

INDEPENDENT AUDITOR'S REPORT

To the Members of New Saraswati House (India) Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Report on Other Legal and Regulatory Requirements

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Yogesh Midha
Partner
Membership Number: 94941

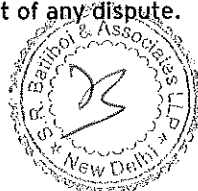


Place: New Delhi
Date: 23 May, 2018

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

Re: New Saraswati House (India) Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All fixed assets were physical verified by the management in the previous year in accordance with the planned programme of verifying them once in two years which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable interval during the year and no material discrepancies noted on such verification. Inventories lying with third parties have been confirmed by them on various date and no material discrepancies were noticed in respect of such confirmation.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loan secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause iii(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loan, investment guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act 2013, for the product/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax/goods and service tax, value added tax, duty of custom, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund, service tax/goods and service tax, value added tax, duty of custom, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, service tax/goods and service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



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

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants



per Yogesh Midha
Partner
Membership No.: 94941



Place: New Delhi
Date: 23 May 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NEW SARASWATI HOUSE (INDIA) PRIVATE LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

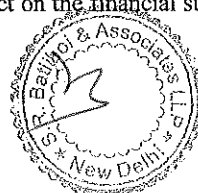
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting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

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

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

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

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



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

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

Opinion

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Yogesh Midha

Partner

Membership Number: 94941



Place: New Delhi

Date: 23 May 2018

	Notes	As at 31 March 2018	As at 31 March 2017	(Rs. in millions) As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	40.40	37.45	40.26
Intangible assets				
- Goodwill	4	56.73	56.73	56.73
- Other intangible assets	4	143.90	138.49	148.55
Capital work-in-progress		3.97	4.35	4.24
Financial assets				
- Loans	5B	14.30	3.16	9.05
- Other financial assets	5D	0.08	0.08	0.08
Other non-current assets	7	4.45	6.49	2.60
Deferred tax assets (net)	8	-	-	15.54
Total non-current assets		263.83	246.75	277.05
Current assets				
Inventories	6	373.12	446.48	385.90
Financial assets				
- Trade receivables	5A	1,552.78	1,195.39	969.16
- Loans	5B	16.20	24.91	27.75
- Cash and cash equivalents	5C	116.36	43.04	39.19
Other current assets	7	2.41	1.81	3.43
Total current assets		2,060.87	1,711.63	1,425.43
Total assets		2,324.70	1,958.38	1,702.48
Equity and liabilities				
Equity				
Equity share capital	9	0.21	0.21	0.21
Other equity				
- Retained earnings	10	113.54	13.34	60.87
- Other reserves	10	541.32	540.62	410.12
Total equity		655.07	554.17	471.20
Non-current liabilities				
Financial liabilities				
- Borrowings	11A	746.08	552.92	520.00
- Trade payables	12	6.49	9.35	6.21
Provisions	14	12.71	11.79	15.22
Deferred tax liabilities (net)	8	2.18	6.71	-
Total non current liabilities		767.46	580.77	541.43
Current liabilities				
Financial liabilities				
- Borrowings	11B	310.68	232.49	117.16
- Trade payables	12	523.85	555.18	481.14
- Other financial liabilities	13	5.63	2.28	27.25
Provisions	14	29.33	4.36	39.32
Other current liabilities	15	32.68	29.13	24.98
Total current liabilities		902.17	823.44	689.85
Total equity and liabilities		2,324.70	1,958.38	1,702.48
Summary of significant accounting policies	2.1			

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

As per our report of even date

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

per Yogesh Midha
Partner
Membership No.: 94941

Place : New Delhi
Date : 23 May 2018



For and on behalf of the Board of Director of
New Saraswati House (India) Private Limited

Himanshu Gupta
Director
DIN:00054015

Ankita Gupta
Director
DIN:00054090

New Saraswati House (India) Private Limited
Statement of Profit and Loss for the year ended 31 March 2018
CIN: U22110DL2013PTC262320

		(Rs. in millions)	
		For the year ended 31 March 2018	For the year ended 31 March 2017
		Notes	
I	Revenue from operations	16	1,577.05
II	Other income	17	5.33
III	Total Income (I+II)		1,582.38
IV	Expenses		
	Cost of published goods/raw material consumed	18	578.65
	Purchase of traded books	19	1.26
	(Increase)/decrease in inventories of finished goods and work in progress	20	107.21
	Publication expenses	21	106.46
	Employee benefits expense	22	256.64
	Selling and distribution expenses	23	137.28
	Finance cost	24	101.13
	Depreciation and amortisation expense	25	33.21
	Other expenses	26	109.10
	Total expenses		1,430.94
V	Profit before tax (III-IV)		151.44
VI	Profit before tax		151.44
VII	Tax expense:		
	Current tax		52.78
	Income tax adjustment related to earlier year		5.64
	Deferred tax (credit)/ charge		(5.30)
	Total tax expenses		53.12
VIII	Profit for the year (VI-VII)		98.32
IX	Other Comprehensive Income		
	- Items that will not be reclassified to profit or loss	27	
	Re-measurement gains/(losses) on defined benefit plans		2.65
	Tax impact on re-measurement gain/(loss) on defined benefit plans		(0.77)
X	Total Comprehensive Income for the period (VIII + IX) (Comprising Profit and Other Comprehensive Income for the year)		100.20
XI	Earnings per equity share:	28	
	(1) Basic		4,796
	(2) Diluted		4,796
	Summary of significant accounting policies	2.1	

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

As per our report of even date

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


per Yogesh Midha
Partner
Membership No.: 94941

Place : New Delhi
Date : 23 May 2018



For and on behalf of the Board of Director of
New Saraswati House (India) Private Limited


Himanshu Gupta
Director
DIN:00054015


Ankit Gupta
Director
DIN:00054090

(Rs. in millions)

	As at 31 March 2018	As at 31 March 2017
A. Cash flow from operating activities		
Profit before tax	151.44	128.05
Adjustment to reconcile profit before tax to net cash flows:-		
Depreciation and amortization	33.21	40.91
Employee Stock Option Expense	0.70	0.50
Interest expense	100.16	95.29
Interest income	(0.14)	(0.00)
Interest income on security deposit	(1.15)	(1.11)
(Profit)/loss on fixed assets sold	(0.14)	1.17
Loss on insurance claim	-	0.27
Unrealized foreign exchange gain	(0.29)	-
Miscellaneous amount Written Back	(3.57)	-
Bad debts written off	-	5.59
Provision for bad & doubtful debts	-	2.90
Operating profit before working capital changes	<u>280.22</u>	<u>273.57</u>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	(357.10)	(234.73)
(Increase)/decrease in other non-current assets and in other current assets	(3.18)	0.45
(Increase)/ decrease in non current loans & advances and current loans & advances	(1.28)	9.84
(Increase)/decrease in inventories	73.37	(60.58)
Increase/(decrease) in non current trade payables and current trade payables	(33.44)	84.26
Increase/(decrease) in other financial liabilities	0.17	1.68
Increase /(decrease) in other current liabilities	7.13	4.15
Increase / (Decrease) in long term provisions	<u>3.26</u>	<u>(4.68)</u>
Cash generated from/(used in) operations	<u>(30.85)</u>	<u>73.96</u>
Direct tax paid	<u>(28.68)</u>	<u>(59.13)</u>
Net cash generated from operation	(A) <u>(59.53)</u>	<u>14.83</u>
B. Cash flow from investing activities		
Purchase of fixed assets, capital advances and capital work in progress (net of capital creditor)	(42.10)	(37.98)
Proceeds from sale of fixed assets	0.44	0.68
Interest received	<u>0.14</u>	<u>0.00</u>
Net cash used in investing activities	(B) <u>(41.52)</u>	<u>(37.30)</u>
C. Cash flow from financing activities		
Proceed/(Repayment) for long-term borrowings(net)	193.16	32.92
Proceeds/(Repayment) from short term borrowings (net)	78.19	115.33
Interest paid	<u>(96.98)</u>	<u>(121.94)</u>
Net cash from financing activities	(C) <u>174.37</u>	<u>26.31</u>
Net decrease in cash & cash equivalents	(A+B+C) 73.32	3.84
Cash and cash equivalents - at the beginning of the year	<u>43.04</u>	<u>39.20</u>
Cash and cash equivalents - at the end of the year	<u>116.36</u>	<u>43.04</u>
Components of cash and cash equivalents		
Cash in hand	0.56	0.41
Cheque on hand	46.83	-
Balance with banks on current accounts	<u>68.97</u>	<u>42.63</u>
Total Cash and cash equivalents (refer note 5C)	<u>116.36</u>	<u>43.04</u>

Reconciliation of liabilities arising from financing activities

Particulars	Long term borrowings (including current maturities)	Short term borrowings
As at 31 March 2017	552.92	232.49
Cash flows	193.16	78.19
Non cash changes	-	-
As at 31 March 2018	<u>746.08</u>	<u>310.68</u>


Summary of significant accounting policies

2.1

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

As per our report of even date

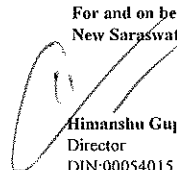
For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants



per Yogesh Midha
Partner
Membership No.: 94941



Place : New Delhi
Date : 23 May 2018

For and on behalf of the Board of Director of
New Saraswati House Private Limited


Himanshu Gupta
Director
DIN:00054015


Anika Gupta
Director
DIN:00054090

A. Equity share capital:

Issued, subscribed and fully paid up (Share of Rs 100 each)	No. of shares	(Rs. in millions)
At 1 April 2016	20,500	0.21
Issued during the year	-	-
At 31 March 2017	20,500	0.21
Issued during the year	-	-
At 31 March 2018	20,500	0.21

B. Other equity

Particular	Reserve & Surplus				Total
	Retained earnings	Securities premium account	Debenture redemption reserve	Equity Contribution by Parent entity	
As at 1st April 2016	60.87	149.90	260.00	0.22	470.99
Profit for the year	83.30	-	-	-	83.30
Other comprehensive income for the year	(0.83)	-	-	-	(0.83)
Total Comprehensive Income for the year	82.47	-	-	-	82.47
Share based payments	-	-	-	0.50	0.50
Transfer to debenture redemption reserve	(130.00)	-	130.00	-	-
As at 31st March 2017	13.34	149.90	390.00	0.72	553.96
Profit for the year	98.32	-	-	-	98.32
Other comprehensive income for the year	1.88	-	-	-	1.88
Total Comprehensive Income for the year	100.20	-	-	-	100.20
Share based payments	-	-	-	0.70	0.70
Transfer to debenture redemption reserve	-	-	-	-	-
As at 31st March 2018	113.54	149.90	390.00	1.42	654.86

Summary of significant accounting policies

2.1

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

As per our report of even date

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



per Yogesh Midha
Partner
Membership No.: 94941

Place : New Delhi
Date : 23 May 2018



For and on behalf of the Board of Director of
New Saraswati House (India) Private Limited


Himanshu Gupta
Director
DIN:00054015


Ankita Gupta
Director
DIN:00054090

1. Corporate information

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

The Company is primarily engaged in publishing of educational books.

2. Significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Reconciliation and description of effect of transition to Ind AS has been summarised in Note 48.

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

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

2.2 Current versus non-current classification

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

An asset is classified as current when:

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

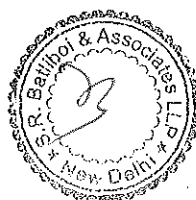
All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

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



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

2.3 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.4 Fair value measurement

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

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

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

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

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

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

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

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

- 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 Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

2.5 Revenue recognition

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

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

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

Sale of goods

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

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

Sale of services

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

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable. For all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and



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similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

2.6 Income taxes

Current income tax

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

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

Deferred tax

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

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

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

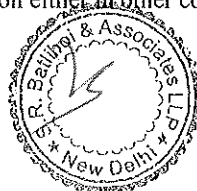
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,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

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

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

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

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



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

2.7 Property, plant and equipment

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

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

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

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

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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

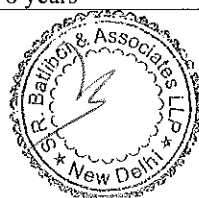
Depreciation

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

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Office Equipment	5 years	5 years
Furniture & fixture	10 years	10 years
Vehicle	10 years	8 years
Computer (except tablets*)	6 years	3 years



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

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

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

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

2.8 Intangible assets

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

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

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

Amortisation and useful lives

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

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



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

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (3 years)	Amortized on straight line basis over the period of useful lives	Acquired
Goodwill on business combination	In-definite	No amortization	Acquired
Copyrights	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired
Content development (including In-house contents)*	Finite (10 seasons)	Amortized on straight line basis over the period of content	Internally generated

*QR codes are amortized over 6 years as per terms of license.

Research and development costs

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

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

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

2.9 Borrowing cost

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

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

2.10 Leases

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



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Company as a lessee

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

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

2.11 Inventories

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

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

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

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

2.12 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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



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

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

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

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

2.13 Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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



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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 Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity instruments at FVTOCI

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

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

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

Financial assets at FVTPL

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

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

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

De-recognition

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

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



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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not



subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

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

Financial guarantee contracts

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

De-recognition

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

Re-classification of Financial Assets

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

Offsetting of Financial Instruments

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

2.14 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

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

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

Compensated absences

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

2.15 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

2.16 Cash and cash equivalents

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

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

2.17 Earnings Per Share (EPS)

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

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

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

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



in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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

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

2.19 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.

2.20 Standards issued but not yet effective

a. Ind AS 115 – Revenue from contracts with customers

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

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

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

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

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

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

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

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



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Changes in accounting policies and disclosures

New and amended standards and interpretations

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

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

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

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

(Rs. in millions)

	Furniture & Fittings	Vehicles**	Office Equipment	Leasehold Improvement	Computer	Total
Gross block						
As at 1 April 2016*	11.66	2.28	6.88	13.36	6.08	40.26
Additions	2.01	7.65	1.39	-	1.58	12.63
Disposals	(0.60)	-	(0.03)	(1.01)	(0.65)	(2.29)
As at 31 March 2017	13.07	9.93	8.24	12.35	7.01	50.60
Additions	4.87	4.00	1.81	-	0.37	11.05
Disposals	-	-	(0.01)	-	(0.92)	(0.93)
As at 31 March 2018	17.94	13.93	10.04	12.35	6.46	60.72
Accumulated depreciation						
As at 1 April 2016	-	-	-	-	-	-
Charge for the year	3.14	2.39	3.29	1.92	2.85	13.59
Deductions	(0.07)	-	(0.01)	(0.04)	(0.32)	(0.44)
As at 31 March 2017	3.07	2.39	3.28	1.88	2.53	13.15
Charge for the year	1.45	1.14	2.09	1.89	1.23	7.80
Deductions	-	-	(0.00)	-	(0.63)	(0.63)
As at 31 March 2018	4.52	3.53	5.37	3.77	3.13	20.32
Net block						
As at 1 April 2016	11.66	2.28	6.88	13.36	6.08	40.26
As at 31 March 2017	10.00	7.54	4.96	10.47	4.48	37.45
As at 31 March 2018	13.42	10.40	4.67	8.58	3.33	40.40

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

Property, plant and equipment	Furniture & Fittings	Vehicles	Office Equipment	Leasehold Improvement	Computer	Total
Gross block	17.35	3.53	13.07	16.05	10.61	60.61
Accumulated depreciation	5.69	1.25	6.19	2.69	4.53	20.35
Deemed cost as at 1 April 2016	11.66	2.28	6.88	13.36	6.08	40.26

Note:

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

Particular	(Rs. in millions)
Depreciation as per written down value	13.03
Depreciation as per straight line method	7.80
Profit increased by	5.23

**The carrying value of vehicles held under finance leases contracts at 31 March 2018 was Rs. 2.92 millions (31 March 2017: Rs. 4.60 millions and 1 April 2016: nil). There are no additions under finance lease contracts in current year.



4. Intangible assets

	(Rs. in millions)				
	Goodwill	Computer Software's	Copy Rights	Content development (including In-house Content)	Total
Gross block					
As at 1 April 2016*	56.73	3.04	124.09	21.42	205.28
Purchases/internal development	-	5.37	-	11.89	17.26
Disposals	-	-	-	-	-
Ind AS adjustments	-	-	-	-	-
As at 31 March 2017	56.73	8.41	124.09	33.31	222.54
Purchases/internal development	-	1.77	-	29.05	30.82
Disposals	-	-	-	-	-
As at 31 March 2018	56.73	10.18	124.09	62.36	253.36
Accumulated depreciation					
As at 1 April 2016	-	-	-	-	-
Amortization for the year	-	6.70	16.67	3.95	27.32
Deductions	-	-	-	-	-
As at 31 March 2017	-	6.70	16.67	3.95	27.32
Amortization for the year	-	1.20	16.66	7.55	25.41
Deductions	-	-	-	-	-
As at 31 March 2018	-	7.90	33.33	11.50	52.73
Net block					
As at 1 April 2016	56.73	3.04	124.09	21.42	205.28
As at 31 March 2017	56.73	1.71	107.42	29.36	195.22
As at 31 March 2018	56.73	2.28	90.76	50.86	200.63

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

	Goodwill	Computer Software's	Copy Rights	Content development (including In-house Content)	Total
Intangible					
Gross block	76.20	6.79	166.69	23.39	273.07
Accumulated depreciation	19.47	3.75	42.60	1.97	67.79
Deemed cost as at 1 April 2016	56.73	3.04	124.09	21.42	205.28

Impairment testing of goodwill

The Company performs test for goodwill impairment at least annually on March 31, or if indicator of impairment arise, such as the effects of obsolescence, demand, competition and other economic factor 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.



5. Financial assets

5A. Trade receivables

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables	1,576.93	1,219.65	993.42
Receivables from related parties (refer note 32c)	0.11	-	-
Total	1,577.04	1,219.65	993.42
Break-up for security details:			
Unsecured, considered good	1,552.78	1,195.39	969.16
Doubtful	24.26	24.26	24.26
Total	1,577.04	1,219.65	993.42
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	(24.26)	(24.26)	(24.26)
Total	(24.26)	(24.26)	(24.26)
Net trade receivables			
Unsecured, considered good	1,552.78	1,195.39	969.16
Doubtful	-	-	-
Total	1,552.78	1,195.39	969.16
Trade receivables from related parties (refer note 32c)	0.11	-	-
Current	1,552.78	1,195.39	969.16
Non-Current	-	-	-

The movement in impairment of trade receivables is as follow:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	24.26	24.26	24.26
Additions	-	-	-
Closing balance	24.26	24.26	24.26
Closing balance			

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

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5B. Loans

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits - non current	14.30	3.16	9.05
Security deposits - current	0.24	8.06	1.89
Advances recoverable in cash or kind (refer note (a) below)	15.96	16.85	25.86
Total	30.50	28.07	36.80
Current	16.20	24.91	27.75
Non-current	14.30	3.16	9.05
Note (a)			
Advances recoverable in cash or kind			
Unsecured, considered good	15.80	16.69	25.62
	15.80	16.69	25.62
Advances recoverable from related parties			
Unsecured, considered good	0.16	0.16	0.24
	0.16	0.16	0.24
	15.96	16.85	25.86

5C. Cash and cash equivalents

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- on current accounts	68.97	42.63	36.86
Cash on hand	0.56	0.41	2.33
Cheque on hand	46.83	-	-
Total	116.36	43.04	39.19
Current	116.36	43.04	39.19
Non-Current	-	-	-

5D. Other financial Assets

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Margin money deposit (refer note below)	0.08	0.08	0.08
Total	0.08	0.08	0.08
Current	-	-	-
Non-current	0.08	0.08	0.08

Note

Margin money deposits are under lien with banks towards bank guarantees issued to sales tax authority.

6. Inventories

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials	36.68	2.83	10.69
Finished goods			
- Manufactured goods	336.44	443.65	371.14
- Traded goods	-	-	4.07
	373.12	446.48	385.90



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7. Other assets

7A. Capital advances

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	1.05	1.20	0.30
Total	1.05	1.20	0.30

7B. Prepaid expenses

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses (non current)	3.77	0.82	2.30
Prepaid expenses (current)	0.40	1.81	1.06
Total	4.17	2.63	3.36

7C. Other assets

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax recoverable	-	4.47	2.37
Ancillary cost of arranging borrowings (non current)	0.68	-	-
Ancillary cost of arranging borrowings (current)	0.96	-	-
Total	1.64	4.47	2.37
Current	2.41	1.81	3.43
Non-current	4.45	6.49	2.60

8. Deferred taxes

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Items leading to creation of deferred tax assets			
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent year	4.18	8.82	26.88
Provision for doubtful debt & advances	7.06	8.40	8.40
Others	7.43	-	-
Total deferred tax assets	18.67	17.22	35.28
Items leading to creation of deferred tax liabilities			
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	20.85	21.71	19.74
Other	-	2.22	-
Total deferred tax liabilities	20.85	23.93	19.74
Net deferred tax assets/(liabilities)	(2.18)	(6.71)	15.54



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9. Share capital

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
100,000 (31 March 2017: 100,000 and 31 March 2016: 100,000) equity shares of Rs. 10/- each	1.00	1.00	1.00
Issued, subscribed and fully paid up			
20,500 (31 March 2017: 20,500 and 31 March 2016: 20,500) equity shares of Rs. 10/- each	0.21	0.21	0.21
	<u>0.21</u>	<u>0.21</u>	<u>0.21</u>

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

Equity shares	Number	(Rs. in millions)
Issued, subscribed and fully paid up		
As at 1 April 2016	20,500	0.21
Increase/(decrease) during the year	-	-
As at 31 March 2017	<u>20,500</u>	<u>0.21</u>
Increase/(decrease) during the year	-	-
As at 31 March 2018	<u>20,500</u>	<u>0.21</u>

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the board of director during the year ended 31 March 2018 (31 March 2017: Nil and 31 March 2016: Nil)
In the event of liquidation of the company, the holder 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 shareholder.

c. Shares held by holding company and their subsidiaries

	31 March 2018	31 March 2017	1 April 2016
S Chand and Company Limited (formerly S Chand and Company Private Limited)	15,600	15,600	15,600
Vikas Publishing House Private Limited, Subsidiary of the holding company	4,900	4,900	4,900

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

	No. of shares held	% of holding
S Chand and Company Limited, the Holding Company (Formerly S Chand and Company Private Limited)		
As at 1 April 2016	15,600	76.10%
As at 31 March 2017	15,600	76.10%
As at 31 March 2018	15,600	76.10%
Vikas Publishing House Private Limited, subsidiary of the holding company		
As at 1 April 2016	4,900	23.90%
As at 31 March 2017	4,900	23.90%
As at 31 March 2018	4,900	23.90%

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

10. Other equity

	(Rs. in millions)	
	As at 31 March 2018	As at 31 March 2017
Retained earning		
Balance as the beginning of reporting year	13.34	60.87
Add: Surplus during the year	100.20	82.47
Less: Transfer to debenture redemption reserve	-	(130.00)
Balance as the end of reporting year	<u>113.54</u>	<u>13.34</u>
Debenture redemption reserve		
Balance as the beginning of reporting year	390.00	260.00
Increase/(Decrease) during the year	-	130.00
Balance as the end of reporting year	<u>390.00</u>	<u>390.00</u>
Securities premium account		
Balance as the beginning of reporting year	149.90	149.90
Increase/(Decrease) during the year	-	-
Balance as the end of reporting year	<u>149.90</u>	<u>149.90</u>
Equity contribution by Parent Company		
Balance as the beginning of reporting year	0.72	0.22
Increase/(Decrease) during the year	0.70	0.50
Balance as the end of reporting year	<u>1.42</u>	<u>0.72</u>



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11. Borrowings

11A. Non-current borrowings

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term loans			
Indian rupee loan from financial institution (secured) (Refer Note 1 below)	-	30.00	-
Indian rupee loan from bank (secured) (refer note 2 & 2A below)	200.00	-	-
Vehicle loans			
Indian rupee loan from banks (secured) (Refer note 3 & 4 below)	1.08	2.92	-
Loan from Holding Company			
Indian rupee loan from holding co.(refer note 5 below)	25.00	-	-
Debentures			
5,200 (31 March 2017: 5,200 and 31 March 2106: 5,200), 10.75% Optionally Convertible Redeemable			
Debentures of Rs. 100,000 each issued at par (unsecured) (refer note 6 below)	520.00	520.00	520.00
Total Non-current borrowings	<u>746.08</u>	<u>552.92</u>	<u>520.00</u>
Secured	201.08	32.92	-
Unsecured	545.00	520.00	520.00

Notes:

- The Indian Rupees Term loan from Axis Finance Limited was taken during the year ended 31 March 2017 and carries interest @ 11.25 % p.a. The facility has been taken for a period of 5 year and is repayable in 14 equal quarterly instalments, 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. The same has been repaid during year ended 31 March 2018.
- Working Capital Loan of Rs. 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.
- Loan Equivalent Ratio (LER) facility of Rs. 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.
- 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 Rs. 0.04 million each beginning from May 2016.
- 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 Rs. 0.13 millions each beginning from May 2016.
- The Company has taken a loan of Rs.30 millions from Holding company (S Chand and Company Limited) during the year ended 31 March 2018 and carries interest @ 11.25% p.a. The facility will be convertible at the option of the company after 1 year and if not converted on or after 3 year, the loan shall be repaid by the company on completion of 3 year. The Company has repaid Rs 5 millions during the year.
- 13.25% Debentures are redeemable at par at the end of 5 year from the date of allotment, viz., 15 May 2014. The debenture holder has an option to convert these debentures earlier; however, no conversion will take place before the end of 18 months from the date of allotment or till the time the original shareholder cease to be shareholder in the Company, whichever is later. The original shareholder ceased to be shareholder in the Company w.e.f. 09 March 2016. Effective from August 2017, the debenture holder have revised the coupon rate to 10.75% . The conversion shall be on a share market value of the share on the date of such intended conversion.

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11B. Current borrowings

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturity of long term borrowings			
Vehicle Loan			
Indian rupee loan from bank (secured)	1.85	1.68	-
Total Current maturity of Indian currency loan	1.85	1.68	-
Cash Credit			
Indian rupee loan from bank (secured) (refer note 1, 1A & 1B below)	260.68	122.49	117.16
Working capital demand loan			
Indian rupee loan from bank (secured) (refer note 2 below)	50.00	110.00	-
Total current borrowings	312.53	234.17	117.16
Less: Amount presented under "other financial liabilities"	(1.85)	(1.68)	-
Net current borrowings	310.68	232.49	117.16
Secured	310.68	232.49	117.16
Unsecured	-	-	-

Notes:

1. 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.
- 1A. 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.
- 1B. 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.
2. Cash Credit/Working capital demand loan of Rs. 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.

12. Trade payables

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-Current			
Trade payables other than micro enterprises and small enterprises	6.49	9.35	6.21
Current			
Trade payables of micro enterprises and small enterprises (refer note 34)	-	-	-
Trade payables of related entities (refer note 32c)	185.20	324.44	187.91
Trade payables other than micro enterprises and small enterprises	338.65	230.74	293.23
Total trade payables	530.34	564.53	487.35
Current	523.85	555.18	481.14
Non-Current	6.49	9.35	6.21



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13. Other financial liabilities

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturity of long term borrowings (refer note 11B above)	1.85	1.68	-
Interest accrued and due on debentures	-	-	25.84
Interest accrued and due on current borrowings	3.78	-	-
Interest accrued but not due on current borrowings	-	0.60	1.41
Total	5.63	2.28	27.25
Current	5.63	2.28	27.25
Non current	-	-	-

14. Provisions

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity (Non Current)	12.71	11.79	15.22
Provision for gratuity (Current)	-	-	0.17
Provision for leave encashment (Current)	4.05	4.36	4.17
Provision for income tax (net of advance tax)	25.28	-	34.98
Total	42.04	16.15	54.54
Current	29.33	4.36	39.32
Non current	12.71	11.79	15.22

15. Other liabilities

	(Rs. in millions)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other payables:			
Statutory dues	22.31	14.25	10.96
Creditor for capital expenditure *	-	1.83	7.63
Advance from customer	10.37	13.05	6.39
Total	32.68	29.13	24.98
Current	32.68	29.13	24.98
Non current	-	-	-

*Consist of Rs.Nil (31 March 2017 : Rs. 1.83 millions and 1 April 2016 : Rs. 6.52 millions) payable to related party (refer note 32c for details)



11

16. Revenue from operations

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Finished goods	1,608.74	1,366.47
Traded goods	0.47	1.31
Less: Turnover discount	(37.86)	(22.47)
	<u>1,571.35</u>	<u>1,345.31</u>
Other operating revenue		
Scrap sales	5.70	2.07
Total revenue from operations	<u>1,577.05</u>	<u>1,347.38</u>
Details of products sold		
Finished goods sold		
Books (published titles)	1,608.74	1,366.47
Traded goods sold		
Books (titles not published)	0.47	1.31
	<u>1,609.21</u>	<u>1,367.78</u>

17. Other incomes

17.1 Finance income

Interest income on bank deposit	0.00	0.00
Interest income other	0.14	-
Interest income on security deposit	1.15	1.11
Total finance income	<u>1.29</u>	<u>1.11</u>

17.2 Other income

Foreign exchange differences (net)	0.32	-
Miscellaneous income	0.01	-
Miscellaneous amount written back	3.57	-
Duty drawback	-	0.01
Profit on sale of assets	0.14	-
Total other income	<u>4.04</u>	<u>0.01</u>
Grand total	<u>5.33</u>	<u>1.12</u>



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18. Cost of published goods/raw material consumed

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the beginning of the year	2.83	10.69
Add : Purchases of published books during the year	323.20	561.05
Add : Purchases of paper during the year	288.09	10.71
Add : Purchases of CD during the year	1.21	28.58
	<u>615.33</u>	<u>611.03</u>
Less : Inventories at the end of the year (refer note 6)	(36.68)	(2.84)
Cost of published goods/material consumed	<u>578.65</u>	<u>608.19</u>
Details of raw material purchased		
Paper	288.09	10.71
Books	323.20	561.05
CD	1.21	28.58
	<u>612.50</u>	<u>600.34</u>

19. Purchase of traded books

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Traded books	1.26	1.24
	<u>1.26</u>	<u>1.24</u>

20. (Increase)/decrease in inventories

	(Rs. 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 (refer note 6)	336.44	443.65
	<u>336.44</u>	<u>443.65</u>
Inventories at the beginning of the year		
Finished goods	443.65	375.21
	<u>443.65</u>	<u>375.21</u>
(Increase)/decrease in inventories	<u>107.21</u>	<u>(68.44)</u>
Details of inventories		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Finished goods		
- Manufactured goods		
Books	336.44	443.65
	<u>336.44</u>	<u>443.65</u>



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21. Publication expenses

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Printing, binding and processing charges	26.92	16.73
Royalty expenses	68.77	60.25
Freight and cartage expenses	10.77	11.50
Total	106.46	88.48

22. Employee benefits expenses

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	225.94	202.36
Employee stock option expense	0.70	0.50
Contribution to provident and other funds	15.84	13.14
Gratuity expense (refer note 30)	8.57	5.89
Staff welfare expenses	5.59	8.23
Total	256.64	230.12

23. Selling and distribution expenses

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisement, publicity and exhibition	46.50	38.48
Travelling and conveyance	49.88	40.25
Freight and distribution	28.70	19.23
Packing expenses	10.40	5.62
Vehicle running and maintenance	1.80	2.43
Total	137.28	106.01

24. Finance cost

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest		
- On debentures	60.23	68.90
- On cash credit and working capital demand loan	22.23	24.65
- On term loan	13.25	1.11
- On vehicle loan	0.37	0.48
- On other	4.08	0.16
Bank charges	0.06	0.15
Processing fees - bank loan	0.91	1.31
Total	101.13	96.76

25. Depreciation and amortisation expenses

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant & equipment	7.80	13.59
Amortisation of intangible assets	25.41	27.32
Total	33.21	40.91



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26. Other expenses

	(Rs. in millions)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Communication cost	13.48	13.09
Rent	40.33	39.87
Lease rent-vehicles	-	1.07
Rates and taxes	0.04	0.57
Insurance	2.50	1.66
Repair and maintenance -		
-Plant & machinery	0.36	0.28
-Buildings	0.72	1.19
-Other	4.57	3.39
Printing and stationery	3.00	1.94
Legal and professional fee	11.98	10.83
Payment to auditor (refer note below)	2.10	1.82
Water and electricity charges	4.12	4.10
Office expenses	14.92	18.37
Security expenses	4.36	3.10
Membership and subscription	0.25	0.17
Website design charges	0.09	0.31
Corporate social responsibility expenses (refer note 41)	2.00	1.01
Recruitment charges	0.98	0.35
Bad debts written off	-	5.59
Provision for bad & doubtful debts	-	2.90
Loss on sale of fixed assets (net)	-	1.17
Loss on insurance claim receivable	-	0.27
Miscellaneous expenses	3.30	4.13
Total	109.10	117.18

Payment to auditor

	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor		
Audit fee	2.10	1.82
	2.10	1.82

27. Components of Other Comprehensive Income (OCI)

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

During the year ended 31 March 2018

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	2.65	2.65
Tax impact on re-measurement gains/(losses) on defined benefit plans	(0.77)	(0.77)
	1.88	1.88

During the year ended 31 March 2017

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	(1.27)	(1.27)
Tax impact on re-measurement gains/(losses) on defined benefit plans	0.44	0.44
	(0.83)	(0.83)



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28. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holder 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 holder 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 holder of the Company for computing basic EPS	98.32	83.30
	<u>98.32</u>	<u>83.30</u>
Profit attributable to equity holder of the Company for computing diluted EPS		
Net profit as above	98.32	83.30
Add: Interest on debentures (net of tax)	39.39	45.06
	<u>137.71</u>	<u>128.36</u>
Weighted average number of equity shares used for computing -		
- Basic EPS	20,500	20,500
- Diluted EPS	27,000	27,000
Basic EPS	4.796	4.064
Diluted EPS	4.796	4.064

29a. Income taxes

	For the year ended 31 March 2018	For the year ended 31 March 2017
Income tax charged to statement of profit and loss		
Current income tax charge	52.78	22.06
Income tax adjustment related to earlier year	5.64	-
Deferred tax charge	(5.30)	22.69
	<u>53.12</u>	<u>44.75</u>
Income tax charged to other comprehensive income		
Expenses (benefit) on re-measurement gain/(loss) on defined benefit plans	(0.77)	0.44
	<u>(0.77)</u>	<u>0.44</u>

29b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before tax	151.44	128.05
Profit/(loss) before tax from a discontinued operations	-	-
Accounting profit before income tax	<u>151.44</u>	<u>128.05</u>
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	52.41	44.32
Others	(1.23)	0.43
Interest u/s 234B, & 234C	1.94	-
Income tax expense reported in the statement of profit and loss	<u>53.12</u>	<u>44.75</u>



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30. Gratuity and other post-employment benefits plan

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five year 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 millions. 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:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	6.47	4.81
Past service cost	1.24	-
Interest cost on defined obligation	1.59	1.08
Interest income on plan asset	(0.73)	-
Expected return on plan assets	-	-
	8.57	5.89

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	(3.07)	1.26
Actuarial gains / (losses) on assets	0.42	(0.01)
	(2.65)	1.27

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	21.78	15.39
Current service cost	6.47	4.81
Past Service Cost	1.24	-
Interest cost	1.59	1.08
Benefits paid	(0.93)	(0.76)
Actuarial (gains) / losses on obligation	(3.07)	1.26
Closing defined benefit obligation	27.08	21.78
Current	-	-
Non - current	27.08	21.78

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	9.99	-
Expected return	0.73	-
Contributions by employer	5.00	10.00
Benefits paid	(0.93)	-
Actuarial gain/(loss)	(0.42)	(0.01)
Closing fair value of plane assets	14.37	9.99

The Company expects to contribute Rs. 0.58 millions to gratuity in this year (31 March 2017: nil)

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	7.70%	7.35%
Expected rate of return on assets	8.00%	8.00%
Expected rate of salary increase	10.00%	10.00%
Retirement Age (In year)	60 year	60 year
Employee turnover :-		
- Age upto 30 year :	3.00%	3.00%
- Age 31 - 44 year :	2.00%	2.00%
- Age above 44 year :	1.00%	1.00%
Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, 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.



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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	For the year
		ended 31 March 2018	ended 31 March 2017
Discount rate	+ 1%	23.02	18.40
	- 1%	32.12	26.00
Expected rate of salary increase	+ 1%	31.66	25.25
	- 1%	23.20	16.59

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.

31. Leases

Operating lease: company as lessee

The Company has taken premises for office and storage use under cancellable and non-cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 40.33 millions. (March 31, 2017: Rs. 39.87 millions). 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 :

	(Rs. in millions)		
	31 March 2018	31 March 2017	1 April 2016
Within one year	32.02	26.28	26.48
After one year but not more than five year	140.34	130.29	102.90
After five year	21.90	15.85	54.21

32. Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

Holding Company : S Chand and Company Limited (Formerly S Chand and Company Private Limited)

Related parties with whom transactions have taken place during the year

Enterprises under same control : Nirja Publisher & Printer Private Limited
: Vikas Publishing House Private Limited
: Safari Digital Education Initiatives Private Limited
: DS Digital Private Limited
: BPI (India) Private Limited
: Chhaya Prakashani Private Limited (w.e.f 5 December 2016)

Key management personnel : Love Kumar Kathuria, Director (till 31 July 2016)
: Kuldeep Chand Ganjwal, Director
: Ratna Mehta, Director
: Dinesh Kumar Jhunjhnuwala, Director (w.e.f 31 July 2016)
: Himanshu Gupta (W.e.f. 20 May 2016)
: Ankita Gupta (W.e.f. 20 May 2016)
: Archana Kapoor (W.e.f. 20 May 2016)
: Atul Nishchal (W.e.f. 20 May 2016)

Enterprise over which Key Management Personnel exercise significant influence : SC Hotel Tourist Deluxe Private Limited
: Hotel Tourist

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b) Related party transactions

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

(Rs. in millions)

Transaction during the year ended	Year ended	Holding company	Enterprise under same control	Enterprise over which Key Management Personnel exercise significant influence	Key managerial personnel	Relative of key managerial personnel	Total
Sale of books							
Safari Digital Education Initiatives Private Limited	31 March 2018	-	0.16	-	-	-	0.16
	31 March 2017	-	0.09	-	-	-	0.09
Sale of paper							
Vikas publishing House Private Limited	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	1.93	-	-	-	1.93
Purchase of books							
S Chand and Company Limited	31 March 2018	0.05	-	-	-	-	0.05
	31 March 2017	0.08	-	-	-	-	0.08
Nirja Publisher & Printer Private Limited	31 March 2018	-	4.87	-	-	-	4.87
	31 March 2017	-	44.46	-	-	-	44.46
Vikas publishing House Private Limited	31 March 2018	-	52.00	-	-	-	52.00
	31 March 2017	-	384.62	-	-	-	384.62
Job Work- Binding & Printing							
Nirja Publisher & Printer Private Limited	31 March 2018	-	12.68	-	-	-	12.68
	31 March 2017	-	-	-	-	-	-
Vikas publishing House Private Limited	31 March 2018	-	104.68	-	-	-	104.68
	31 March 2017	-	-	-	-	-	-
Printing charges paid							
Vikas publishing House Private Limited	31 March 2018	-	0.00	-	-	-	0.00
	31 March 2017	-	0.01	-	-	-	0.01
Staff welfare expenses							
Hotel Tourist	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	-	1.68	-	-	1.68
SC Hotel Tourist Deluxe Private Limited	31 March 2018	-	-	1.61	-	-	1.61
	31 March 2017	-	-	-	-	-	-
Tour & Travel Expenses							
Hotel Tourist	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	-	0.01	-	-	0.01
SC Hotel Tourist Deluxe Private Limited	31 March 2018	-	-	0.31	-	-	0.31
	31 March 2017	-	-	-	-	-	-
Legal and professional							
Safari Digital Education Initiatives Private Limited	31 March 2018	-	6.13	-	-	-	6.13
	31 March 2017	-	6.87	-	-	-	6.87
Interest on Debenture							
S Chand and Company Limited	31 March 2018	60.23	-	-	-	-	60.23
	31 March 2017	68.90	-	-	-	-	68.90
Interest on Term Loan							
S Chand and Company Limited	31 March 2018	4.38	-	-	-	-	4.38
	31 March 2017	-	-	-	-	-	-
Advertisement, publicity and exhibition							
Vikas publishing House Private Limited	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	6.05	-	-	-	6.05
Rent expenses							
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	-	-	-	-	-	-
Other expenses paid (reimbursement)							
S Chand and Company Limited	31 March 2018	0.66	-	-	-	-	0.66
	31 March 2017	0.48	-	-	-	-	0.48
Ankita Gupta	31 March 2018	-	-	-	-	0.51	0.51
	31 March 2017	-	-	-	-	0.55	0.55
Fixed assets purchased							
Vikas publishing House Private Limited (Intangible assets-Content Development)	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	3.45	-	-	-	3.45
DS Digital Private Limited (Intangible assets - Content development)	31 March 2018	-	0.74	-	-	-	0.74
	31 March 2017	-	-	-	-	-	-
Loan availed during the year							
S Chand and Company Limited	31 March 2018	72.50	-	-	-	-	72.50
	31 March 2017	-	-	-	-	-	-
Loan repaid during the year							
S Chand and Company Limited	31 March 2018	47.50	-	-	-	-	47.50
	31 March 2017	-	-	-	-	-	-
Fixed assets Sold							
Chhaya Prakashani Private Limited	31 March 2018	-	0.11	-	-	-	0.11
	31 March 2017	-	0.21	-	-	-	0.21
Corporate guarantee							
S Chand and Company Limited	31 March 2018	510.68	-	-	-	-	510.68
	31 March 2017	232.49	-	-	-	-	232.49
Employee stock option expense							
S Chand and Company Limited	31 March 2018	0.70	-	-	-	-	0.70
	31 March 2017	0.50	-	-	-	-	0.50
Director remuneration							
Ankita Gupta	31 March 2018	-	-	-	3.60	-	3.60
	31 March 2017	-	-	-	3.00	-	3.00
Kuldeep Chand Ganjwal	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	-	-	0.11	-	0.11



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c) Outstanding balances at the period/year end

(Rs. in millions)							
Transaction during the year ended	Year ended	Holding company	Enterprise under same control	Enterprise over which Key Management Personnel exercise significant influence	Key managerial personnel	Relative of key managerial personnel	Total
Trade payable							
S Chand and Company Limited	31 March 2018	8.89	-	-	-	-	8.89
	31 March 2017	8.09	-	-	-	-	8.09
	1 April 2016	13.36	-	-	-	-	13.36
Nirja Publisher & Printer Private Limited	31 March 2018	-	15.76	-	-	-	15.76
	31 March 2017	-	40.21	-	-	-	40.21
	1 April 2016	-	16.59	-	-	-	16.59
Vikas Publishing House Private Limited	31 March 2018	-	158.68	-	-	-	158.68
	31 March 2017	-	275.40	-	-	-	275.40
	1 April 2016	-	154.71	-	-	-	154.71
Hotel Tourist	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	-	0.29	-	-	0.29
	1 April 2016	-	-	0.21	-	-	0.21
SC Hotel Tourist Deluxe Private Limited	31 March 2018	-	-	0.34	-	-	0.34
	31 March 2017	-	-	0.00	-	-	0.00
	1 April 2016	-	-	0.10	-	-	0.10
Atul Gupta	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	-	-	-	-	-
	1 April 2016	-	-	-	0.06	-	0.06
Kuldeep Chand Ganjwal	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	-	-	-	-	-
	1 April 2016	-	-	-	0.06	-	0.06
Other liabilities: Creditor for capital expenditure							
Safari Digital Education Initiatives Private Limited	31 March 2018	-	1.52	-	-	-	1.52
	31 March 2017	-	0.44	-	-	-	0.44
	1 April 2016	-	2.83	-	-	-	2.83
DS Digital Private Limited	31 March 2018	-	-	-	-	-	-
	31 March 2017	-	1.83	-	-	-	1.83
	1 April 2016	-	6.52	-	-	-	6.52
Trade receivable							
Safari Digital Education Initiatives Pvt Ltd	31 March 2018	-	0.11	-	-	-	0.11
	31 March 2017	-	-	-	-	-	-
	1 April 2016	-	-	-	-	-	-
Loans & advances to related parties							
BPI (India) Private Limited	31 March 2018	-	0.16	-	-	-	0.16
	31 March 2017	-	0.16	-	-	-	0.16
	1 April 2016	-	0.24	-	-	-	0.24
Security deposit							
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
Borrowing							
S Chand and Company Limited	31 March 2018	520.00	-	-	-	-	520.00
	31 March 2017	520.00	-	-	-	-	520.00
	1 April 2016	520.00	-	-	-	-	520.00
Short term loan							
S Chand and Company Limited	31 March 2018	25.00	-	-	-	-	25.00
	31 March 2017	-	-	-	-	-	-
	1 April 2016	-	-	-	-	-	-
Interest accrued and due on borrowings							
S Chand and Company Limited	31 March 2018	3.78	-	-	-	-	3.78
	31 March 2017	-	-	-	-	-	-
	1 April 2016	25.84	-	-	-	-	25.84

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33. Capital & other commitments

	31 March 2018	31 March 2017	1 April 2016
To be executed on capital account and not provided for (net of advances)	0.84	0.46	6.56

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

	31 March 2018	31 March 2017	1 April 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount due to micro and small enterprises	-	-	-
- Interest due on above	-	-	-

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

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

The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006

35. 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:

Particular	Foreign currency	Amount in foreign currency			(Rs. in millions)		
		31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Trade Receivables	USD	0.03	0.03	0.03	1.83	1.92	2.18
Exchange Rate used per USD					65.04	64.75	66.28

36. Expenditure in foreign currency (accrual basis)

	31 March 2018	31 March 2017	1 April 2016
Advertising and sales promotion	3.00	1.93	1.34
	3.00	1.93	1.34

37. Earnings in foreign currency

	31 March 2018	31 March 2017	1 April 2016
Exports of F.O.B. Value	1.11	1.37	2.01
	1.11	1.37	2.01

38. Imported and indigenous raw materials consumed

Raw Materials	Percentage (%)			(Rs. in millions)		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Imported	0%	0%	0%	-	-	-
Indigenous	100%	100%	100%	288.09	10.71	67.79

39. 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 Company's operations pre-dominantly relate to publishing of books. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

40. Contingent liabilities

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

41. Corporate Social Responsibility (CSR)

The Company has contributed Rs. 2 millions for the year end 31 March 2018 (31 March 2017: Rs.1.01 millions) out of the total contributable amount of Rs. 3.28 millions (31 March 2017: 3.29 millions) as of 31 March 2018 in accordance with Section 135 read with schedule VII to the companies Act 2013, to a society involved in promoting education, including special education and employment enhancement vocational skill specially among children and students.

42. Significant customer

Revenue from one major customer accounted for amounting to Rs. 184.38 millions aggregating to 10% of total revenue (two major customers amounting to Rs. 181.77 million aggregating to 13% of total revenue for the year ended 31 March 2017).



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

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances to related party, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholder's that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Director 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2018			
Borrowings	+0.5%	5.29	-
	-0.5%	(5.29)	-
As at 31 March 2017			
Borrowings	+0.5%	3.94	-
	-0.5%	(3.94)	-
As at 1 April 2016			
Borrowings	+0.5%	3.19	-
	-0.5%	(3.19)	-

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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency)

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

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2018			
USD	+5%	0.09	-
	-5%	(0.09)	-
For the year ended March 31, 2017			
USD	+5%	0.10	-
	-5%	(0.10)	-



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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 Company is not exposed to any significant credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

Age Bracket	Not Due	0 - 215 Days	216-365 Days	366 - 730 Days	More than 730 Days	Total
As at 1 April 2016	920.22	30.63	33.96	8.61	-	993.42
As at 31 March 2017	1,111.25	78.94	21.87	5.76	1.83	1,219.65
As at 31 March 2018	1,410.00	114.83	33.05	15.84	3.32	1,577.04

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 Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The company's approach to managing liquidity 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 Company closely monitor its liquidity position and deploys a robust cash management system. The Company 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.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
On Demand			
- Borrowings	746.08	552.92	520.00
	<u>746.08</u>	<u>552.92</u>	<u>520.00</u>
Less than 1 year			
- Borrowings	310.68	232.49	117.16
- Trade payables	523.85	555.18	481.14
- Other financial liabilities	5.63	2.28	27.25
	<u>840.16</u>	<u>789.95</u>	<u>625.55</u>
More than 1 year			
- Trade payables	6.49	9.35	6.21
	<u>6.49</u>	<u>9.35</u>	<u>6.21</u>

4. Capital management

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

The Company 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 company's capital management is to maximise the shareholder value.

The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio less than 60%. The Company 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 holder of the Company, as applicable.

Company's adjusted net debt to equity ratio as at 31 March 2018 is as follow:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Gearing Ratio			
Borrowings (Note 11A & 11B)	1,056.76	785.41	637.16
Less: cash and cash equivalents (Note 5C)	(116.36)	(43.04)	(39.19)
Adjusted Net debt (A)	<u>940.40</u>	<u>742.37</u>	<u>597.97</u>
Equity	655.07	554.17	471.20
Total equity (B)	<u>655.07</u>	<u>554.17</u>	<u>471.20</u>
Total equity and net debt {C = (A+B)}	<u>1,595.47</u>	<u>1,296.54</u>	<u>1,069.17</u>
Gearing Ratio (A/C)	58.94%	57.26%	55.93%

In order to achieve this overall objective, the Company'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 year.

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



45. Fair value of financial assets and liabilities

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

	31 March 2018			31 March 2017			31 March 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Assets									
Non Current Financial assets									
- Loans	14.30	-	-	3.16	-	-	9.05	-	-
- Other financial assets	0.08	-	-	0.08	-	-	0.08	-	-
Current Financial assets									
- Trade receivables	1,532.78	-	-	1,195.39	-	-	969.16	-	-
- Loans	30.50	-	-	28.07	-	-	36.80	-	-
- Cash and cash equivalents	116.36	-	-	43.04	-	-	39.19	-	-
Liabilities									
Non Current Financial liabilities									
- Borrowings	746.08	-	-	552.92	-	-	520.00	-	-
- Trade payables	6.49	-	-	9.35	-	-	6.21	-	-
Current Financial liabilities									
- Borrowings	310.68	-	-	232.49	-	-	117.16	-	-
- Trade payables	523.85	-	-	555.18	-	-	481.14	-	-
- Other financial liabilities	5.63	-	-	2.28	-	-	27.25	-	-

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

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

46. Employee stock compensation

In 2012, the ultimate holding company instituted the ESOP Scheme 2012 (the "ESOP 2012"). Under the ESOP plan, the committee may grant awards of equity based stock options being Growth options to the employees of ultimate holding company and its subsidiaries. As per the Indian Accounting Standard (Ind AS) 102 "Share based payments", the Company receiving the services shall measure the services received as an equity settled transaction and required to record compensation cost and disclose information relating to the shares granted to the employees of the Company, under the above Plan. Since, the plan is assessed, managed and administered by the ultimate holding company, the Company has taken stock option cost pertains to options granted to the employee of the Company as calculated by the ultimate holding Company under Ind AS 102.

47. Significant accounting judgements, estimates and assumptions

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

A. Judgements

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

Operating lease commitments – Company as a lessee

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

B. Estimates and assumptions

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

Taxes

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

Defined benefit plans (gratuity)

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

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

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

Further details about gratuity obligations are given in Note 30

Provision for decommissioning

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

Provision for trade receivable

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



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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.

48. First-time adoption of Ind AS

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

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

Optional Exemptions Applied:

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

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

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

- ii.) **Reconciliations**

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

- Reconciliation of equity as at 1 April 2016 (the date of transition to Ind AS) (Annexure I)
- Reconciliation of equity as at 31 March 2017 (Annexure IIa)
- Reconciliation of profit and loss for year ended 31 March 2017 (Annexure IIb)

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

	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
(Rs. in millions)				
Assets				
Non-current assets				
Property, plant and equipment		40.26	-	40.26
Intangible assets	4	205.28	-	205.28
Capital work-in-progress		4.24	-	4.24
Financial assets				
- Loans	1	11.40	(2.35)	9.05
- Other financial assets		0.08	-	0.08
Other non-current assets	1	1.23	1.37	2.60
Deferred tax assets (net)	3	10.43	5.11	15.54
Total non-current assets		272.92	4.13	277.05
Current assets				
Inventories		353.65	32.25	385.90
Financial assets				
- Trade receivables	7	1,016.35	(47.19)	969.16
- Loans	1	28.00	(0.25)	27.75
- Cash and cash equivalents		39.19	-	39.19
Other current assets	1	2.38	1.05	3.43
Total current assets		1,439.57	(14.14)	1,425.43
Total assets		1,712.49	(10.01)	1,702.48
Equity and liabilities				
Equity				
Equity share capital		0.21	-	0.21
Other equity				
- Retained earnings	3	71.09	(10.22)	60.87
- Other reserves		409.91	0.21	410.12
Total equity		481.21	(10.01)	471.20
Non-current liabilities				
Financial liabilities				
- Borrowings		520.00	-	520.00
- Trade payables		6.21	-	6.21
Provisions		15.22	-	15.22
Total non current liabilities		541.43	-	541.43
Current liabilities				
Financial liabilities				
- Borrowings		117.16	-	117.16
- Trade payables		481.14	-	481.14
- Other financial liabilities		27.25	-	27.25
Provisions		39.32	-	39.32
Other current liabilities		24.98	-	24.98
Total current liabilities		689.85	-	689.85
Total equity and liabilities		1,712.49	(10.01)	1,702.48

(*Indian Gaap number 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

		(Rs. in millions)		
	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		37.45	-	37.45
Intangible assets	4	187.60	7.62	195.22
Capital work-in-progress		4.35	-	4.35
Financial assets				
- Loans	1	12.21	(9.05)	3.16
- Other financial assets		0.08	-	0.08
Other non-current assets	1	5.66	0.83	6.49
Total non-current assets		247.35	(0.60)	246.75
Current assets				
Inventories		386.10	60.38	446.48
Financial assets				
- Trade receivables	7	1,270.73	(75.34)	1,195.39
- Loans	1	17.79	7.12	24.91
- Cash and cash equivalents		43.04	-	43.04
Other current assets	1	0.90	0.91	1.81
Total current assets		1,718.56	(6.93)	1,711.63
Total assets		1,965.91	(7.53)	1,958.38
Equity and liabilities				
Equity				
Equity share capital		0.21	-	0.21
Other equity				
- Retained earnings	3	19.04	(5.70)	13.34
- Other reserves		539.91	0.71	540.62
Total equity		559.16	(4.99)	554.17
Non-current liabilities				
Financial liabilities				
- Borrowings		552.92	-	552.92
- Trade payables		9.35	-	9.35
Provisions		11.79	-	11.79
Deferred tax liabilities (net)	3	9.25	(2.54)	6.71
Total non current liabilities		583.31	(2.54)	580.77
Current liabilities				
Financial liabilities				
- Borrowings		232.49	-	232.49
- Trade payables		555.18	-	555.18
- Other financial liabilities		2.28	-	2.28
Provisions		4.36	-	4.36
Other current liabilities		29.13	-	29.13
Total current liabilities		823.44	-	823.44
Total equity and liabilities		1,965.91	(7.53)	1,958.38

(*Indian Gaap number 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

	Foot notes	(Rs. in millions)		
		Indian GAAP	Ind AS Adj	Ind AS
I Revenue from operations		1,432.58	(85.20)	1,347.38
II Other income		0.02	1.10	1.12
III Total Income (I+II)		<u>1,432.60</u>	<u>(84.10)</u>	<u>1,348.50</u>
IV Expenses				
Cost of raw materials and components consumed		608.19	-	608.19
Purchase of traded books		1.24	-	1.24
(Increase)/decrease in inventories of finished goods and work in progress		(40.30)	(28.14)	(68.44)
Publication expenses		88.48	-	88.48
Employee benefits expense	2	230.89	(0.77)	230.12
Selling and distribution expenses		106.01	-	106.01
Finance cost		96.76	-	96.76
Depreciation and amortisation expense		48.53	(7.62)	40.91
Other expenses	1	173.10	(55.92)	117.18
Total expenses		<u>1,312.90</u>	<u>(92.45)</u>	<u>1,220.45</u>
V Profit before tax		119.70	8.35	128.05
VI Tax expense:				
Current tax		22.06	-	22.06
Income tax adjustment related to earlier year		-	-	-
Deferred tax (credit)/ charge		19.67	3.02	22.69
Total tax expenses		<u>41.73</u>	<u>3.02</u>	<u>44.75</u>
VII Profit for the year (V-VI)		77.97	5.33	83.30
VIII Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	2			
Re-measurement gains/(losses) on defined benefit plans		-	(1.27)	(1.27)
Tax impact on re-measurement gains/(losses) on defined benefit plans		-	0.44	0.44
IX Total Comprehensive Income for the year (VII + VIII)		<u>77.97</u>	<u>4.50</u>	<u>82.47</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:-

1) Non Current Financial assets/ Financial liabilities

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

2) Re-measurement differences

Under previous GAAP, there was no concept of other comprehensive income and hence, previous GAAP profit is reconciled to total comprehensive income as per Ind AS. Under previous GAAP, the re-measurements of the not defined benefit liability were recognised in the statement of profit and loss however under Ind AS, said re-measurement differences net of the related tax impact are recognised in the other comprehensive income.

3) Deferred Tax

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

4) Goodwill amortisation

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) Employee Stock option expense

Under previous GAAP, employee stock options given by holding company to the employees of subsidiary company were not accounted for in subsidiary company. Under Ind AS, the holding company has capitalised such expense under investment in subsidiary and the subsidiary has recognised employee stock option expense with the corresponding credit in deemed capital contribution.

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6) Revenue recognition

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

7) Provision for expected credit loss

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.


49. Previous year figures

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

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

As per our report of even date

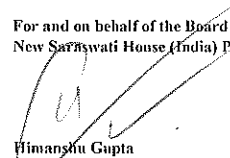
For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants



per Yogesh Midha
Partner
Membership No.: 94941

Place : New Delhi
Date : 23 May 2018



For and on behalf of the Board of Director of
New Saraswati House (India) Private Limited


Himanshu Gupta
Director
DIN:00054015


Ankith Gupta
Director
DIN:00054090