

S CHAND AND COMPANY PRIVATE LIMITED  
ANNUAL REPORT – 2012-13





**S. CHAND & CO. PVT. LTD. (formely known as S.Chand & Co. Ltd.)**  
**7361, RAVINDRA MANSION, RAM NAGAR, NEW DELHI - 110 055**

**DIRECTORS' REPORT**

To,  
The Members

The Directors of your company have pleasure in presenting their Annual Report of the Company and its financial accounts for the year ended on 31/03/13.

<b>1. <u>FINANCIAL RESULTS</u></b>	<b>CURRENT YEAR (Rs.)</b>	<b>PREVIOUS YEAR (Rs.)</b>
Profit/(loss) before depreciation and Extraordinary Items	150,514,381	155,525,659
Less : Depreciation	34,369,953	25,049,651
Profit/(loss) before taxation	116,144,428	130,476,008
Less : Tax Expense for the year	48,973,685	46,285,155
Profit/(loss) after taxation	67,170,743	84,190,853

**2. DIVIDEND**

Your directors propose a dividend of Rs. 25/- per share.

**3. OPERATIONS**

Your company has grown by 16% Sales in the previous year. The School and Competition Segment have shown growth in the Financial Year and continue to be focus areas for the future. The Technical and College segment are facing challenges with low enrolments in engineering , management and other courses. The company has also begun to focus on the digital segment for ebooks.

**4 SUBSIDIARIES**

As of 31st March 2013 company had 9 Subsidiaries , Nirja Publishers and Printers Pvt limited, Blackie & Son (Calcutta)Pvt Ltd, Eurasia Publishing House Pvt Ltd, Rajendra Ravindra Printers Pvt Ltd, S Chand Digital Pvt Ltd, S Chand Edutech Pvt Ltd, Arch Papier Mache Pvt Ltd, Vikas Publishing House Pvt Ltd and BPI (India)Pvt Ltd.

**5 PARTICULARS OF EMPLOYEES**

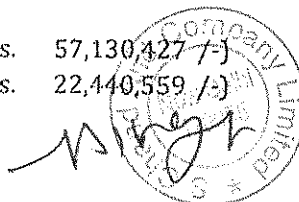
The details with respect to the Provisions of section 217(2A) of the Companies Act 1956 read with the Companies (particulars of employees) rule 1975 as amended are available separately in an Annexure.

**6 PUBLIC DEPOSITS**

The company did not accept any deposits during the year to which the provision of sections 58A & 58AA or any other relevant provision of the Companies Act, 1956 apply.

**7 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN  
EXCHANGE EARNINGS AND OUTGO**

a) Energy Conservation -	N.A.
b) Technology Absorption -	N.A.
c) Foreign Exchange Earnings -Rs.	58,125,746 /- (PY Rs. 57,130,427 /-)
d) Foreign Exchange Outgo - Rs.	16,139,324 /- (PY Rs. 22,440,559 /-)



## **8 DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts on a going concern basis.

## **9 AUDITORS**

M/s S R Batliboi and Associates LLP, Chartered Accountants, [Firm Registration Number 101049W] Gurgaon being statutory auditor of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

## **10 AUDITORS REPORT**

The Comments of Auditors are as follows

Point iii(b) that the company had given loan to SHAARA Hospitalities Pvt Ltd , company in which directors are interested at rate of intrest less than then the prevailing bank rates and is prejudicial to the interest of the Company.

## **11 DIRECTORS COMMENT**

The board of Directors are of view that the interest fre loans given to certain wholly owned subsidiary of the company in the interest of the Company's Business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company., since the company was subsidiary,subsequently the loan has been recovered in full.

## **11 BOARD OF DIRECTORS**

Mr Mayank Tiwari was appointed as additional Director 01st August 2013 nominated by Everstone Capital Partners II LLC, whose appointment is upto this ensuing Annual General Meeting and accepted the resignation tendered by Mr Sethuram Punathembekar Shankar Prasad  
The Board Recommends the same.

## **12 ISSUE OF SHARE CAPITAL & DEBENTURES**

The Company has issued 62676 equity shares OF Rs. 10/- each and 35 Compulsory Convertible Debentures of Rs. 10,000,000/- each during the financial year.

**13 COMPLIANCE CERTIFICATE**

In terms of provisions of section 383A of the Companies Act, 1956, certificate of the secretary in whole time practice, regarding compliance by the company of various provisions of the Companies Act, 1956 and the rules made there under and also the provisions contained in the memorandum and Articles of Association of the Company, is enclosed herewith for your consideration. The comments of the secretary are self explanatory.

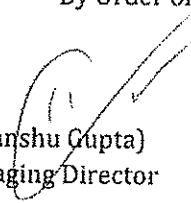
**14 EMPLOYEE STOCK OPTION SCHEME**

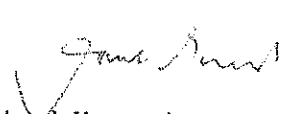
Vesting of ESOP shares was due on 30th June 2013. The said vesting of 201 shares was done on 30th June 2013.

**15 ACKNOWLEDGMENT**

The Board of Directors is grateful to all persons who are assisting the Company for its growth.

By Order of the Board

  
(Himanshu Gupta)  
Jt Managing Director

  
(Dinesh Kumar Jhunjhnuwala)  
Director

Place : New Delhi  
Dated: 30/11/13

S CHAND AND COMPANY PRIVATE LTD.

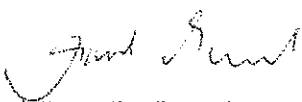
Information pursuant to section 217 (2A) of the Companies Act, 1956


Annexure A

Name	Age (Years)	Qualification	Designation	Date of Commencement of Employment	Experience	Gross Remuneration in (Rs)	Last Employment
Amit Kumar Gupta	55	B.Tech (Mech.)	Chief Executive Officer	01.04.2005	37 Years	12,825,533	Managing Director, Gateway Information Technology Egypt

Mr. Amit Kumar Gupta is not related to any director of the Company

For and on behalf of the Board

  
Dinesh Kumar Jhunjhnuwala  
Director

  
Himanshu Gupta  
Joint Manager Director

**INDEPENDENT AUDITOR'S REPORT**

To the Members of S Chand & Co. Private Limited (Formerly known as S Chand & Co. Limited)

**Report on the Financial Statements**

We have audited the accompanying financial statements of S Chand & Co. Private Limited (Formerly known as S Chand & Co. Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

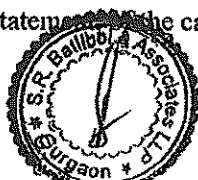
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



*(Handwritten signature)*

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

Chartered Accountants

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have 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 appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



per Raman Sobti  
Partner  
Membership Number: 89218



Place of Signature: Gurgaon  
Date: November 30, 2013



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

Chartered Accountants

'Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

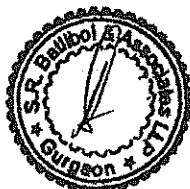
Re: S Chand & Co. Private Limited (Formerly known as S Chand & Co. Limited)

- (i)(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (i)(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i)(c) There was no disposal of a substantial part of fixed assets during the year.
- (ii)(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- (ii)(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (ii)(c) The company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
- (iii)(a) The Company has granted loan to Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 372,571,507 and the year end balances of loans granted to such parties was Rs 321,994,536.
- (b) *According to the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loans given by the Company to a Shaara Hospitalities Pvt Ltd in which directors of the Company is interested, are prima facie prejudicial to the interest of the Company on account of the following reasons:*
  - 1) *the Company has granted the loan at an interest rate of Nil% per annum which is significantly lower than the interest rate prevailing in the market; and*
  - 2) *there are no covenants with regard to the repayment of loans.*

However the said loan is subsequently received back refer note no 43 of the financial statement.

According to the information and explanations given to us, and having regard to management's representation that the interest free loans given to certain wholly-owned subsidiary of the Company in the interest of the Company's business, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

- (c) The loans granted are repayable on demand. We are informed that the Company has not demanded repayment of such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. *The loans given are interest free.*



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (d) There is no overdue amount of loans granted to Companies listed in the register maintained under section 301 of the Companies Act, 1956.
- (iii)(e) The Company has taken loan from Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 10,000,000 and the year-end balance of loans taken from such party was Rs Nil.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) The loan taken is repayable on demand. The loan has been paid during the year. The loan taken is interest free.
- (iv) The Company has not accepted any deposits from the public.
- (v)(a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (v)(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to publishing of books, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix)(a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in few cases*. The provisions relating to investor education and protection fund, wealth – tax, customs duty and excise duty are not applicable to the company.
- (ix)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund, wealth – tax, customs duty and excise duty are not applicable to the company.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(ix)(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenses and Closing Stock valuation	30,297,622	A.Y 2004-05	Delhi High Court
Income Tax Act, 1961	Disallowance of expenses and Closing Stock valuation	4,459,354	A.Y 2005-06	Delhi High Court
Income Tax Act, 1961	Disallowance of expenses and Closing Stock valuation	1,456,060	A.Y 2006-07	Delhi High Court
Income Tax Act, 1961	Disallowance on account of Closing Stock valuation	3,424,588	A.Y 2007-08	Delhi High Court
Income Tax Act, 1961	Disallowance on account of Closing Stock valuation	4,163,128	A.Y 2008-09	Delhi High Court
Income Tax Act, 1961	Disallowance on account of Closing Stock valuation	5,338,597	AY 2009-10	Delhi High Court
Income Tax Act, 1961	Disallowance of expenses and Closing Stock valuation	6,628,820	AY 2010-11	Commissioner of Income Tax (Appeals)

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



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

Chartered Accountants

- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company had issued 35 Compulsorily Convertible Debentures of Rs. 10,000,000 each, during the period covered by our audit report, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

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



per **Raman Sobti**  
Partner  
Membership Number: 89218

Place of Signature: Gurgaon  
Date: November 30, 2013



**S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)**  
**BALANCE SHEET AS AT MARCH 31, 2013**

Particulars	Notes	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	2,077,460	1,450,700
Reserves and Surplus	4	2,460,668,108	800,177,683
		<u>2,462,745,568</u>	<u>801,628,383</u>
Share Application Money pending Allotment		-	12,512,500
		-	<u>12,512,500</u>
<b>Non-current Liabilities</b>			
Long-term borrowings	5	375,562,095	47,044,870
Long-term provisions	9	3,677,642	2,539,491
		<u>379,239,737</u>	<u>49,584,361</u>
<b>Current Liabilities</b>			
Short-term borrowings	6	349,801,553	417,493,906
Trade payables	7	485,779,730	463,595,419
Other current liabilities	8	310,584,209	348,430,123
Short-term provisions	9	17,592,163	11,777,228
		<u>1,163,757,655</u>	<u>1,241,296,676</u>
<b>TOTAL</b>		<u>4,005,742,960</u>	<u>2,105,021,920</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	125,796,764	106,317,895
Intangible assets	10	49,815,271	53,789,724
Capital work-in-progress		-	15,566,448
Non-current investments	11	1,832,610,020	178,521,025
Deferred tax assets (net)	12	4,009,190	4,626,875
Loans and advances	13	32,421,618	43,270,251
Other Non-current assets	14	9,733,616	8,412,717
		<u>2,054,386,479</u>	<u>410,504,935</u>
<b>Current Assets</b>			
Current investments	11	3,111,715	4,564,823
Inventories	15	424,908,833	392,301,865
Trade receivables	16	1,031,967,908	764,780,590
Cash and cash equivalents	17	32,001,498	23,198,600
Short-term loans and advances	13	407,501,437	447,516,357
Other current assets	14	51,865,090	62,154,750
		<u>1,951,356,481</u>	<u>1,694,516,985</u>
<b>TOTAL</b>		<u>4,005,742,960</u>	<u>2,105,021,920</u>
Summary of significant accounting policies	2		

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

As per our report of even date

For S R Batliboi & Associates LLP

ICAI Firm registration number :101049W

Chartered Accountants

*Raman Sobti*

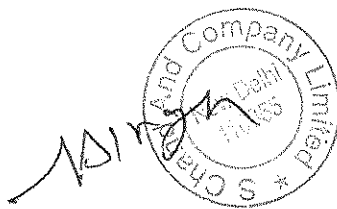
per Raman Sobti

Partner

Membership No. 89218

Date: 30th Nov. 2013

Place: Gurgaon



For and on behalf of the Board of Directors of  
S Chand & Co. Private Limited

*Gandhi*  
Director

*11*  
Director

*Amber*  
Chief Financial Officer

**S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	Notes	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Revenue</b>			
Revenue from operations	18	1,911,600,058	1,666,864,382
Other Income	19	19,702,660	49,084,931
<b>Total Revenue (I)</b>		<u>1,931,302,718</u>	<u>1,715,949,313</u>
<b>Expenses</b>			
Cost of raw materials & components consumed	20	654,695,621	758,917,297
Publication Expenses	21	381,714,806	340,450,623
Purchases of traded goods		154,216,758	134,980,392
(Increase)/ decrease in inventories of Finished goods, Work-in-progress and traded goods	22	9,260,061	(89,555,787)
Employee benefit expenses	23	195,741,388	158,177,018
Depreciation and amortization expenses	27	34,369,953	25,049,651
Finance costs	26	62,458,925	58,159,679
Selling & Distribution Expenses	24	79,300,640	71,682,906
Other expenses	25	243,400,138	127,611,526
<b>Total Expenses (II)</b>		<u>1,815,158,290</u>	<u>1,585,473,305</u>
<b>Profit / (loss) before tax (I - II)</b>		116,144,428	130,476,008
<b>Tax expense</b>			
Current tax		48,356,000	46,574,000
Adjustment of Tax relating to earlier periods		-	547,504
Deferred tax		617,685	(836,349)
<b>Total Tax Expense</b>		<u>48,973,685</u>	<u>46,285,155</u>
<b>Profit / (loss) transferred to Balance Sheet</b>		<u>67,170,743</u>	<u>84,190,853</u>
<b>Earnings per equity share (EPS)</b>	28		
(a) Basic		512	84,107
(b) Diluted		487	84,107
<b>Summary of significant accounting policies</b>	2		

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

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

*Raman Sobti*  
 per Raman Sobti  
 Partner  
 Membership No. 89218

Date: 30th Nov. 2013  
 Place: Gurgaon



For and on behalf of the Board of Directors of  
 S Chand & Co. Private Limited

*Sanjay Kumar*  
 Director

*[Signature]*  
 Director

*[Signature]*  
 Chief Financial Officer

S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and after prior period expenses	116,144,428	130,476,008
<b>Adjustments for:</b>		
- Depreciation	34,369,953	25,049,651
- Loss on sale of Assets	208,060	1,383,312
- Interest income	(3,114,645)	(772,616)
- Dividends received	(95,521)	(80,154)
- Share in profit/(loss) from partnership firm	-	(132,240)
- Interest paid on borrowings	60,151,748	54,879,952
- Miscellaneous expenses written off	-	1,692,260
<b>Operating profit before working capital changes</b>	<b>207,664,023</b>	<b>212,496,173</b>
<b>Movement in working capital:</b>		
- (Increase) / decrease in inventories	(32,606,967)	(72,762,735)
- (Increase) / decrease in trade receivable	(267,187,318)	(165,809,007)
- (Increase) / decrease in loans and advances	38,356,037	(107,122,091)
- (Increase) / decrease in non-current assets	(1,320,899)	(8,412,717)
- Increase / (decrease) in short term provisions	1,199,030	(1,884,152)
- Increase / (decrease) in trade payable	22,184,311	15,674,558
- Increase / (decrease) in current liabilities and provisions	(37,845,914)	38,216,825
<b>Cash used in operations</b>	<b>(69,557,697)</b>	<b>(89,603,146)</b>
<b>Direct taxes (paid)</b>	<b>(21,625,857)</b>	<b>(37,784,900)</b>
<b>Net cash used in operating activities</b>	<b>(A) (91,183,554)</b>	<b>(127,388,046)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Sale / (Purchase) of Investments (at cost)	(1,652,635,887)	(32,077,095)
- Purchase of Fixed Assets	(42,101,059)	(81,167,455)
- Sale of Fixed Assets (at book value)	7,585,076	715,383,227
- Dividend Received	95,521	80,154
- Interest received	3,114,645	772,616
- Share in Profit / (Loss) from Partnership Firm	-	132,240
<b>Net cash used in investing activities</b>	<b>(B) (1,683,941,704)</b>	<b>603,123,687</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Increase in share capital	626,760	-
- Interest paid on Borrowings	(60,151,748)	(54,879,952)
- Increase in Long Term Borrowings	328,517,225	187,904,143
- Increase in Short Term Borrowings	(67,692,353)	(246,883,924)
- Increase in Reserve in demerger	-	(419,003,976)
- Increase in Securities Premium	1,598,049,240	-
- Dividend Paid (incl. Dividend Tax)	(2,908,468)	2,918,134
- Share application money received	(12,512,500)	-
<b>Net cash from (used in) financing activities</b>	<b>(C) 1,783,928,156</b>	<b>(529,945,575)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>8,802,898</b>	<b>(54,209,934)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(D) 23,198,600</b>	<b>77,408,534</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(E) 32,001,498</b>	<b>23,198,600</b>
<b>Net increase / (decrease) in cash and cash equivalents (E-D)</b>	<b>8,802,898</b>	<b>(54,209,934)</b>

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand	9,786,660	6,356,774
With Banks - On current accounts	12,214,838	16,841,826
With Banks - On Escrow accounts	10,000,000	-
	<b>32,001,498</b>	<b>23,198,600</b>

Summary of significant accounting policies

As per our report of even date  
For S R Batliboi & Associates LLP  
ICAI Firm registration number :101049W  
Chartered Accountants  
*Raman Sobti*  
per Raman Sobti  
Partner  
Membership No. 89218



For and on behalf of the Board of Directors of  
S Chand & Co. Private Limited

*Director*  
Director

*Director*  
Director

*Chief Financial Officer*  
Chief Financial Officer

Date: 30th Nov. 2013  
Place: Gurgaon

## 1. Corporate Information

S. Chand & Co. Pvt. Ltd. (formerly known as S. Chand & Co. Ltd.) (the Company) is a private company incorporated under the provisions of the Companies Act, 1956. The Company's operations comprises of publishing of educational books with products ranging from School Books, Higher Academic Books, Competition & Reference Books, Technical & professional books and Children Books.

## 2. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the *Companies (Accounting Standards) Rules, 2006, (as amended)* and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

### 2.1 Summary of significant accounting policies

#### (a) Use of estimates

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

#### (b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

#### (c) Intangible assets

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

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is



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**S. CHAND & CO. PVT. LTD. (formerly known as S. Chand & Co. Ltd.)**  
**Notes to financial statements for the year ended 31 March 2013**

available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life.

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

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

**(d) Depreciation on tangible fixed assets**

Depreciation on tangible fixed assets is provided on a written down value basis using the rates prescribed under the Schedule XIV of the Companies Act, 1956, which approximate the useful life of the assets estimated by the management. Leasehold improvement is amortized over the period of lease.

**(e) Leases**

Where the company is lessee

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

**(f) Borrowing costs**

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(g) Investments**

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

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

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

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



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**(h) Inventories**

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

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

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

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

**(i) Revenue recognition**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

**Interest**

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

**Dividends**

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

**(j) Foreign currency translation**

**Foreign currency transactions and balances**

**(i) Initial recognition**

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

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange



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rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

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

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

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

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

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

(l) Income taxes

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

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

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

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



*Prakash Bhatnagar*

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**S. CHAND & CO. PVT. LTD. (formerly known as S. Chand & Co. Ltd.)**  
**Notes to financial statements for the year ended 31 March 2013**

reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

**(m) Earnings Per Share**

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

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

**(n) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(o) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(p) Cash and cash equivalent**

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



*Grand Total*

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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

3. SHARE CAPITAL

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Authorised shares:</b>		
2,210,000 (31 March 2012: 2,500) Equity shares of Rs. 10 (31 March 2012: Rs.1,000)	22,100,000	2,500,000
<b>Issued, subscribed and fully paid-up shares :</b>		
162,776 (31 March 2012: 1,001) Equity shares of Rs. 10 (31 March 2012: Rs.1,000)	1,627,760	1,001,000
Add: 149,900 Forfeited equity shares (Previous year 1,499 shares) (amount originally paid up Rs. 3 (Previous Year Rs. 300))	449,700	449,700
	2,077,460	1,450,700

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

	March 31, 2013		March 31, 2012	
	Number	Rs.	Number	Rs.
At the beginning of the period	100,100	1,001,000	1,001	1,001,000
Issued during the period	62,676	626,760	-	-
Outstanding at the end of the period	162,776	1,627,760	1,001	1,001,000

(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. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013 the amount of per share dividend recognized as distributions to equity shareholders was Rs. 25 (March 31, 2012 Rs. 2,500).

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

(c) Details of shareholders holding more than 5% equity shares in the Company:

	March 31, 2013		March 31, 2012	
	No.	% Holding in the class	No.	% Holding in the class
<b>Equity shares of Rs. 10 (31 March 2012: Rs.1,000) each fully paid-up</b>				
Mrs Nirmala Gupta	35,382	21.74%	265	26.47%
Mrs Savita Gupta	16,867	10.36%	203	20.28%
Mr Dinesh Kumar Jhunjhuwala	23,465	14.42%	200	19.98%
Mr Himanshu Gupta	14,158	8.70%	118	11.79%
Mrs Neerja Jhunjhuwala	24,007	14.75%	199	19.88%
Everstone Capital Partners II LLC	45,146	27.74%	-	-

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



*Grand Audit*

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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

4. RESERVES & SURPLUS

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Capital Reserves</b>	<u>63,300</u>	<u>63,300</u>
	63,300	63,300
<b>Securities Premium Account</b>		
Balance as per last financial statements	-	-
Add : Premium on issue of Equity Shares	<u>1,598,049,240</u>	-
Closing Balance	<u>1,598,049,240</u>	-
<b>Other Reserves (General Reserve)</b>		
Balance as per last financial statements	553,017,675	927,764,602
Add : Amount transferred from surplus balance in the statement of profit & loss	<u>50,000,000</u>	<u>50,000,000</u>
	603,017,675	977,764,602
Less: Written Back in Current Year (Refer note 42)	-	424,746,927
Closing Balance (C)	<u>603,017,675</u>	<u>553,017,675</u>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	247,096,708	219,903,477
Add : Net Profit / (Net Loss) for the current year	<u>67,170,743</u>	<u>84,190,853</u>
Profit for the year	314,267,451	304,094,330
Less: Appropriations:		
Proposed final equity Dividends	(4,069,400)	(2,502,500)
Tax on proposed equity Dividend	(660,158)	(405,968)
Transfer to General Reserves	<u>(50,000,000)</u>	<u>(54,089,154)</u>
Closing Balance (D)	<u>259,537,893</u>	<u>247,096,708</u>
<b>Total Reserves &amp; Surplus</b>	<u>2,460,668,108</u>	<u>800,177,683</u>



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**S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**5. LONG TERM BORROWINGS**

	Non Current portion		Current Maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Secured</b>				
<b>Term Loans</b>				
From financial institution *	6,150,672	-	4,910,594	-
<b>Working Capital Demand Loan</b>				
From bank **	6,666,669	33,333,336	26,666,664	26,666,664
<b>Vehicle Loans</b>				
From banks	10,560,299	9,520,878	7,812,194	6,751,436
From others (Against hypothecation of vehicles)	2,184,455	4,190,656	4,511,711	3,012,736
	<u>25,562,095</u>	<u>47,044,870</u>	<u>43,901,163</u>	<u>36,430,836</u>
Less : Shown under other current liabilities (Refer note 8)	-	-	43,901,163	36,430,836
<b>Total (A)</b>	<u>25,562,095</u>	<u>47,044,870</u>	<u>-</u>	<u>-</u>
<b>Unsecured</b>				
<b>Compulsorily Convertible Debentures</b>	350,000,000	-	-	-
35 (PY NIL) 0% Debentures of Rs.10,000,000 each convertible in Equity Shares at Rs. 350,000,000 on/after March 31, 2014				
<b>Total (B)</b>	<u>350,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total (A+B)</b>	<u>375,562,095</u>	<u>47,044,870</u>	<u>-</u>	<u>-</u>

\* Term loan from L&T Finance Limited was taken during financial year 2012-13 and carries interest @14%. The loan is repayable in 36 equal monthly instalments of Rs. 512,664 each beginning from May' 2012. The loan is secured by hypothecation of machine being purchased. Further the loan has been guaranteed by joint & several personal guarantee of Directors of the Company & demand promissory note issued in favor of lender.

\*\* Working capital term loan from Yes Bank Limited was taken during financial year 2011-12 and carries interest @13.50 %. The loan is repayable in 36 equal monthly instalments of Rs. 2,222,222 each beginning from July' 2011. The loan is secured by way of exclusive charge on immovable property of M/s Hotel Tourist and second pari passu charges on all the current assets & movable fixed assets of the Company. Further the loan has been guaranteed by unconditional and irrevocable personal guarantee of Directors of the Company.



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6. SHORT TERM BORROWINGS

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Secured</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks</b>		
Working capital demand loan *	200,000,000	-
Cash credit**	74,801,553	267,493,906
Short term loan***	75,000,000	75,000,000
<b>Total (A)</b>	<b>349,801,553</b>	<b>342,493,906</b>
<b>Unsecured</b>		
<b>Loans Repayable on Demand</b>		
<b>Loans &amp; Advances from Related Parties</b>		
From Directors	-	75,000,000
<b>Total (B)</b>	<b>-</b>	<b>75,000,000</b>
<b>Total (A+B)</b>	<b>349,801,553</b>	<b>417,493,906</b>

\* Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with IndusInd Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the company and personal guarantee of Directors of the Company & Corporate Guarantee of Neerja Publishers & Printers Pvt. Ltd. This loan carries interest rate ranging from 11.75% to 12.25% p.a.

\*\* Cash credit from banks is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Directors of the Company. It carries interest rate ranging from 12.75% to 15.25% p.a. Cash credit from HDFC Bank Limited and State bank of Patiala is also secured by Corporate Guarantee of Neerja Publishers & Printers Pvt. Ltd. and Rajendra Ravindra Printers (P) Ltd respectively.

\*\*\* Short term loan from Yes Bank Limited is secured by way of exclusive charge on immovable property of M/s Hotel Tourist and second pari passu charges on all the current assets and movable fixed assets of the Company and personal guarantee of Directors of the Company. The loan carries interest rate ranging from 12.00% to 12.85% p.a.



*Janki Bahlol*

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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

7. TRADE PAYABLE

	March 31, 2013	March 31, 2012
	Rs.	Rs.
Trade payables (Refer note 34 for details of dues to Micro, Small & Medium Enterprises)	128,044,647	99,699,555
Trade payables to related entities	357,735,083	363,895,864
<b>Total</b>	<b>485,779,730</b>	<b>463,595,419</b>

8. OTHER CURRENT LIABILITIES

	March 31, 2013	March 31, 2012
	Rs.	Rs.
Interest accrued but not due on borrowings	3,519,787	1,507,492
Security deposits/Earnest money received	420,000	530,000
Other payables	226,167,937	285,277,017
Statutory dues payable	29,267,899	21,197,674
Advance from customers	7,307,423	2,796,837
Current maturities of long-term debts (Refer note 5)	43,901,163	36,430,836
Overdrawn from banks due to cheque issued	-	690,267
<b>Total</b>	<b>310,584,209</b>	<b>348,430,123</b>

9. PROVISIONS

	Long Term		Short Term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rs.	Rs.	Rs.	Rs.
<b>Provision for Employee Benefits</b>				
Gratuity (Funded)	3,677,642	2,539,491	-	-
<b>Others</b>				
Provision for taxation (net of advance tax)	-	-	12,671,726	8,738,760
Proposed dividend	-	-	4,069,400	2,502,500
Dividend tax	-	-	660,158	405,968
Provision for wealth tax	-	-	190,879	130,000
<b>Total</b>	<b>3,677,642</b>	<b>2,539,491</b>	<b>17,592,163</b>	<b>11,777,228</b>



*Grand Audit*

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10.A TANGIBLE ASSETS

Particulars	Land	Building	Plant & Equipment #	Furniture & Fixtures	Vehicles	Leasehold Improvement	Others - Computer	Total
Cost or valuation At 1 April 2011	288,408,299	339,602,157	211,180,716	108,163,396	59,588,565	-	33,158,107	1,040,101,240
Additions	-	-	7,493,806	1,659,272	20,155,297	-	3,607,908	32,916,283
Disposals	(288,408,299)	(339,602,157)	(92,381,553)	(74,808,329)	(8,319,972)	-	(4,312,354)	(807,832,664)
At 31 March 2012	-	-	126,292,969	35,014,339	71,423,890	-	32,453,661	265,184,859
Additions	-	-	22,544,395	2,387,636	25,235,864	2,055,916	1,579,087	53,802,898
Disposals	-	-	(3,228,668)	-	(18,550,222)	-	-	(21,778,890)
At 31 March 2013	-	-	145,608,696	37,401,975	78,109,532	2,055,916	34,032,748	297,208,867
Depreciation At 1 April 2011	-	54,618,285	93,833,000	24,672,169	30,282,631	-	25,471,016	228,877,101
Charge for the year	-	-	6,944,404	3,724,343	7,611,813	-	2,548,091	20,828,651
Disposals	-	(54,618,285)	(19,217,208)	(11,010,553)	(4,771,651)	-	(1,221,089)	(90,838,786)
At 31 March 2012	-	-	81,560,196	17,385,959	33,122,793	-	26,798,018	158,866,966
Charge for the year	-	-	9,521,641	3,619,551	10,030,733	390,491	2,968,475	26,530,891
Disposals	-	-	(2,127,381)	-	(1,858,373)	-	-	(13,985,754)
At 31 March 2013	-	-	88,954,456	21,005,510	31,295,153	390,491	29,766,493	171,412,103
At 31 March 2012	-	-	44,732,773	17,628,380	38,301,097	-	5,655,643	106,317,893
At 31 March 2013	-	-	56,654,240	16,396,465	46,814,379	1,665,425	4,266,255	128,796,764

# Plant and equipment includes plant given on operating lease:

Gross block Rs. 34,962,842 (31 March 2012: Rs. 17,974,563)  
 Depreciation charge for the year Rs. 5,029,304 (31 March 2012: Rs. 2,500,262)  
 Accumulated depreciation Rs. 7,529,566 (31 March 2012: Rs. 2,500,262)  
 Net book value Rs. 27,433,276 (31 March 2012: Rs. 15,474,301)

10.B INTANGIBLE ASSETS

Particulars	Goodwill	Computer software	Total
Gross block At 1 April 2011	42,210,000	-	42,210,000
Additions	32,684,724	-	32,684,724
At 31 March 2012	74,894,724	-	74,894,724
Additions	-	3,864,609	3,864,609
At 31 March 2013	74,894,724	3,864,609	78,759,333
Amortization At 1 April 2011	16,884,000	-	16,884,000
Charge for the year	4,221,000	-	4,221,000
At 31 March 2012	21,105,000	-	21,105,000
Charge for the year	7,489,472	349,590	7,839,062
At 31 March 2013	28,594,472	349,590	28,944,062
Net block At 31 March 2012	53,789,724	-	53,789,724
At 31 March 2013	46,300,252	3,515,019	49,815,271



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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

11. Particulars	Subsidiary / JV / Controlled Special Entity /	No. of Shares / Units		Quoted / Unquoted	Amount (Rs.)	
		As on March 31, 2013	As on March 31, 2012		As on March 31, 2013	As on March 31, 2012
<b>A. Non-Current investments</b>						
Trade Investments (valued at cost unless stated otherwise)						
<b>a. Investments in Subsidiary</b>						
(i)	100% Equity Shares of M/s Blackie & Sons (Cal) Pvt. Ltd. of Rs. 1,000 each fully paid up	149	39	Unquoted	60,792,890	24,141,000
(ii)	100 % Equity Shares of M/s Nirja Publishers & Printers Private Limited Rs. 100 each fully paid up	12,000	12,000	Unquoted	15,600,000	15,600,000
(iii)	100 % Equity Shares of M/s S. Chand Digital Private Limited Rs. 10 each fully paid up	10,000	10,000	Unquoted	100,000	100,000
(iv)	100 % Equity Shares of M/S S Chand Hotels Pvt. Ltd. of Rs. 10 each fully paid up	-	10,000	Unquoted	-	100,000
(v)	100 % Equity Shares of M/S SHAARA Hospitality Pvt. Ltd. of Rs. 10 each fully paid up	-	100,000	Unquoted	-	1,000,000
(vi)	100 % Equity Shares of SC Hotel Tourist Deluxe Pvt. Ltd. of Rs. 10 each fully paid up	-	10,000	Unquoted	-	100,000
(vii)	100 % Equity Shares of S. Chand Properties Pvt. Ltd. of Rs. 10 each fully paid up	-	10,000	Unquoted	-	100,000
(viii)	100 % Equity Shares of Rajendra Ravindra Printers Pvt. Ltd. of Rs. 10 each fully paid up	706	-	Unquoted	96,980,396	-
(ix)	100 % Equity Shares of Eurasia Publishing House Pvt. Ltd. of Rs. 10 each fully paid up	106	-	Unquoted	116,051,874	-
(x)	98 % Equity Shares of Vikas Publishing House Pvt. Ltd. of Rs. 100 each fully paid up	39,239	-	Unquoted	1,405,704,835	-
	Total 'a'	62,200	152,039		1,695,229,995	41,141,000
<b>b. Investments in Joint Venture</b>						
(i)	S. Chand Harcourt (India) Pvt. Ltd. of Rs. 10 each fully paid up	9,631,460	9,631,460	Unquoted	96,314,600	96,314,600
	Total 'b'	9,631,460	9,631,460		96,314,600	96,314,600
Non-trade Investments (valued at cost unless stated otherwise)						
<b>c. Investments in Preference Shares</b>						
(i)	Essar Gujrat Ltd. (Shares of Rs. 37.14 each) Others	1,600	1,600	Unquoted	59,425	59,425
(ii)	Citysys Technologies Ltd. (Redeemable Preference Shares of Rs. 10 each fully paid up) Others	512,500	512,500	Unquoted	41,000,000	41,000,000
	Total 'c'	514,100	514,100		41,059,425	41,059,425
<b>d. Investments in Debentures</b>						
(i)	MGF (12% Secured redeemable non-convertible debentures of Rs. 60 each fully paid-up) Others	100	100	Unquoted	6,000	6,000
	Total 'd'	100	100		6,000	6,000
Total non-current investments (a+b+c+d)		10,207,860	10,297,699		1,832,610,020	178,521,025
Aggregate amount of quoted investments					-	-
Aggregate amount of unquoted investments					1,832,610,020	178,521,025
<b>B. Current investment</b>						
Current Investments (valued at lower of cost and fair value, unless stated otherwise)						
<b>c. Investments in Equity Instruments</b>						
<b>(i) Quoted Investment</b>						
1	3i Infotech Ltd. (Equity Shares of Rs.10 each) Others	1,200	200	Quoted	6,660	76,590
2	Alps Industries Ltd. (Equity Shares of Rs.10 each) Others	500	500	Quoted	725	19,350
3	Bolanpur Chini Ltd. (Equity Shares of Rs.10 each) Others	500	500	Quoted	21,800	47,852
4	Ballarpur Industries Ltd. (Equity Shares of Rs. 2 each) Others	500	500	Quoted	8,625	13,856
5	Crest Animation Studios Ltd. (Equity Shares of Rs. 20 each) Others	200	200	Quoted	708	13,638
6	Dish TV Ltd. (Equity Shares of Rs.10 each) Others	500	500	Quoted	24,650	24,650
7	Freshstop Fruits Ltd. (Equity Shares of Rs.10 each) Others	1,000	1,000	Quoted	16,800	26,500
8	TV 18 Broadcast (IBN 18 Broadcast Limited) (Equity Shares of Rs.10) Others	1,250	1,250	Quoted	33,537	33,537
9	GMR Infrastructure Ltd. (Each share of FV of Rs. 2 ) Others	3,000	3,000	Quoted	64,800	223,350
10	Himatsinke Seide Ltd. (Equity Shares of Rs.10 each) Others	500	500	Quoted	14,650	31,151
11	IFCI Ltd. (Equity Shares of Rs.100 each) Others	200	200	Quoted	5,220	11,827
12	India Cement Ltd. (Equity Shares of Rs.10 each) Others	500	500	Quoted	41,825	82,374
13	Indo Asian Fusegear Ltd. ( is now Eon Electric Limited) (Equity, Shares of Rs.5 each) Others	1,000	1,000	Quoted	5,000	101,300
14	Advance Metering Technology Limited (Equity Shares of Rs.5 each) Others	1,000	-		-	-
15	Kothari Sugar Ltd. (Equity Shares of Rs.10 each) Others	15,000	15,000	Quoted	125,250	155,400
16	Kitply Industries Ltd. (Equity Shares of Rs.10 each) Others	100	100	Quoted	-	-
17	Macmillan Limited (MPS) (Equity Shares of Rs.10 each) Others	1,000	1,000	Quoted	67,750	67,750
18	Mahaan Foods Ltd. (Equity Shares of Rs.10 each) Others	42,564	42,564	Quoted	679,804	679,804
19	Navneet Publications Ltd. (Equity Shares of Rs.2 each) Others	250	250	Quoted	8,760	8,760
20	Nucleus Software Ltd. (Equity Shares of Rs.10 each) Others	500	500	Quoted	36,175	95,025
21	ORG Informatics Ltd. (Equity Shares of Rs.10 each) Others	100	100	Quoted	-	6,943
22	Pentamedia Graphics Ltd. (Equity Shares of Rs.1 each) Others	10,457	10,457	Quoted	5,438	46,676

S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

11. Particulars	Subsidiary / JV / Controlled Special Entity /	No. of Shares / Units		Quoted / Unquoted	Amount (Rs.)	
		As on	As on		As on	As on
		March 31, 2013	March 31, 2012		March 31, 2013	March 31, 2012
23 Power Trading Corporation Ltd. (Equity Shares of Rs.10 each)	Others	1,000	1,000	Quoted	59,950	85,997
24 Praj Industries Ltd. (Equity Shares of Rs.2 each)	Others	250	250	Quoted	9,138	47,109
25 Rana Sugar Ltd. (Equity Shares of Rs.10 each)	Others	5,000	5,000	Quoted	14,000	68,750
26 Reliance Power Ltd (Equity Shares of Rs.10 each)	Others	250	250	Quoted	15,375	99,800
27 Stresscrete India Ltd. (Equity Shares of Rs.10 each)	Others	2,000	2,000	Quoted	25,000	37,600
28 Suzlon Energy Ltd. (Equity Shares of Rs.2 each)	Others	250	250	Quoted	3,400	72,410
29 Syndicate Bank Ltd. (Equity Shares of Rs.10 each)	Others	1,250	1,250	Quoted	97,339	97,339
30 Yashwanth Polytext Ltd. (Equity Shares of Rs.10 each)	Others	500	500	Quoted	27,675	27,675
31 Zee Entertainment Ltd. (Equity Shares of Rs.10 each)	Others	100	100	Quoted	20,990	20,990
32 Educomp Ltd. (Equity Shares of Rs.10 each)	Others	100	100	Quoted	6,280	71,389
33 NTPC Ltd. (Equity Shares of Rs.10 each)	Others	500	500	Quoted	70,975	103,875
34 Rofa Ltd. (Equity Shares of Rs.10 each)	Others	500	500	Quoted	32,950	93,515
35 Bartronics Ltd. (Equity Shares of Rs.10 each)	Others	500	500	Quoted	4,575	74,209
36 Tania Solutions Ltd. (Equity Shares of Rs.1 each)	Others	1,000	1,000	Quoted	3,150	30,920
37 Britannia Industries Ltd. (Equity Shares of Rs.2 each)	Others	200	200	Quoted	83,722	83,722
38 Financial Technologies Ltd. (Equity Shares of Rs.2 each)	Others	100	100	Quoted	71,260	98,220
39 Dhan Laxmi Bank Ltd. (Equity Shares of Rs.10 each)	Others	500	500	Quoted	22,875	56,715
40 Sistema Shyam Teleservices Ltd. (Equity Shares of Rs.10 each)	Others	15,880	15,880	Quoted	-	93,990
41 DSQ Software Ltd. (Equity Shares of Rs.10 each)	Others	2,000	2,000	Quoted	-	115,945
42 Nextgen Animation Media Limited (Equity Shares of Rs.10 each)	Others	40	40	Quoted	-	21,886
43 Silverline Tech EQ (Equity Shares of Rs.10 each)	Others	100	100	Quoted	-	54,714
<b>Investment in quoted share</b>		<b>113,841</b>	<b>111,841</b>		<b>1,736,831</b>	<b>3,223,102</b>
<b>(ii) Unquoted Investment</b>						
1 Bharat Glass Tubes Ltd. (Equity Shares of Rs. 100 each)	Others	1,000	1,000	Unquoted	100,000	100,000
<b>Investment in unquoted share</b>		<b>1,000</b>	<b>1,000</b>		<b>100,000</b>	<b>100,000</b>
<b>Total 'e'</b>		<b>114,841</b>	<b>112,841</b>		<b>1,836,831</b>	<b>3,323,102</b>
<b>f. Investments in Mutual Funds</b>						
(i) Reliance Monthly Income Plan - Monthly Dividend	Others	8,473	8,018	Quoted	91,312	87,100
(ii) Principal Monthly Income Plan - Dividend Reinvestment Monthly	Others	73,978	69,813	Quoted	784,444	771,258
(iii) IDFC Monthly Income Plan - Fund of Fund - Dividend	Others	5,061	5,061	Quoted	53,290	53,290
(iv) ICICI Prudential MIP - 25 Monthly Dividend	Others	21,762	20,471	Quoted	260,613	244,847
(v) RELIANCE Regular Savings Fund Debt Plan	Others	6,313	6,313	Quoted	85,226	85,226
<b>Total 'f'</b>		<b>115,587</b>	<b>109,676</b>		<b>1,274,885</b>	<b>1,241,721</b>
<b>Total current Investments (e+f)</b>		<b>230,428</b>	<b>222,517</b>		<b>3,111,715</b>	<b>4,564,823</b>
<b>Aggregate amount of quoted investments</b>					<b>3,011,715</b>	<b>4,464,823</b>
<b>Aggregate amount of unquoted investments</b>					<b>100,000</b>	<b>100,000</b>
<b>Aggregate provision for diminution in value of investments</b>					<b>1,224,756</b>	<b>-</b>

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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

12. DEFERRED TAX ASSETS (NET)

	March 31, 2013	March 31, 2012
<b>A. Deferred Tax Assets</b>		
Gratuity provision	1,250,031	1,486,500
Provision for doubtful debts	4,496,589	1,027,890
Provision for diminution in value of investments	416,295	-
Others	1,029,141	2,112,485
<b>Total (A)</b>	<b>7,192,056</b>	<b>4,626,875</b>
<b>B. Deferred Tax Liabilities</b>		
Depreciation	3,182,866	-
<b>Total (B)</b>	<b>3,182,866</b>	<b>-</b>
<b>Net Deferred Tax (Liability)/Assets (A-B)</b>	<b>4,009,190</b>	<b>4,626,875</b>

13. LOANS AND ADVANCES

	Non Current		Current	
	March 31, 2013 Rs.	March 31, 2012 Rs.	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Security Deposits</b>				
Unsecured, considered good	22,896,212	10,947,669	-	-
	<u>22,896,212</u>	<u>10,947,669</u>	<u>-</u>	<u>-</u>
<b>Loans &amp; Advances to Related Parties</b>				
Unsecured, considered good (Refer note 40)	-	-	392,615,907	437,895,698
	<u>-</u>	<u>-</u>	<u>392,615,907</u>	<u>437,895,698</u>
<b>Other Loans &amp; Advances</b>				
Unsecured, considered good	-	-	10,781,895	8,826,390
Prepaid expenses	-	-	4,103,635	794,269
FBT refundable	3,746	3,746	-	-
Advance income-tax (net of provision for taxation)	9,521,660	32,318,836	-	-
	<u>9,525,406</u>	<u>32,322,582</u>	<u>14,885,530</u>	<u>9,620,659</u>
<b>Total</b>	<b>32,421,618</b>	<b>43,270,251</b>	<b>407,501,437</b>	<b>447,516,357</b>

14. OTHER NON-CURRENT ASSETS

	Non Current		Current	
	March 31, 2013 Rs.	March 31, 2012 Rs.	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Non- Current Bank Balances (Refer note 17)</b>	9,733,616	5,384,940	-	-
<b>Deferred Revenue Expenditure</b>				
Demerger expenses	-	3,027,777	-	1,009,259
<b>Total</b>	<u>-</u>	<u>3,027,777</u>	<u>-</u>	<u>1,009,259</u>
<b>Share Application Money</b>				
S. Chand Technologies (P) Ltd.	-	-	-	6,950,000
S. Chand Digital Pvt. Ltd.	-	-	51,650,000	54,150,000
	<u>-</u>	<u>-</u>	<u>51,650,000</u>	<u>61,100,000</u>
<b>TDS on Interest receivable</b>				
	-	-	215,090	45,491
	<u>-</u>	<u>-</u>	<u>215,090</u>	<u>45,491</u>
<b>Total</b>	<b>9,733,616</b>	<b>8,412,717</b>	<b>51,865,090</b>	<b>62,154,750</b>



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15. INVENTORIES (VALUED AT LOWER OF COST OR NET REALIZABLE VALUE)

	March 31, 2013 Rs.	March 31, 2012 Rs.
Raw Materials	61,299,462	19,432,433
Finished Goods		
Manufactured goods (including goods-in-transit of Rs. 6,437,781 (previous year Rs. Nil))	350,745,102	367,041,482
Traded goods	12,864,269	5,827,950
Total	<u>424,908,833</u>	<u>392,301,865</u>

16. TRADE RECEIVABLES

	March 31, 2013 Rs.	March 31, 2012 Rs.
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	67,711,622	98,128,162
Less: Provision for Doubtful Debts	<u>13,229,153</u>	<u>3,168,100</u>
	<u>54,482,469</u>	<u>94,960,062</u>
Other Receivables		
Unsecured, considered good	<u>977,485,439</u>	<u>669,820,528</u>
	<u>977,485,439</u>	<u>669,820,528</u>
Total	<u>1,031,967,908</u>	<u>764,780,590</u>

17. CASH AND BANK BALANCE

	Non- Current		Current	
	March 31, 2013 Rs.	March 31, 2012 Rs.	March 31, 2013 Rs.	March 31, 2012 Rs.
A. Cash and cash equivalents				
a. Balances with Banks				
In current account	-	-	12,214,838	16,841,826
Escrow account	-	-	10,000,000	-
b. Cash in hand			9,786,660	6,356,774
Total			<u>32,001,498</u>	<u>23,198,600</u>
B. Other bank balances				
Deposits with original maturity for more than 12 months	9,628,616	5,384,940	-	-
Margin Money- Sales Tax	105,000	-	-	-
	<u>9,733,616</u>	<u>5,384,940</u>	-	-
Amount disclosed under non- current assets (Refer note 14)	<u>9,733,616</u>	<u>5,384,940</u>	-	-
	-	-	-	-
	-	-	<u>32,001,498</u>	<u>23,198,600</u>



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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

18. REVENUE FROM OPERATIONS

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Sale of Products</b>		
Finished goods	1,764,049,224	1,506,584,966
Traded goods	158,584,256	159,212,330
	1,922,633,480	1,665,797,296
Less: Turnover discount	(11,033,422)	(7,139,942)
	1,911,600,058	1,658,657,354
<b>Sale of Services</b>	-	8,195,386
<b>Other Operating Revenues</b>		
Scrap sales	-	11,642
Revenue from operations (Net)	1,911,600,058	1,666,864,382
<b>Details of Products Sold</b>		
<b>Finished Goods Sold</b>		
Sale - Books (Export)	58,125,746	57,130,427
Sale - Books	1,705,923,478	1,449,454,539
	1,764,049,224	1,506,584,966
<b>Traded Goods Sold</b>		
Sale - Books	155,016,663	151,378,827
CD & Tab Sales	3,567,593	7,833,503
	158,584,256	159,212,330
<b>Details of sale of Services</b>		
Room and messing sale	-	8,195,386

19. OTHER INCOME

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Interest Income</b>		
From bank deposits	655,158	772,616
From others	2,459,487	-
Insurance claim receivable	-	-
Dividend income	95,521	80,154
Rental income	2,390,000	5,422,994
Share in profit/(Loss) from partnership firm	-	132,240
Duty drawback	2,000,555	1,196,701
Sub-lease of publishing rights	-	34,947,390
Miscellaneous incomes	8,067,972	3,672,900
Profit due to foreign exchange fluctuation	4,033,967	2,859,936
<b>Total</b>	19,702,660	49,084,931

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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

20. COST OF MATERIALS CONSUMED

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Raw Material Consumed</b>		
Inventory at the beginning of the year	19,432,434	36,225,486
Add : Purchases	696,562,649	742,124,245
	<u>715,995,083</u>	<u>778,349,731</u>
Less: Inventory at the end of the year	61,299,462	19,432,434
Cost of raw material consumed	<u>654,695,621</u>	<u>758,917,297</u>
<b>Cost of Materials Consumed</b>	<u>654,695,621</u>	<u>758,917,297</u>
<b>Details of Raw Material Purchased</b>		
Paper & Glue	326,782,337	297,869,855
Books	369,006,976	436,961,290
CD & Tablet	773,336	399,050
Go-Maths Kit	-	5,607,834
Messing	-	1,286,216
	<u>696,562,649</u>	<u>742,124,245</u>

21. PUBLICATION EXPENSES

	March 31, 2013 Rs.	March 31, 2012 Rs.
Royalty	205,598,034	159,268,736
Printing charges	155,333,029	160,443,343
Binding charges	5,197,543	4,891,058
Folding charges	1,915,515	2,120,007
Processing charges	4,713,100	2,367,659
Block & composing	3,449,189	4,907,000
Other publication expenses	5,508,396	6,452,820
	<u>381,714,806</u>	<u>340,450,623</u>

22. (INCREASE) / DECREASE IN INVENTORIES

	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>Inventories at the end of the year</b>		
Finished goods	363,609,371	372,869,432
	<u>363,609,371</u>	<u>372,869,432</u>
<b>Inventories at the beginning of the year</b>		
Finished goods	372,869,432	249,821,711
Work-in-progress	-	30,361,515
Other items	-	3,130,419
	<u>372,869,432</u>	<u>283,313,645</u>
<b>(Increase) / Decrease in Inventories</b>	<u>9,260,061</u>	<u>(89,555,787)</u>
<b>Details of Inventory:</b>		
<b>Finished Goods</b>		
Manufactured goods		
Books	350,745,102	368,541,092
Traded goods		
Books	12,864,269	-
CDs	-	980,380
Go Math Kit	-	3,347,960
	<u>363,609,371</u>	<u>372,869,432</u>
<b>Raw Material</b>		
Paper	59,708,288	18,882,083
Others	1,591,174	550,351
	<u>61,299,462</u>	<u>19,432,434</u>



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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

23. EMPLOYEE BENEFIT EXPENSES

	March 31, 2013 Rs.	March 31, 2012 Rs.
Salaries, wages and bonus	164,552,582	130,291,664
Contributions to funds	14,500,661	12,433,666
Gratuity fund contributions	4,138,151	4,139,352
Staff welfare expenses	12,549,994	11,312,336
	<u>195,741,388</u>	<u>158,177,018</u>

24. SELLING AND DISTRIBUTION EXPENSES

	March 31, 2013 Rs.	March 31, 2012 Rs.
Advertisement, publicity and exhibition	30,646,851	26,677,292
Freight & cartage outward	32,208,969	30,424,413
Packing & despatch expenses	9,741,303	10,211,221
Rebate & discount	6,703,517	4,369,980
	<u>79,300,640</u>	<u>71,682,906</u>

25. OTHER EXPENSES

	March 31, 2013 Rs.	March 31, 2012 Rs.
Rent- Office	56,751,468	17,498,741
Leases Rent-Vehicles	2,645,240	2,070,990
Repairs & Maintenance		
- Plant & Machinery	937,350	1,025,108
-Building	792,526	658,154
-Others	9,681,539	11,400,175
Vehicle Running & Maintenance	15,187,964	13,578,352
Insurance	3,091,164	3,183,714
Rates & Taxes	706,376	1,013,648
Sales Commission	1,071,580	932,476
Travelling & Conveyance	28,859,811	25,332,611
Communication Cost	8,271,423	7,836,284
Printing & Stationery	2,129,731	2,152,753
Legal & Professional Fees	64,708,156	7,017,214
Donations	759,468	372,027
Payment to Auditors	1,404,500	643,915
Water & Electricity Charges	5,513,828	5,550,389
Provision for Doubtful Debts & Advances	10,061,053	3,168,100
Loss on Sale of Fixed Assets (net)	208,060	1,383,312
Diwali Expenses	5,283,956	3,760,091
Office Expenses	4,889,311	3,006,780
Security Charges	6,450,373	5,816,872
Deferred Revenue Expenditure	-	525,000
Demerger Expenses Written Off	4,037,036	1,167,260
Provision for Diminution in Investment	1,224,756	-
Investments Written Off	261,516	-
Bad Debt Written Off	1,932,807	4,511,387
Miscellaneous Expenses	6,539,146	4,006,173
	<u>243,400,138</u>	<u>127,611,526</u>

Details of Payment to Auditors

As Auditor:

Audit Fee	1,404,500	449,440
Tax Audit Fee	-	194,475
	<u>1,404,500</u>	<u>643,915</u>

26. FINANCE COST

	March 31, 2013 Rs.	March 31, 2012 Rs.
Interest Expense		
- On term loan	26,717,344	22,516,951
- On others	33,434,404	32,363,000
Processing Fees - Bank Loan	1,331,466	2,224,033
Bank Charges	975,711	1,055,695
	<u>62,458,925</u>	<u>58,159,679</u>

27. DEPRECIATION AND AMORTIZATION EXPENSES

	March 31, 2013 Rs.	March 31, 2012 Rs.
Depreciation of Tangible Assets	26,530,891	20,828,651
Amortization of Intangible Assets	7,839,062	4,221,000
	<u>34,369,953</u>	<u>25,049,651</u>



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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

28. EARNING PER SHARE (EPS)

	March 31, 2013 Rs.	March 31, 2012 Rs.
Total operations for the year		
Profit / (loss) after tax	67,170,743	84,190,853
Less: Dividends & dividend tax on other than equity shares	-	(2,502,500)
Net profit / (loss) for calculation of Basic EPS	<u>67,170,743</u>	<u>86,693,353</u>
Net profit as above	67,170,743	86,693,353
Add : Dividends & dividend tax on other than equity shares	-	(2,502,500)
Net profit / (loss) for calculation of Diluted EPS	<u>67,170,743</u>	<u>84,190,853</u>
Weighted average number of equity shares in calculating Basic EPS	131,185	1,001
Effect of dilution:		
Compulsorily Convertible Debentures	4,880	-
Stock option granted under ESOP	1,786	-
Weighted average number of equity shares in calculating Diluted EPS	<u>137,851</u>	<u>1,001</u>
Earnings per equity share (EPS)		
(a) Basic	512	84,107
(b) Diluted	487	84,107

29. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

	March 31, 2013 Rs.	March 31, 2012 Rs.
Raw materials	8,559,286	-
Components and spare parts	799,929	-
Capital goods	717,732	15,566,448
Total	<u>10,076,947</u>	<u>15,566,448</u>

30. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	March 31, 2013 Rs.	March 31, 2012 Rs.
Professional Fees	212,088	-
Exhibition Expenses	1,383,425	1,066,648
Travelling & Conveyance	4,466,864	5,807,463
Total	<u>6,062,377</u>	<u>6,874,111</u>

31. IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

	31 March 2013		31 March 2012	
	Percentage (%)	Rs.	Percentage (%)	Rs.
Raw Materials				
Imported	1%	8,559,286	Nil	Nil
Indigenously obtained	99%	654,695,621	100%	758,917,297
	<u>100%</u>	<u>663,254,907</u>	<u>100%</u>	<u>758,917,297</u>

32. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

	March 31, 2013 Rs.	March 31, 2012 Rs.
Export at F.O.B. value	58,125,746	57,130,427
	<u>58,125,746</u>	<u>57,130,427</u>



*Grand Total*

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33. GRATUITY BENEFITS PLAN

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 days of last drawn basic salary for each completed year of service or part thereof in excess of six months. The scheme is funded with Kotak Life Insurance.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

	Gratuity	
	F.Y 12-13	F.Y 11-12
<b>Statement of profit and loss</b>		
Net employee benefit expense recognised in Employee Cost		
Current service cost	2,216,819	2,217,942
Interest cost on benefit obligation	2,246,917	2,068,171
Expected return on plan assets	(2,251,914)	(1,663,635)
Net actuarial (gain) / loss recognised in the year	1,926,329	1,516,874
Net benefit expense	4,138,151	4,139,352
<b>Actual return on Plan Assets</b>		
Expected Return on Plan Assets	2,251,915	1,663,635
Actuarial gain/(loss) on Plan Assets	(88,664)	(1,269,006)
Actual return on plan assets	2,163,251	394,629
<b>Balance sheet</b>		
<b>Benefit asset/ liability</b>		
Present value of defined benefit obligation	32,052,760	27,799,955
Fair value of plan assets	28,375,118	25,260,464
Plan assets/(liability)	(3,677,642)	(2,539,491)
<b>Changes in the present value of the defined benefit obligation (DBO)</b>		
Opening defined benefit obligation	27,799,955	25,068,743
Interest cost	2,246,917	2,068,171
Current service cost	2,216,819	2,217,942
Benefits paid	(2,048,596)	(1,802,769)
Actuarial (gains) / losses on obligation	1,837,665	247,868
Closing defined benefit obligation	32,052,760	27,799,955
<b>Changes in Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Assets	25,260,464	20,165,277
Expected Return	2,251,914	1,663,635
Contributions by employer	3,000,000	6,503,327
Benefit Paid	(2,048,596)	(1,802,769)
Actuarial gain/(loss)	(88,664)	(1,269,006)
Closing Fair Value of Plan Assets	28,375,118	25,260,464

The Company expects to contribute Rs. 3,000,000 to gratuity in the next year (31 March 2012: Rs. 3,000,000)

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

	F.Y 12-13	F.Y 11-12
Kotak Life Insurance and LIC	100%	100%

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

	F.Y 12-13	F.Y 11-12
Discount rate	7.75%	7.75%
Rate of Return on Plan Assets	8.75%	8.75%
Salary Escalation	6.00%	6.00%
Employee turnover	Service upto 5 years: 5% Service above 5 year: 1%	Service upto 5 years: 5% Service above 5 year: 1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four periods are as follows:

	F.Y 12-13	F.Y 11-12	F.Y 10-11	F.Y 09-10	F.Y 08-09
Defined benefit obligation	32,052,760	27,799,955	25,068,743	22,726,524	12,991,070
Plan assets	28,375,118	25,260,464	20,165,277	2,977,369	11,696,931
(Surplus)/ Deficit	3,677,642	2,539,491	4,903,466	19,749,155	1,294,139
Experience Adjustments on Plan Assets	(88,664)	(1,269,006)	-	-	-
Experience Adjustments on Plan Liability	3,305,914	247,868	-	-	-



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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**34. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**

The Company has requested its various suppliers, who may be the enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006, to furnish the relevant registration certificate under that Act, but the said information is yet to be received till date; and hence, in absence of the same, no specific amount of outstanding on account of purchases made / services obtained from such suppliers can be ascertained.

35. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL (PY Rs. 2,885,000).

**36. CONTINGENT LIABILITIES**

	March 31, 2013 Rs.	March 31, 2012 Rs.
Bank Guarantees	13,062,022	20,242,711
Corporate Guarantee	179,692,190	399,500,000
Income Tax demand*	568,483	568,483

\* i) In respect of Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Assessing officer. The amount involved is Rs. 568,483 (Previous year Rs. 568,483).

The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

**37. LEASES**

Operating lease: company as lessee

- a. The Company has taken premises for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 56,751,468 (Previous year Rs. 17,498,741). There are no restrictions imposed by the lease agreements. There are no sub leases.
- b. The Company has taken vehicle for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 2,645,240 (Previous year Rs. 2,070,990). There are no restrictions imposed by the lease agreements. There are no sub leases.

**38. INTEREST IN A JOINT VENTURE**

The company holds 27.73% (Previous year 31.33%) interest in S Chand Harcourt (India) Pvt. Ltd., a joint controlled entity which is involved in the business of E-learning solutions.

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended 31 March are as follows:

	March 31, 2013 Rs.	March 31, 2012 Rs.
	Audited	Audited
Current assets	11,307,976	5,771,280
Non-current assets	106,640,459	110,063,815
Current liabilities	(36,530,019)	(20,261,563)
Non-current liabilities	(36,897,631)	(30,205,888)
Equity	44,520,785	65,367,644
Revenue	22,332,214	17,510,671
Cost of material consumed	(394,432)	(1,224,594)
Depreciation of plant and machinery	(9,877,170)	(7,790,985)
Employee benefit expense	(10,370,785)	(14,836,862)
Other expense	(17,878,335)	(25,206,451)
Profit before tax	(16,188,509)	(31,548,220)
Income-tax expense	(2,852,775)	(9,121,139)
Profit after tax	(13,335,734)	(22,427,081)

**39. UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Amount
Export trade receivable (USD)	USD 1,070,276 (31 March 2012:USD749,001) equivalent to Rs. 58,211,562 (31 March 2012: Rs. 38,316,290)
Export trade receivable (GBP)	GBP 5,969 (31 March 2012:GBP Nil) equivalent to Rs. 491,344 (31 March 2012: Rs. Nil)
Amount lying in EEFC Account	USD 863 (31 March 2012:USD 863) equivalent to Rs.46,938 (31 March 2012: Rs.44,148)



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40. RELATED PARTY DISCLOSURE

Related Party disclosure in accordance with the Accounting Standard AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India is given as under in respect of related parties with whom transactions have taken place:

Related parties and their relationship  
Subsidiary Company

: M/s Nirja Publishers & Printers Pvt. Ltd.  
: M/s Rajendra Ravindra Printers Pvt. Ltd. (Effective from 25th Sep. 2012)  
: M/s S. Chand Digital Pvt. Ltd.  
: M/s Eurasia Publishing House Pvt. Ltd. (Effective from 25th Sep. 2012)  
: M/s Blackie & Sons (Cal) (P) Ltd. (Effective from 25th Sep. 2012)  
: M/s BPI India Private Limited  
: M/s Arch Papier Mache Private Limited  
: M/s Vikas Publishing House (P) Ltd. (Effective from 10th Oct. 2012)

Enterprises under Common control with the reporting Enterprise

: M/s Hotel Tourist (Partnership Firm)  
: M/s Ransha Entertainment & Leisure LLP  
: M/s S. Chand Hotels (P) Ltd.  
: M/s SC Hotel Tourist Deluxe Pvt. Ltd.  
: M/s SHAARA Hospitalities Pvt. Ltd.  
: M/s S. Chand Properties Pvt. Ltd.  
: M/s Shyam Lal Charitable Trust

Joint Ventures

: M/s S. Chand Harcourt (India) Pvt. Ltd.  
: M/s S. Chand Edutech Pvt. Ltd.

Key Management Personnel & their relatives

- Mrs. Nirjala Gupta  
- Mrs. Savita Gupta  
- Mr. Himanshu Gupta  
- Mrs. Ankita Gupta  
- Mr. Dinesh Kumar Jhunjhnuwala  
- Mrs. Neerja Jhunjhnuwala

: Chair Person & Managing Director  
: Wholetime Director & Vice Chair Person  
: Joint Managing Director  
: Wholetime Director  
: Vice Chairman & Director Finance  
: Director

Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence

: Global Knowledge Network Society



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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

Nature of Transactions	Subsidiaries	Enterprises under Common control with the reporting Enterprise	Joint venture of Reporting Enterprises	Associates	Key Managerial Personnel & their relatives	Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence	Total
Purchase of Books/ CDs Nirja Publisher & Printers Pvt. Ltd.	369,385,040 (357,095,387)						369,385,040 (357,095,387)
Blackie & Son (Calcutta) Pvt. Ltd.	20,790,792 (15,088,010)						20,790,792 (15,088,010)
Vikas Publishing House Pvt. Ltd.	1,772,894						1,772,894
Eurasia Publishing House Pvt. Ltd.	116,281,204 (103,387,621)						116,281,204 (103,387,621)
BPI India Pvt. Ltd.	9,677,909 (12,478,801)						9,677,909 (12,478,801)
S Chand Harcourt (India) Pvt. Ltd.							
S Chand Edutech Pvt. Ltd.			(5,792,853) 189,000				(5,792,853) 189,000
Shyam Lal Charitable Trust		1,142,777 (3,184,561)					1,142,777 (3,184,561)
Printing/ Binding Charges paid Nirja Publisher & Printers Pvt. Ltd.	145,123						145,123
Rajendra Ravindra Printers Pvt. Ltd.	118,357,395 (128,041,987)						118,357,395 (128,041,987)
Purchase - (Other) from S C Hotel Tourist Deluxe Pvt. Ltd.		654,018 (619,494)					654,018 (619,494)
Raasha Entertainment & Leisure LLP		52,700					52,700
S Chand Hotels Pvt. Ltd.		15,333					15,333
Hotel Tourist		3,748,058 (3,637,349)					3,748,058 (3,637,349)
Sales made to BPI India Pvt. Ltd.	566,175 (98,337)						566,175 (98,337)
Other Expenses paid (reimbursement) Nirja Publisher & Printers Pvt. Ltd.	1,103,838						1,103,838
Blackie & Son (Calcutta) Pvt. Ltd.	512,609						512,609
Rajendra Ravindra Printers Pvt. Ltd.	8,083,258						8,083,258
Vikas Publishing House Pvt. Ltd.	380,033						380,033
Eurasia Publishing House Pvt. Ltd.	1,059,287						1,059,287
S Chand Digital Pvt. Ltd.	4,590						4,590
Arch Papier Masche Pvt. Ltd.	2,448						2,448
BPI India Pvt. Ltd.	1,088,955						1,088,955
S Chand Harcourt (India) Pvt. Ltd.			23,186,321				23,186,321
S Chand Edutech Pvt. Ltd.			687,647				687,647
S C Hotel Tourist Deluxe Pvt. Ltd.		269,717					269,717
Shyam Lal Charitable Trust		551,577					551,577
S Chand Properties Pvt. Ltd.		2,210,703					2,210,703
Sharaa Hospitalities Pvt. Ltd.		78,041					78,041
S Chand Hotels Pvt. Ltd.		43,885					43,885
Hotel Tourist		302,218					302,218
Global Knowledge Network Society						100,919	100,919
Equity Share (incl'dg. Prem) Issued to Mrs. Nirmala Gupta					110,604,351		110,604,351
Mrs. Savita Gupta					27,904,140		27,904,140
Mr. Dinesh Kumar Jhunjhunwala					31,597,335		31,597,335
Mrs. Neerja Jhunjhunwala					37,451,733		37,451,733
Mr. Himanshu Gupta					21,502,602		21,502,602
Mrs. Ankita Gupta					7,577,859		7,577,859
Joint Shareholders (Mrs. Savita Gupta, Mr. Himanshu Gupta & Mrs. Ankita Gupta)					12,037,080		12,037,080



*Joint Head*

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S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Receipts paid							
Nija Publisher & Printers Pvt. Ltd.	96,000 (96,000)						96,000 (96,000)
Arch Papier Mache Pvt. Ltd.	682,788						682,788
S Chand Properties Pvt. Ltd.		34,119,792					34,119,792
Mrs. Savita Gupta				1,805,952 (347,292)			1,805,952 (347,292)
Mrs. Neerja Jhunjhunwala				1,737,005 (854,520)			1,737,005 (854,520)
Mrs. Anika Gupta				69,488 (416,748)			69,488 (416,748)
Lease Rent Received from Nija Publisher & Printers Pvt. Ltd.	1,350,000 (34,947,390)						1,350,000 (34,947,390)
Rajendra Ravindra Printers Pvt. Ltd.	1,040,000 (1,040,000)						1,040,000 (1,040,000)
Loans taken Vikas Publishing House Pvt. Ltd.	10,000,000						10,000,000
Loans given Vikas Publishing House Pvt. Ltd.	7,500,000						7,500,000
Shaara Hospitality Pvt. Ltd.			(39,392,744)				(39,392,744)
Managerial Remuneration Mrs. Nirmala Gupta				2,400,000 (4,322,305)			2,400,000 (4,322,305)
Mrs. Savita Gupta				5,688,000 (600,000)			5,688,000 (600,000)
Mr. Dinesh Kumar Jhunjhunwala				4,032,000 (2,781,380)			4,032,000 (2,781,380)
Mr. Himanshu Gupta				7,032,000 (900,000)			7,032,000 (900,000)
Mrs. Neerja Jhunjhunwala				1,344,000 (900,000)			1,344,000 (900,000)
Mrs. Anika Gupta				5,844,000 (1,499,314)			5,844,000 (1,499,314)
Security deposit given in 2012-13 Arch Papier Mache Pvt. Ltd.	911,520						911,520
S Chand Properties Pvt. Ltd.		13,316,092					13,316,092
Mrs. Savita Gupta				315,000			315,000
Mrs. Neerja Jhunjhunwala				102,978			102,978
Investments in JV's & Subsidiaries during FY-12-13							
Blackie & Son (Calcutta) Pvt. Ltd.	36,651,890 (24,141,000)						36,651,890 (24,141,000)
Eurasia Publishing House Pvt. Ltd.	116,051,874						116,051,874
Vikas Publishing House Pvt. Ltd.	1,405,704,835						1,405,704,835
Rajendra Ravindra Printers Pvt. Ltd.	96,930,396						96,930,396
S Chand Properties Pvt. Ltd.			(100,000)				(100,000)
Shaara Hospitality Pvt. Ltd.			(1,000,000)				(1,000,000)
S Chand Harcourt (India) Pvt. Ltd.					(17,494,950)		(17,494,950)
S Chand Hotels Pvt. Ltd.			(100,000)				(100,000)
S C Hotel Tourist Deluxe Pvt. Ltd.			(100,000)				(100,000)
Balances outstanding as at March 31, 2013							
Outstanding Receivable Blackie & Son (Calcutta) Pvt. Ltd.	1,836,196						1,836,196
S Chand Digital Pvt. Ltd.	127,538 (122,948)						127,538 (122,948)
Arch Papier Mache Pvt. Ltd.	2,448						2,448
S Chand Harcourt (India) Pvt. Ltd.			56,715,246 (39,695,785)				56,715,246 (39,695,785)
S Chand Edutech Pvt. Ltd.			7,866,328 (7,367,681)				7,866,328 (7,367,681)
S C Hotel Tourist Deluxe Pvt. Ltd.		284,649					284,649
Shyam Lal Charitable Trust		1,098,898 (40,098)					1,098,898 (40,098)
S Chand Properties Pvt. Ltd.		2,068,640					2,068,640
Rassha Entertainment & Leisure LLP		400,251 (400,251)					400,251 (400,251)
Shaara Hospitality Pvt. Ltd.		321,994,536 (343,505,464)					321,994,536 (343,505,464)
S Chand Hotels Pvt. Ltd.		515,451					515,451
Global Knowledge Network Society		(46,004,381)					(46,004,381)
						5,727 (1,497,271)	5,727 (1,497,271)



*Sumit Khand*

*[Signature]*

S. CHAND & CO. PRIVATE LIMITED (formerly known as S. Chand & Co. Ltd.)  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

Balances outstanding as at March 31, 2013							
Outstanding Payable							
Nirja Publisher & Printers Pvt. Ltd.	113,011,670 (118,818,345)						113,011,670 (118,818,345)
Rajendra Ravindra Printers Pvt. Ltd.	106,074,057 (136,218,405)						106,074,057 (136,218,405)
Eurasia Publishing House Pvt. Ltd.	137,296,056 (104,068,218)						137,296,056 (104,068,218)
BPI India Pvt. Ltd.	1,353,300						1,353,300
Hotel Tourist		517,820 (263,589)					517,820 (263,589)
Mrs. Nimula Gupta				391,951 (10,000,000)			391,951 (10,000,000)
Mrs. Savita Gupta							
Mrs. Neerja Jhunjhunwala				(65,000,000) 42,676			(65,000,000) 42,676
Shaara Hospitals Pvt. Ltd.							
S Chand Properties Pvt. Ltd.		(738,181)					(738,181)
Blackie & Son (Calcutta) Pvt. Ltd.			(12,968,841)				(12,968,841)
S C Hotel Tourist Deluxe Pvt. Ltd.	(4,790,896)						(4,790,896)
							(488,090)
Share Application Money given- Closing Bal							
S Chand Digital Pvt. Ltd.	51,650,000 (18,750,000)						51,650,000 (18,750,000)
Investments in JV's & Subsidiaries as on 31.03.13							
Nirja Publisher & Printers Pvt. Ltd.	15,600,000 (15,600,000)						15,600,000 (15,600,000)
Blackie & Son (Calcutta) Pvt. Ltd.	60,792,890 (24,141,000)						60,792,890 (24,141,000)
Eurasia Publishing House Pvt. Ltd.	116,051,874						116,051,874
Vikas Publishing House Pvt. Ltd.	1,405,704,835						1,405,704,835
Rajendra Ravindra Printers Pvt. Ltd.	96,980,396						96,980,396
S Chand Digital Pvt. Ltd.	100,000 (100,000)						100,000 (100,000)
S Chand Harcourt (India) Pvt. Ltd.			96,314,600 (96,314,600)				96,314,600 (96,314,600)
S Chand Properties Pvt. Ltd.		(100,000)					(100,000)
Shaara Hospitals Pvt. Ltd.			(1,000,000)				(1,000,000)
S Chand Hotels Pvt. Ltd.			(100,000)				(100,000)
S C Hotel Tourist Deluxe Pvt. Ltd.			(100,000)				(100,000)

(Figures in brackets represents previous year figures.)



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41. EMPLOYEE STOCK OPTION PLANS

The company provides share-based payment schemes to its employees. During the year ended 31 March 2013, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 30 June 2012, the board of directors approved the Equity Settled ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the eligible employees. According to the Scheme 2012, two types of options are granted by the Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,486 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the company. However in case of growth options, in addition to this the board may also specify the certain corporate, individual or a combination performance parameters subject to which the option would vest. The other relevant terms of the grant are as below:

Vesting period	5 years from the date of grant
Exercise period	Exercise on listing but not later than two years from the listing/on sale
Expected life	3.5 Years
Exercise price	Rs. 9,110
Fair value at 30 June 2012	Rs. 9,110

The details of activities under Growth option are summarized below:

	March 31, 2013		March 31, 2012	
	No. of options	WAEP (Rs.)	No. of options	WAEP (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,194	9,110	-	-
Forfeited during the year	33	9,110	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,161	9,110	-	-
Exercisable at the end of the year	2,161	9,110	-	-

The details of activities under Thankyou option are summarized below:

	March 31, 2013		March 31, 2012	
	No. of options	WAEP (Rs.)	No. of options	WAEP (Rs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	292	9,110	-	-
Forfeited during the year	2	9,110	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	290	9,110	-	-
Exercisable at the end of the year	290	9,110	-	-

The weighted average remaining contractual life for Growth and Thankyou option outstanding as at 31 March 2013 is 5.81 and 5.73 years respectively. The exercise prices for both the options outstanding at the end of the year was Rs. 9,110.

The weighted average fair value of stock options granted during the year was Rs. 3,276. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Growth option	Thankyou option
	31-Mar-13	31-Mar-13
Dividend yield (%)	0.12%	0.12%
Expected volatility	0.00%	0.00%
Risk-free interest rate	8.11%	8.11%
Weighted average share price (Rs.)	3,280	3,247
Exercise price (Rs.)	9,110	9,110
Expected life of options granted in years	5.81	5.73

Note: There is no previous year comparative as no ESOPs were granted during the previous year.

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

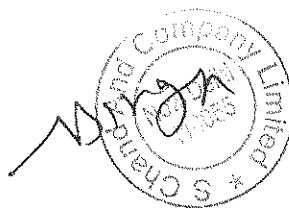
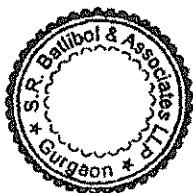
The company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Profit after tax as reported  
 Add: ESOP cost using the intrinsic value method  
 Less: ESOP cost using the fair value method  
 Proforma profit after tax

	31-Mar-13
	67,170,743
	(2,822,852)
	64,347,891

Earnings Per Share

Basic  
 - As reported  
 - Proforma  
 Diluted  
 - As reported  
 - Proforma



512  
 491  
 487  
 467

Note: There is no previous year comparative as no ESOPs were granted during the previous year.

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42. RECONSTRUCTION OF BUSINESS

The Business of the company has been restructured from 1st April 2011 consequent to the approval of the Scheme of Amalgamation approved by Madras High Court on 12/09/12 and Scheme of Demerger approved by Delhi High Court on 21/10/11 under sections 391-394 of the Companies Act, 1956. Under the said Amalgamation Scheme, Atlantic Hotels Pvt. Ltd. got merged with S.Chand & Company Pvt. Ltd. w.e.f 1st April, 2011 and thereafter various undertakings / units / businesses of S.Chand & Co. Ltd. got demerged in the following manner:

Unit / Undertaking / Business of S.Chand & Co. Ltd.	Resulting Company on demerger
- Hotel Tourist Deluxe	-S C Hotel Tourist Deluxe (P) Ltd.
- Hotel Iris Homotel	-S Chand Hotels (P) Ltd.
- Real Estate / Properties	-S Chand Properties (P) Ltd.
- Atlantic Hotels Pvt. Ltd	-SHAARA Hospitalities (P) Ltd.

Consequently, all incomes and expenses pertaining to the resulting companies have been transferred to them w.e.f. 1st April, 2011 or their respective date of incorporation, whichever is later.


The demerged entity continues to operate the existing publishing business and also its digital learning business carried on by through its subsidiary S Chand Digital Pvt. Ltd. This scheme has been carried out to enable the company to focus on the Publication business and Education sector so as to enable it to raise equity for inorganic growth in both the Printing and Digital Learning businesses.

43. The Company had given loan of Rs. 365,071,507 to its wholly owned subsidiary Atlantic Hotels Private Limited, for the construction of Hotel at Chennai. The Company went through a restructuring process wherein the Undertaking under Atlantic Hotels Private Limited, with appointed date of April 1, 2011 was merged with S Chand & Company Limited and then demerged into SHAARA Hospitalities Private Limited. The Order of the Chennai High Court was received on 13th September 2012 to give effect to the Scheme of Arrangement. The process of issue of shares to the existing shareholders of S Chand & Company Private Limited in SHAARA Hospitalities Private Limited consequent to the court order was completed on March 30, 2013. Consequently, the amount outstanding has been subsequently recovered from SHAARA Hospitalities Private Limited.

44. PREVIOUS YEAR FIGURES

The figures of previous year were audited by firm of Chartered Accountants other than S.R. Batliboi & Associates LLP. Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

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

  
per Raman Sobti  
Partner  
Membership No. 89218

Date: 30th Nov. 2013  
Place: Gurgaon



For and on behalf of the Board of Directors of  
S Chand & Co. Private Limited

  
Director

  
Director

  
Chief Financial Officer

