemption in respect of payment of stamp duty. The Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9.15 million (31 March 2017: ₹ 9.15 million and 1 April 2016: ₹ Nil). As per the legal opinion obtained, management is of the view that no liability would accrue on the Company on account of such case. Accordingly, no provision has been made in the books of account for the same.

b. In respect of Assessment Year 2006-2007 for S Chand and Company Limited, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Assessing officer. The amount involved is ₹ 0.67 million (31 March 2017: ₹ 0.67 million and 1 April 2016: ₹ 5.68 million).

c. In respect of Assessment Year 2015-16 for S Chand and Company Limited, disallowance under section 36(1)(va) read with section 2(24)(x) of the act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filing return. The matter is pending with CIT(A). The amount involved is ₹ 0.72 million.

d. In Nirja Publishers & Printers Private Limited, Net of tax deposited by the Company of ₹ Nil (31 March 2017: ₹ 8 Million) against the above demand. During the year, the Company got favourable outcome in respect of above demand in appellate process. The department is in appeal before the Income Tax Appellate Tribunal (ITAT).

e. In DS Digital Private Limited, Company has paid ₹ 1.10 million for levy of penalty U/S 54(1) of U P. VAT Act. Appeal filed by the company is pending.

41. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2018, 31 March 2017 and 1 April 2016 are as under:

| | Foreign currency | Amount in foreign currency | | | Amount in ₹ (million) | | |
|-----------------------------|------------------|----------------------------|---------------|--------------|-----------------------|---------------|--------------|
| | | 31 March 2018 | 31 March 2017 | 1 April 2016 | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| Trade receivable | USD | 76,950 | 54,625 | 115,765 | 5.01 | 3.54 | 7.67 |
| | BHD | - | - | 23,400 | - | - | 4.08 |
| | QAR | 426,000 | 32,000 | 315,000 | 7.63 | 3.42 | 5.72 |
| | AED | 165,600 | 160,000 | 456,834 | 2.93 | 2.78 | 8.17 |
| | SAR | 45,000 | - | - | 0.78 | - | - |
| | OMR | - | - | 35,100 | - | - | 6.00 |
| Trade payable | GBP | - | - | 205,264 | - | - | 19.54 |
| Buyer's credit (borrowings) | GBP | - | - | 116,313 | - | - | 11.10 |
| | USD | 610,133 | - | - | 39.69 | - | - |

42. BPI India Private Limited had entered into a contract with a foreign party for supply of certain children books. As per the contract material was to be supplied in lots. After receiving certain lots the Company had requested the vendor to terminate the contract as there were no demands for such books. But the party had continued to supply books. The party has filed case against the Company for recovery of amount with interest. The case is currently lying with Delhi High court. The Company will discuss with AD / Reserve Bank of India (RBI) for remitting / regularizing the payment due once the case is finally settled. Also, based on the discussions with the solicitor/expert, the management feels that the Company has a strong chance of success in above mentioned case and hence no provision for interest has been recognised in the financial statements.



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

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments in equity shares 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 Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Group. The board provides assurance to the shareholders that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group'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 three types of risk:-

- a.) Interest rate risk,
- b.) currency risk and other price risk, such as equity price risk and
- c.) 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

| | | (₹ in millions) | |
|----------------------------|--------------------------------------|--------------------------------|---------------------------|
| | Increase/decrease in basis points | Effect on profit before tax | Effect on equity (OCI) |
| As at 31 March 2018 | | | |
| Borrowings | +0.50% | (8.85) | - |
| | -0.50% | 8.85 | - |
| As at 31 March 2017 | | | |
| Borrowings | +0.50% | (20.02) | - |
| | -0.50% | 20.02 | - |
| As at 1 April 2016 | | | |
| Borrowings | +0.50% | (10.13) | - |
| | -0.50% | 10.13 | - |

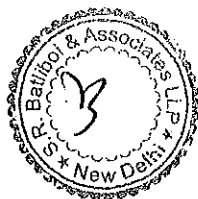


b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group does not hedge its foreign currency exposure, however the sensitivity analysis is as given below for the currencies, in which Group has foreign exposure:

| | Changes in foreign currency rates | Effect on profit before tax | Effect on equity (OCI) |
|---|--------------------------------------|--------------------------------|---------------------------|
| For the year ended 31 March 2018 | | | |
| USD | +0.5% | (0.17) | - |
| | -0.5% | 0.17 | - |
| QAR | +0.5% | 0.04 | - |
| | -0.5% | (0.04) | - |
| AED | +0.5% | 0.01 | - |
| | -0.5% | (0.01) | - |
| SAR | +0.5% | 0.00 | - |
| | -0.5% | (0.00) | - |
| For the year ended 31 March 2017 | | | |
| USD | +0.5% | 0.02 | - |
| | -0.5% | (0.02) | - |
| QAR | +0.5% | 0.02 | - |
| | -0.5% | (0.02) | - |
| AED | +0.5% | 0.01 | - |
| | -0.5% | (0.01) | - |
| As at 1 April 2016 | | | |
| USD | +0.5% | 0.04 | - |
| | -0.5% | (0.04) | - |
| GBP | +0.5% | (0.15) | - |
| | -0.5% | 0.15 | - |
| BHD | +0.5% | 0.02 | - |
| | -0.5% | (0.02) | - |
| QAR | +0.5% | 0.03 | - |
| | -0.5% | (0.03) | - |
| AED | +0.5% | 0.04 | - |
| | -0.5% | (0.04) | - |
| OMR | +0.5% | 0.03 | - |
| | -0.5% | (0.03) | - |



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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 Group 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 millions | | |
|---------------------|---------------|--------|----------|
| | Not Due | Due | Total |
| As at 1 April 2016 | 3,279.57 | 427.23 | 3,706.80 |
| As at 31 March 2017 | 4,367.85 | 333.96 | 4,701.81 |
| As at 31 March 2018 | 5,564.11 | 748.22 | 6,312.33 |

C. Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Group closely monitors its liquidity position and deploys a robust cash management system. The Group manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

| | ₹ in millions | | |
|-------------------------------|-----------------|-----------------|-----------------|
| | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| On Demand | | | |
| - Borrowings | 1,399.34 | 1,671.47 | 1,218.83 |
| | 1,399.34 | 1,671.47 | 1,218.83 |
| Less than 1 year | | | |
| - Borrowings | 104.56 | 2,019.59 | 126.59 |
| - Trade payables | 2,110.03 | 1,809.52 | 1,479.51 |
| - Other financial liabilities | 674.07 | 27.83 | 4.55 |
| | 2,888.66 | 3,856.94 | 1,610.65 |
| More than 1 year | | | |
| - Borrowings | 265.87 | 313.36 | 680.67 |
| - Trade payables | 6.49 | 9.35 | 6.82 |
| - Other financial liabilities | 3.34 | 2.36 | 7.33 |
| | 275.70 | 325.07 | 694.82 |

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44. Capital management

For the purpose of the Group'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 Group's capital management is to maximise the shareholder value.

The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio less than 30%. The Group measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Group, as applicable.

Group's adjusted net debt to equity ratio as at 31 March 2018 is as follows:

| | (₹ in millions) | | |
|--|------------------|-----------------|-----------------|
| Gearing Ratio | 31 March 2018 | 31 March 2017 | 01 April 2016 |
| Borrowings (Note 13A & 13B) | 1,713.39 | 1,993.52 | 1,927.90 |
| Less: cash and cash equivalents (Note 5E) | (664.81) | (335.57) | (238.97) |
| Adjusted Net debt (A) | 1,048.58 | 1,657.95 | 1,688.93 |
| Equity | 10,039.35 | 6,543.95 | 5,870.47 |
| Total equity (B) | 10,039.35 | 6,543.95 | 5,870.47 |
| Total equity and net debt [C = (A+B)] | 11,087.93 | 8,201.90 | 7,559.40 |
| Gearing Ratio (A/C) | 9% | 20% | 22% |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

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45. Fair Values

The Carrying values of financial instruments by categories is as under:

| Particulars | 31 March 2018 | | | 31 March 2017 | | | 1 April 2016 | | |
|--|----------------|--------|--------|----------------|--------|--------|----------------|--------|--------|
| | Amortized Cost | FVTPL | FVTOCI | Amortized Cost | FVTPL | FVTOCI | Amortized Cost | FVTPL | FVTOCI |
| Assets | | | | | | | | | |
| Non current financial assets | | | | | | | | | |
| - Investments | 232.86 | 0.13 | - | 242.61 | 0.17 | - | 253.12 | 0.11 | - |
| - Loans | 93.23 | - | - | 43.29 | - | - | 40.08 | - | - |
| - Other financial assets | 11.88 | - | - | 9.05 | - | - | 27.67 | - | - |
| Current Financial assets | | | | | | | | | |
| - Trade receivables | 6,312.33 | - | - | 4,701.81 | - | - | 3,706.80 | - | - |
| - Loans | 83.02 | - | - | 96.77 | - | - | 76.60 | - | - |
| - Investments | 64.06 | 403.57 | - | - | 155.43 | - | - | 123.95 | - |
| - Other financial assets | 29.35 | - | - | 42.44 | - | - | 7.55 | - | - |
| - Cash and cash equivalents | 664.81 | - | - | 335.57 | - | - | 238.97 | - | - |
| Liabilities | | | | | | | | | |
| Non Current Financial liabilities | | | | | | | | | |
| - Borrowings | 265.87 | - | - | 313.36 | - | - | 680.67 | - | - |
| - Trade payables | 6.49 | - | - | 9.35 | - | - | 6.82 | - | - |
| - Other financial liabilities | 3.34 | - | - | 2.36 | - | - | 7.33 | - | - |
| Current Financial liabilities | | | | | | | | | |
| - Borrowings | 1,447.52 | - | - | 1,680.16 | - | - | 1,247.23 | - | - |
| - Trade payables | 2,110.03 | - | - | 1,809.52 | - | - | 1,479.51 | - | - |
| - Other financial liabilities | 730.45 | - | - | 2,038.73 | - | - | 102.74 | - | - |

The fair values of current financial assets like trade receivables, loans and cash & cash equivalents and current financial liabilities like trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortized cost are reasonable approximation of their fair values.

The Group classifies all its financial assets and financial liabilities to be measured at amortized cost. Hence the company has not classified its financial instruments into three levels of fair value measurement hierarchy in accordance with the relevant accounting standards

Fair value of quoted financial instruments is based on quoted market price at the reporting date.



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S Chand and Company Limited
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46. As per requirement of Companies Act, 2013, following additional disclosure needs to be given in the Notes to Accounts for the year ended 31 March 2018 along with comparative numbers for 31 March 2017:

| Name of the entity | As at 31 March 2018 | | | | | | | | | |
|---|--|------------------|-------------------------------------|-----------------|-------------------------------------|-------------|-------------------------------------|-----------------|-------------------------------------|--------|
| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | | (₹ in millions) | |
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount |
| Parent | 58.85% | 5,908.81 | 47.10% | 504.36 | 147.59% | 2.03 | 47.23% | 506.39 | | |
| Subsidiaries | | | | | | | | | | |
| <i>Indian</i> | | | | | | | | | | |
| Eurasia Publishing House Private Limited | 1.34% | 134.13 | -2.08% | (22.24) | 0.00% | - | -2.07% | (22.24) | | |
| BPI (India) Private Limited | 0.41% | 41.14 | 0.03% | 0.29 | 9.24% | 0.13 | 0.04% | 0.42 | | |
| Safari Digital Education Initiatives Private Limited | -0.02% | (2.11) | -1.40% | (14.96) | 124.82% | 1.71 | -1.24% | (13.25) | | |
| Blackie & Son (Calcutta) Private Limited | 0.14% | 14.17 | 0.16% | 1.67 | 0.00% | - | 0.16% | 1.67 | | |
| Nirja Publishers and Printers Private Limited | 5.10% | 511.94 | 3.08% | 32.94 | 11.20% | 0.15 | 3.09% | 33.09 | | |
| Vikas Publishing House Private Limited | 17.84% | 1,790.53 | 22.98% | 246.10 | -343.21% | (4.71) | 22.51% | 241.39 | | |
| S Chand Edutech Private Limited | -0.29% | (29.46) | -0.11% | (1.16) | -1.29% | (0.02) | -0.11% | (1.18) | | |
| D S Digital Private Limited | 1.43% | 143.67 | -2.20% | (23.52) | 1.55% | 0.02 | -2.19% | (23.50) | | |
| New Saraswati House (India) Private Limited | 6.52% | 655.06 | 9.18% | 98.32 | 136.85% | 1.88 | 9.35% | 100.20 | | |
| Chhaya Prakashani Private Limited | 6.42% | 644.37 | 24.16% | 258.76 | 6.50% | 0.09 | 24.13% | 258.85 | | |
| Indian Progressive Publishing Company Private Limited | 0.04% | 4.32 | 0.30% | 3.18 | 0.00% | - | 0.30% | 3.18 | | |
| Publishing Services Private Limited | 0.02% | 2.13 | -0.06% | (0.68) | -2.13% | (0.03) | -0.07% | (0.71) | | |
| Minority interest in all subsidiaries | 0.42% | 42.05 | 0.00% | 0.02 | 8.88% | 0.12 | 0.01% | 0.14 | | |
| Associates (Indian) | | | | | | | | | | |
| Investment as per Equity Method | 1.78% | 178.60 | -1.14% | (12.25) | 0.00% | - | -1.14% | (12.25) | | |
| | 100.00% | 10,039.35 | 100.00% | 1,070.83 | 100.00% | 1.37 | 100.00% | 1,072.20 | | |



S Chand and Company Limited
Notes to consolidated financial statements for the year ended 31 March 2018
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| Name of the entity | As at 31 March 2017 | | | | | | | |
|---|--|-----------------|-------------------------------------|---------------|-------------------------------------|-------------|-------------------------------------|---------------|
| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount | As % of consolidated profit or loss | Amount |
| Parent | 60.99% | 3,991.37 | 44.50% | 272.62 | 14.62% | 0.27 | 44.41% | 272.89 |
| Subsidiaries | | | | | | | | |
| <i>Indian</i> | | | | | | | | |
| Eurasia Publishing House Private Limited | -6.45% | (422.32) | -1.51% | (9.22) | 0.00% | - | -1.50% | (9.22) |
| BPI (India) Private Limited | 0.47% | 30.79 | 0.05% | 0.31 | 4.30% | 0.08 | 0.06% | 0.39 |
| Safari Digital Education Initiatives Private Limited | 0.07% | 4.58 | -5.30% | (32.49) | -18.61% | (0.35) | -5.34% | (32.84) |
| Blackie & Son (Calcutta) Private Limited | 0.35% | 22.70 | 0.18% | 1.13 | 0.00% | - | 0.18% | 1.13 |
| Nirja Publishers and Printers Private Limited | 7.32% | 478.85 | 6.30% | 38.56 | -11.99% | (0.23) | 6.24% | 38.33 |
| Vikas Publishing House Private Limited | 17.28% | 1,131.09 | 21.65% | 132.60 | 183.86% | 3.46 | 22.14% | 136.06 |
| S Chand Edutech Private Limited | -0.43% | (28.28) | -0.05% | (0.30) | 0.00% | - | -0.05% | (0.30) |
| D S Digital Private Limited | 2.64% | 172.43 | -11.27% | (69.05) | -4.86% | (0.09) | -11.25% | (69.14) |
| New Saraswati House (India) Private Limited | 8.47% | 554.16 | 13.60% | 83.30 | -44.09% | (0.83) | 13.42% | 82.47 |
| Arch Papier Mache Private Limited | 0.00% | 7.96 | 1.30% | 7.96 | 0.00% | - | 1.30% | 7.96 |
| Chhaya Prakashani Private Limited | 4.36% | 285.29 | 25.17% | 154.21 | -14.40% | (0.27) | 25.05% | 153.94 |
| Indian Progressive Publishing Company Private Limited | 0.01% | 0.43 | -0.17% | (1.02) | 0.00% | - | -0.17% | (1.02) |
| Publishing Services Private Limited | 0.03% | 2.12 | 0.03% | 0.19 | -5.18% | (0.10) | 0.01% | 0.09 |
| Minority interest in all subsidiaries | 2.02% | 132.39 | 9.22% | 56.48 | -3.12% | (0.06) | 9.18% | 56.42 |
| Associates (Indian) | | | | | | | | |
| Investment as per Equity Method | 2.88% | 188.35 | -3.70% | (22.66) | 0.00% | - | -3.69% | (22.66) |
| | 100.00% | 6,543.95 | 100.00% | 612.62 | 100.53% | 1.88 | 100.00% | 614.50 |



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47. The Group has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Sons (Calcutta) Private Limited, Nirja Publishers and Printers Private Limited, DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand and Company Limited (Parent Company) and their respective shareholders and creditors (Composite Scheme) with Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) and Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"). The entire business of Blackie & Sons (Calcutta) Private Limited and Nirja Publishers and Printers Private Limited will be merged with the parent company. The education business of DS Digital and Safari Digital shall be demerged from respective Companies and will be merged with S Chand and Company Limited as part of Scheme of Arrangement. The remaining business of D S Digital shall be merged with Safari Digital. Blackie & Sons (Calcutta) Private Limited, Nirja Publishers and Printers Private Limited, DS Digital Private Limited shall cease to exist after the scheme is approved. The Company shall file the Scheme with National Company Law Tribunal (NCLT), post approval from BSE and NSE.
48. The Board of Directors of Chhaya Prakashani Private Limited ("CPPL"), a subsidiary of the Group, in their meeting dated November 11, 2017 approved the merger of Publishing Services Private Limited with CPPL, a wholly owned subsidiary of CPPL. CPPL 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 awaiting for the approval.
49. S Chand and Company Limited had made an investment in 410 optionally convertible redeemable debentures of ₹ 100,000 each fully paid in Waldorf Integration Solutions Limited (formerly Cityxys Technologies Limited) during the financial year 2007-08 as per the debenture subscription agreement dated 14 May 2007. The debentures were converted into 512,500 optionally convertible or redeemable preference shares during the financial year 2008-09 as per the debenture conversion agreement dated 03 March 2009. These preference shares were redeemable or convertible at the option of the shareholder as per the debenture conversion agreement. The preference shares were due for redemption or conversion during the financial year 2011-12 and the Company opted for redemption of preference shares which the Waldorf Integration Solutions Limited (formerly Cityxys Technologies Limited) failed and defaulted in redeeming the preference shares. The Company had filed a case against Waldorf Integration Solutions Limited (formerly Cityxys Technologies Limited) demanding redemption of the preference shares held by the Company and on March 28, 2018, the Hon'ble Arbitral Tribunal, awarded the case in favour of the Company. The management in consultation with lawyers, has reversed the impairment of ₹ 41 million made in earlier years and recognised the investment at fair value of ₹ 64 million in the current financial year.

50. Corporate social responsibility

The Group has contributed ₹ 14 million (31 March 2017: ₹ 11.61 million) out of the total contributable amount of ₹ 21.45 million (31 March 2017: ₹ 17.98 million) in accordance with section 135 read with Schedule VII to the Companies Act, 2013 through various trust and donation of books. Unspent amount has not been provided in books.

51. Segment reporting

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services and major customers. The Group's operations pre-dominantly relate to publishing of books. The Chief Operating Decision Maker (CODM) evaluates the Groups'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 Group's single business segment.

52. Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006

The Amount due to Micro and small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Groups. The disclosures relating to Micro and Small Enterprises as at 31st March 2018 are as under:

| Description | ₹ in millions | | |
|--|---------------|---------------|--------------|
| | 31 March 2018 | 31 March 2017 | 1 April 2016 |
| (i) Principal amount remaining unpaid as on 31 March, 2018 | 50.17 | 61.76 | 23.70 |
| (ii) Interest due thereon as on 31 March, 2018 | 0.04 | 0.01 | 0.01 |
| | 50.21 | 61.77 | 23.71 |

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.
 - | - | - |

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.
 - | - | - |

The amount of interest accrued and remaining unpaid at the end of each accounting year.
 0.04 | 0.01 | 0.01 |

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.
 - | - | - |



53. Business combinations

Acquisition of Chhaya Prakashani Private Limited ("CPPL") during the year ended 31 March 2017

On 5 December 2016, the Group acquired 74% of the voting shares of Chhaya Prakashani Private Limited ("CPPL"), a non-listed company based in Kolkata, India and specialising in the publishing, printing, sale, purchase, export and import of all types of books and other literary work in exchange for the Group's shares. The Group acquired Chhaya Prakashani Private Limited because it significantly enlarges the range of products in the school segment.

CPPL had two 100% subsidiaries namely Indian Progressive Publishing Company Private Limited ("IPPCPL") and Publishing Services Private Limited ("PSPL") which are also in the same business.

For the year ending 31 March 2018, the group recognised a liability of ₹ 657.00 million (refer Note 15) in place of non- controlling interest as buyout consideration for remaining equity payable as per Share Purchase Agreement.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of CPPL as at the date of acquisition were:

| | Book value recognised on acquisition |
|--|---|
| | (₹ in millions) |
| Assets | |
| Property, plant and equipment (note 3) | 12.22 |
| Intangible Assets (note 4) | 5.22 |
| Cash and cash equivalents | 4.56 |
| Investments | 2.14 |
| Loans & advances | 297.96 |
| Trade receivables | 8.93 |
| Inventories | 156.86 |
| Other assets | 2.23 |
| | 490.12 |
| Liabilities | |
| Trade payables | 60.83 |
| Other liabilities & provisions | 258.13 |
| | 318.96 |
| Total identifiable net assets at fair value | 171.16 |
| Non-controlling interests measured at book value | (44.50) |
| Goodwill arising on acquisition (note 4) | 1,573.43 |
| Purchase consideration transferred | 1,700.09 |

From the date of acquisition, CPPL along with its subsidiaries have contributed ₹ 1,917.64 million of revenue and ₹ 726.77 million to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been ₹ 6,832.89 million and the profit before tax for the Group would have been ₹1,058.65 million for the year ending 31 March 2017.



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54. First-time adoption of Ind AS

- i.) These financial statements, for the year ended 31 March 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group 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 Group 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 Group's opening balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS.

This note explains exemptions availed by the Group 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 Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b.) Share based payments

Ind AS 102 Share based payment has not been applied to equity instruments in share based payment transactions that vested before the the date of transition

c.) Business Combination

The Group has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. to business combinations that occurred before the date of transition to Ind AS.

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

| Particulars | Foot notes | (₹ in millions) | | |
|--|------------|-----------------|-----------------|-----------------|
| | | Indian GAAP* | Ind AS Adj | Ind AS |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 1,020.91 | - | 1,020.91 |
| Intangible assets | | 2,285.33 | 0.01 | 2,285.34 |
| Capital work in progress | | 36.74 | - | 36.74 |
| Intangible assets under development | | 30.43 | - | 30.43 |
| Investment in an associate | | 201.00 | - | 201.00 |
| Financial assets | | | | |
| - Investments | 1 | 52.57 | (0.34) | 52.23 |
| - Loans | 3 | 75.32 | (35.24) | 40.08 |
| - Other financial assets | | 27.77 | (0.10) | 27.67 |
| Other non-current assets | 3 | 117.72 | 22.92 | 140.64 |
| Deferred tax assets (net) | 7 | 123.85 | 62.56 | 186.41 |
| Total non-current assets | | 3,971.64 | 49.80 | 4,021.45 |
| Current assets | | | | |
| Inventories | | 1,398.23 | 56.60 | 1,454.83 |
| Financial assets | | | | |
| - Investments | 1 | 163.57 | (39.62) | 123.95 |
| - Loans | | 76.60 | - | 76.60 |
| - Trade receivables | 5 | 3,942.28 | (235.48) | 3,706.80 |
| - Cash and cash equivalents | | 238.97 | - | 238.97 |
| - Other financial assets | | 7.45 | 0.10 | 7.55 |
| Other current assets | 3 | 86.80 | 16.61 | 103.41 |
| Total current assets | | 5,913.90 | (201.79) | 5,712.10 |
| Total assets | | 9,885.54 | (151.99) | 9,733.55 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | | 2.02 | - | 2.02 |
| Other equity | | | | |
| - Retained earnings | | 1,700.84 | 188.51 | 1,889.35 |
| - Other reserves | | 4,288.17 | (340.54) | 3,947.63 |
| Equity attributable to equity holders of the parent | | 5,991.03 | (152.03) | 5,839.00 |
| Non- Controlling Interests | | 31.47 | - | 31.47 |
| Total equity | | 6,022.50 | (152.03) | 5,870.47 |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | | 680.67 | - | 680.67 |
| - Trade payables | | 6.82 | - | 6.82 |
| - Other financial liabilities | | 7.33 | - | 7.33 |
| Net employee defined benefit liabilities | | 51.54 | - | 51.54 |
| Other non-current liabilities | | 7.80 | - | 7.80 |
| Total non current liabilities | | 754.16 | - | 754.16 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | | 1,247.23 | - | 1,247.23 |
| - Trade payables | | 1,479.51 | - | 1,479.51 |
| - Other financial liabilities | | 102.70 | 0.04 | 102.74 |
| Other current liabilities | | 154.45 | - | 154.45 |
| Net employee defined benefit liabilities | | 6.51 | - | 6.51 |
| Other provisions | | 118.48 | - | 118.48 |
| Total current liabilities | | 3,108.88 | 0.04 | 3,108.92 |
| Total equity and liabilities | | 9,885.54 | (151.99) | 9,733.55 |

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



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Annexure IIa - Reconciliation of equity as at 31 March 2017

| Particulars | Foot notes | (₹ in millions) | | |
|--|------------|------------------|-----------------|------------------|
| | | Indian GAAP* | Ind AS Adj | Ind AS |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 977.52 | - | 977.52 |
| Intangible assets | 4 | 3,970.36 | 17.47 | 3,987.83 |
| Capital work in progress | | 7.66 | - | 7.66 |
| Intangible assets under development | | 26.51 | - | 26.51 |
| Investment in an associate | 1 | 192.72 | (4.37) | 188.35 |
| Financial assets | | | | |
| - Investments | 1 | 54.27 | 0.16 | 54.43 |
| - Loans | 3 | 78.46 | (35.17) | 43.29 |
| - Other financial assets | | 9.05 | - | 9.05 |
| Other non-current assets | | 110.25 | 17.87 | 128.12 |
| Deferred tax assets (net) | 7 | 109.95 | 63.67 | 173.62 |
| Total non-current assets | | 5,536.75 | 59.63 | 5,596.38 |
| Current assets | | | | |
| Inventories | | 1,535.83 | 166.03 | 1,701.86 |
| Financial assets | | | | |
| - Investments | 1 | 195.46 | (40.03) | 155.43 |
| - Loans | | 88.52 | 8.25 | 96.77 |
| - Trade receivables | 5 | 5,060.81 | (359.00) | 4,701.81 |
| - Cash and cash equivalents | | 335.57 | - | 335.57 |
| - Other financial assets | | 42.44 | - | 42.44 |
| Other current assets | 3 | 194.80 | 5.25 | 200.05 |
| Total current assets | | 7,453.43 | (219.50) | 7,233.93 |
| Total assets | | 12,990.18 | (159.87) | 12,830.31 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | | 149.22 | - | 149.22 |
| Other equity | | | | |
| - Retained earnings | | 2,270.76 | 43.60 | 2,314.36 |
| - Other reserves | | 4,153.30 | (205.32) | 3,947.98 |
| Equity attributable to equity holders of the parent | | 6,573.28 | (161.72) | 6,411.56 |
| Non- Controlling Interests | | 130.54 | 1.85 | 132.39 |
| Total equity | | 6,703.82 | (159.87) | 6,543.95 |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | | 313.36 | - | 313.36 |
| - Trade payables | | 9.35 | - | 9.35 |
| - Other financial liabilities | | 2.36 | - | 2.36 |
| Net employee defined benefit liabilities | | 52.63 | - | 52.63 |
| Other non-current liabilities | | 6.76 | - | 6.76 |
| Total non current liabilities | | 384.46 | - | 384.46 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | | 1,680.16 | - | 1,680.16 |
| - Trade payables | | 1,809.52 | - | 1,809.52 |
| - Other financial liabilities | | 2,038.73 | - | 2,038.73 |
| Other current liabilities | | 183.48 | - | 183.48 |
| Net employee defined benefit liabilities | | 6.48 | - | 6.48 |
| Other provisions | | 183.53 | - | 183.53 |
| Total current liabilities | | 5,901.90 | - | 5,901.90 |
| Total equity and liabilities | | 12,990.18 | (159.87) | 12,830.31 |

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



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

| (₹ in millions) | | | | |
|---|------------|-----------------|-----------------|-----------------|
| Particulars | Foot notes | Indian GAAP | Ind AS Adj | Ind AS |
| I Revenue from Operations | | 6,841.48 | (249.31) | 6,592.17 |
| II Other Income | 3 | 20.21 | 9.18 | 29.39 |
| III Total Income (I+II) | | <u>6,861.69</u> | <u>(240.13)</u> | <u>6,621.56</u> |
| IV Expenses | | | | |
| Cost of published goods/material consumed | | 1,870.12 | - | 1,870.12 |
| Purchase of traded goods | | 182.75 | - | 182.75 |
| Publication expense | | 566.77 | - | 566.77 |
| (Increase)/ decrease in inventories of finished goods, work-in-progress, scrap and components | | 54.70 | (125.08) | (70.38) |
| Employee Benefits Expense | 2 and 6 | 1,166.73 | 7.78 | 1,174.51 |
| Selling and distribution expense | | 635.26 | (50.77) | 584.49 |
| Finance Costs | | 355.71 | (2.15) | 353.56 |
| Depreciation and amortization expense | 4 | 281.80 | (17.47) | 264.33 |
| Other Expenses | 5 | 656.98 | (30.79) | 626.19 |
| Total expenses | | <u>5,770.82</u> | <u>(218.48)</u> | <u>5,552.34</u> |
| V Profit before share of loss of an associate (III-IV) | | 1,090.87 | (21.65) | 1,069.23 |
| VI Share of profit/ (Loss) of an associate | | (18.29) | (4.37) | (22.66) |
| VII Profit before tax (V - VI) | | <u>1,072.58</u> | <u>(26.02)</u> | <u>1,046.56</u> |
| VIII Tax expense: | | | | |
| Current tax | | 416.16 | - | 416.16 |
| Income tax adjustment related to earlier years | | 4.18 | - | 4.18 |
| Deferred tax (credit)/ charge | 7 | 15.62 | (2.02) | 13.60 |
| Total tax expenses | | <u>435.96</u> | <u>(2.02)</u> | <u>433.94</u> |
| IX Profit for the period (VII - VIII) | | 636.62 | (24.00) | 612.62 |
| X Other Comprehensive Income | | | | |
| - Items that will not be reclassified to profit or loss | | | | |
| Re-measurement gains/(losses) on defined benefit plans | 6 | - | 3.26 | 3.26 |
| Income tax effect | | - | (1.38) | (1.38) |
| XI Total Comprehensive Income for the period (IX - X) | | <u>636.62</u> | <u>(22.12)</u> | <u>614.50</u> |

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:-

- Under previous GAAP, quoted equity investments and mutual funds were valued at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognized in the statement of profit and loss.
- Under previous GAAP, the Company was accounting employee stock option plans as per intrinsic value method. Under Ind AS, these have been accounted for at fair value as per Ind AS 102. Further, compensation cost of options granted to employees of subsidiary companies have been capitalized with the cost of investments in such subsidiary companies as per Ind AS 102.



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S Chand and Company Limited
Notes to consolidated financial statements for the year ended 31 March 2018
CIN: L22219DL1970PLC005400

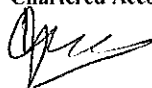
3. Under previous GAAP, security deposits given by the Company against lease agreements for office premises at various locations were measured at transaction value ignoring the time value of money. Under Ind AS, these deposits were considered as financial assets and has been valued at amortised cost.
4. Under previous GAAP, goodwill was amortised on straight line basis over a period of 10 years. Under Ind AS, Goodwill is required to be tested for impairment at each reporting date, hence, amount of amortisation made for goodwill under IGAAP has been reversed in the statement of profit and loss.
5. Under previous GAAP, provision was being made on financial assets on incurred loss model. Under Ind AS, provision on financial assets is required to be made as per expected credit loss model considering the expected cash shortfalls from such financial assets and delay in expected realization from such financial assets.
6. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.
7. Under Indian GAAP, deferred tax was accounted using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, entities need to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

55. Previous period figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

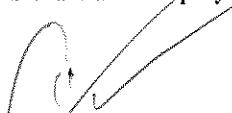
The accompanying notes are an integral part of the financial statements.
As per our report of even date


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


per **Yogesh Midha**
Partner
Membership No.: 94941



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


Himanshu Gupta
Director
DIN: 0054015


Dinesh Kumar Jhunjhnuwala
Director
DIN: 00053988

Place: New Delhi
Date: 30 May 2018


Saurabh Mittal
Chief Financial Officer


Jagdeep Singh
Company Secretary