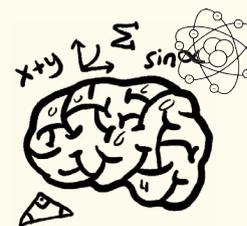




# CONTENTS

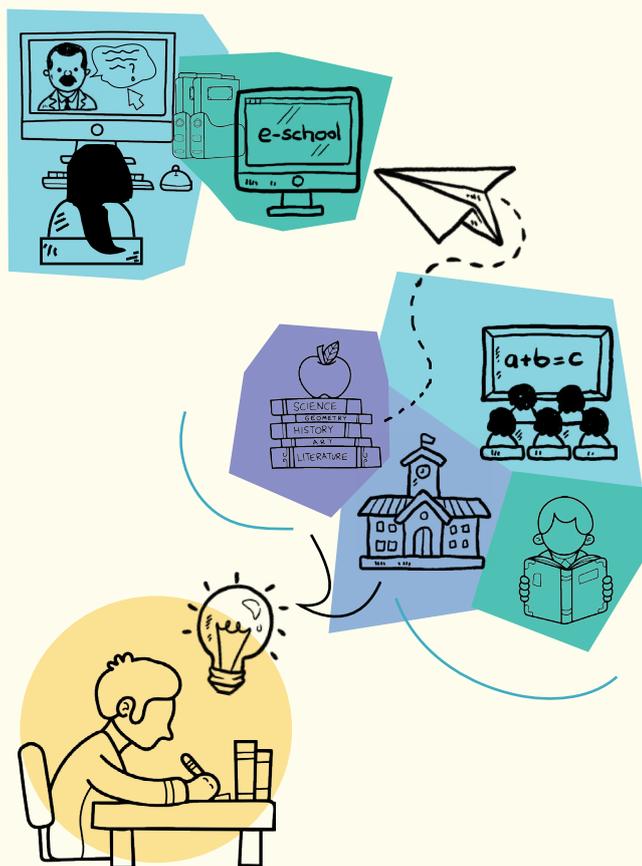


## 1

### BUSINESS OVERVIEW



Chairman’s Message . . . . .	2	The Year that Was...FY21 . . . . .	14
MD’s Message . . . . .	5	<i>Accruing the Full Benefits of S Chand 3.0</i> . . . . .	16
Flashback. . . . .	8	<i>Our Digital Offerings</i> . . . . .	22
<i>The COVID Impact</i> . . . . .	10	Flashforward . . . . .	34
<i>This is What We Said in FY19</i> . . . . .	12	<i>Twin Growth Engines for the Future</i> . . . . .	36
		Board Members . . . . .	40
		Corporate Information . . . . .	42



## 2

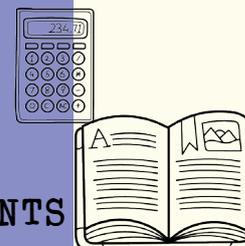
### STATUTORY REPORTS



Board’s Report . . . . .	43
Management Discussion & Analysis . . . . .	101
Business Responsibility Report . . . . .	116

## 3

### FINANCIAL STATEMENTS

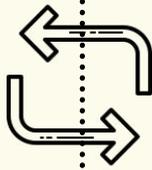


Standalone Financial Statements . . . . .	125
Consolidated Financial Statements . . . . .	196
Notice . . . . .	277



# Reset for Growth

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With a strong digital strategy and a track record of successful products in that space, we strongly believe the best for us is yet to come.

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**T**o do a successful turnaround and reset for growth, it is important to bring in strategic direction to several operational items. What is clear is that to recover, the plug needs to get pulled on all areas that are not profitable or are not showing promise. The time had arrived for us to go back to the basics. The time for streamlining while preserving long-cherished values of the Company.

This is what we said in FY20...

“Nothing is more important for longevity than cash. In addition to imposing stringent controls on capital and operating expenditures, we managed to squeeze large amounts of cash from accounts receivable, inventory, and accounts payable. Stringent balance-sheet management reduced debt. We have streamlined our organization but stay in close contact with our work force, suppliers, and customers.”

As we report on our performance in FY21, the massive implementation called S Chand 3.0, where we devised ways to increase cash flow, reduce inventory, rationalize headcount, decrease warehouses, etc. have all paid off. We are proud to finish the year triumphant with a complete turnaround. We achieved this in spite of COVID-19 restrictions.

Now we are all set to forge ahead on our journey. Our print division has turned profitable. The NEP promises to bring us manifold opportunities. With a strong digital strategy and a track record of successful products in that space, we strongly believe the best for us is yet to come.



# Chairman's Message

Dear Shareholders,

We trust all of you and your families are doing well and keeping safe in these trying times. This pandemic has brought us all together and we commit to supporting all our stakeholders. In FY21, we saw lingering impact of COVID-19 throughout the year. While on the one hand we had to contend with prolonged closure of educational institutions and disrupted physical contact with schools and channel partners, on the other, it afforded us the opportunity to analyse, pause and adapt to the fast-changing market dynamics. We redefined our business strategy and embraced the S Chand 3.0 implementation with rigour and determination. And we saw remarkable results.

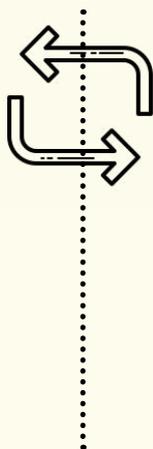
We have more than doubled our Operating Cash Flows on a YoY basis and ended FY21 Free Cash Flow positive for the first time since FY18. Our Operating expenses were lower by 28% in comparison to FY20 and 46% lower in comparison to FY19. I am happy to share that the cost efficiency is here to stay. We ended FY21 with inventory levels lower by 32% on a YoY basis. This was achieved by controlling print-runs, optimizing book titles, better planning of titles to be printed, etc. Our print businesses turned the corner in FY21 and returned to profitability after two years.

We saw educational institutions close again from March, 2021 which impacted our



supplies during peak sales season. However, with increasing numbers of people getting vaccinated and dropping COVID cases in the country, we are hopeful that schools and colleges will gradually re-open. This will set the stage for a normal sales season for us during Jan 2022 to March 2022 leading to potentially higher revenues with higher EBITDA margins on back of controlled costs.

The NEP which was announced last year opens opportunities for your Company both in the traditional print business and in the emerging format of learning and teaching - EdTech. We are keen to scale up in this area. A study by PGA Labs estimates that Education will be a US\$ 117B market in



We have more than doubled our Operating Cash Flows on a YoY basis and ended FY21 Free Cash Flow positive for the first time since FY18. Our Operating expenses were lower by 28% in comparison to FY20 and 46% lower in comparison to FY19.

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India with 360M learners in FY20. US\$ 49B is spent on school Education, of which primary Education comprises 66% of the spend, followed by secondary Education at 27%. Education and EdTech market can be divided into 5 segments: Pre-K, K-12 and Test preparation, Higher Education, continued learning and B2B EdTech. The Education market is expected to grow 2x to US\$ 225B by FY25 at a CAGR of 14% over FY20-25.

We see digital products and solutions powering the future in the learning ecosystem. Our digital strategy will be grounded on the bouquet of products which have already proved popular with schools and students.

Milestone, is our digitally enabled school curriculum solution for the K-8 segment. Private schools can be enabled with this one stop solution for all their curriculum, content, teacher trainings and assessment needs. COVID-19 has showed why digitally enabled curriculum methodology is important and we feel that this segment could see strong growth in the years to come on the back of

the fundamental change being seen in the education ecosystem. The solution caters to over 150,000 learners across 300+ schools. Learnflix, which is one of India's most affordable and personalized student learning App has got a strong response in the past 12 months. The product presently covers Maths and Science for classes 6<sup>th</sup> to 10<sup>th</sup>. We are looking to add new classes and subjects during FY22 in our Learnflix offering. We had given schools free access to this App during the lockdowns and we are hopeful they will convert to subscribers in FY22. The App has over 200k downloads and 20k subscribers.

Madhubun Educate360 is the K-12 blended learning solution (LMS), conceived as a response to the COVID-19 crisis, for enabling schools to conduct online classes, student assessments, e-book support, etc. This product is NEP 2020 compliant and supports the recommended pedagogies. We secured paid implementations in 15 schools for a pilot phase leading into FY22. We had earlier launched pilots in over 50 schools on a pan India basis reaching out to over

7,000 students spread over 2 classes and covering 5 subjects during 2HFY21. The schools have given very positive feedback and we are hopeful of more conversions. During the coming year we will launch Learnflix Bangla and various other Edtech solutions for learners, to enable learning on the go.

We have transferred Mylestone and Learnflix, our school and student solution into a Special Purpose Vehicle (SPV) - Convergia Digital Education Private Limited through a slump sale, with the view of raising capital separately for this business which we expect will grow exponentially.

We continue to remain focused on our relationship management with teachers, schools and preferred distributor partners to ensure retention and growth of our market share by going ahead with extensive use of digital mediums. With the free cash flows generated, thanks to the 3.0

implementation, I am hopeful we will be debt free in three years.

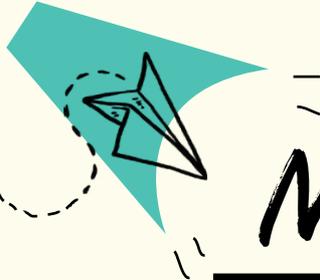
We are focused on understanding the needs of the various stakeholders and delivering quality and dynamic content, as per the NEP 2020, to learners while enabling the learning process for them.

I sincerely thank all our Board members for their support during these uncertain times. I thank equally sincerely all our shareholders for their unwavering support and our own authors and employees who have stood by us in these tough times. We have weathered the storm with all your support and reset ourselves in the right direction for growth. I believe the best is yet to come.

With best wishes,

**DR Dogra**  
**Chairman**





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# MD's Message

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Dear Shareholders,

The first and second waves of the COVID-19 pandemic have had an impact on all of us. It has left no one untouched and our thoughts are with all of those who have lost their near and dear ones during this period.

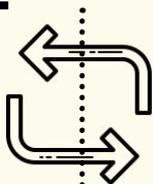
On the business front, it has been a very satisfying year for S Chand and I am extremely pleased to give you a summary of Your Company's performance for FY21. I am proud to tell you that the cost cutting initiatives we rolled out under S Chand 3.0 in FY19 have borne fruit and we have achieved a full turnaround. We have achieved this despite various challenges we faced including an increase in paper prices during the last quarter and reduced engagement with schools and channel partners during the year because of COVID-19 restrictions. We have focused on adapting, reassessing and restructuring our business by making it more cost effective and working capital efficient, and have as a result, generated positive cash flows.

While we have retained Revenues at the same level as last year, we have more than doubled our Operating Cash flows (OCF) on a YoY basis. The massive improvement in operating cash flows came through from the full implementation of S Chand 3.0 plan during the past 18 months. Our strategy



has yielded results. Net cash generated from Operations has more than doubled to Rs 1,076 m in FY21 vs. Rs 484 m in FY20 and Rs 386 m in FY19.

We have also become Free Cash Flow positive for the first time after FY18 and reported a huge improvement. On the Balance Sheet front, we have reduced our Net Debt to Rs 1,284 m vs Rs 1,991 m Q3FY21, which led to our lowest net debt level for the group since September 2018. Our focus on reducing inventory also led to our lowest inventory levels in 5 years on a year ending basis.



Moving forward, our digital EdTech strategy will be anchored on Learnflix, Mylestone and Educate360. The biggest growth driver for our print business will come from the introduction of the new syllabus post the announcement by the National Curriculum Framework or NCF.

On the P&L front, we return to positive EBITDA levels after FY18. Our Print business also returned to profitability on the back of the full impact of our S Chand 3.0 program which led to a very strong reduction in Operating Expenses of over 46% over FY19.

The events that have influenced the performance of your Company started in March 2020 with the COVID-19 pandemic. Formal educational institutions have remained closed for most of the year since then. The sector as a whole has had to adapt to changing timelines for examinations and admissions while gearing up their capabilities for on-line teaching. Students faced a similar challenge – they had to get used to on-line studies from within a home setting. While those in urban settings have adapted fairly well, students in semi-rural and rural areas have borne the brunt of this. With limited or no access to devices, millions of students have had no exposure to formal education in over a year. And as they are being promoted to the next class, they will be severely impacted by the gap.

During this stressful time, as a gesture of goodwill, we helped schools and colleges by providing free on-line resources. During the early months of the lockdown, we provided institutions free access to our App Learnflix. We conducted various workshops and seminars for teachers to train them on online teaching. We acquired a majority stake in Edutor Technologies in August 2020, which now forms the backbone of all our online learning solutions i.e. Mylestone, Learnflix, and Educate360, together with its own Ignitor platform. Educate360 is our Learning Management System which we piloted in 50 schools in October last year.

Moving forward, our digital EdTech strategy will be anchored on Learnflix, Mylestone and Educate360. Our most affordable learning App, Learnflix, has over 2.5 lakh downloads & over 21,000 paying subscribers. Schools are investing in information and technology very rapidly to provide education to students. We expect that once the schools reopen, we will see those schools where we extended free usage of our platform during FY21,

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converting to paying customers. As per the Icf42 EdTech Report, it is estimated that the K-12 learning solution will account for over 40% of the total EdTech market size by 2025. The market size of K-12 learning solutions is estimated to surge 3.7x between 2020 and 2025. Some estimates say that the total number of paid users in the K-12 learning solutions space could be 11.3 Mn by 2025.

E-Book sales across B2C platforms and B2B sales to Institutions has also doubled during FY21 for your Company. Madhubun Educate 360, our K12 Learning Management System was implemented in 21 schools post a successful pilot. We expect more schools to use this product as the year goes by.

We also expect the benefits of the roll-out of the NEP to accrue starting FY23. Built on the foundational pillars of Access, Equity, Quality, Affordability and Accountability, this policy is aligned to the 2030 Agenda for Sustainable Development and aims to transform India into a vibrant knowledge society and global knowledge superpower by making both school and college education more holistic, flexible, multidisciplinary, suited to 21<sup>st</sup> century needs and aimed at bringing out the best in each student.

This should lead to strong revenue and profitability growth for a 2-3 year period. NCF should start to impact our financials

from FY23 onwards. India has over 250 million school going students, more than any other country. And with approximately 28% of India's population in the age group of 0-14 years, the education sector provides great growth opportunity for your Company. As we move into the next fiscal, my sincere thanks to all our Board members for their invaluable support and guidance during these testing times. I also thank all the shareholders for the trust they have reposed in us. Finally, the successful implementation of S Chand 3.0 would not have been possible without the support and cooperation of all our employees. I am very grateful to them.

When I look back over the past 12 months, I see FY21 as the year in which we were extremely successful in doing a course correction on financial metrics which were internal to our company and in our control. We will continue to focus on working capital rationalization, product rationalization and growing margins for the coming year. Alongside, we will pursue our digital strategy full steam. I am very excited by these prospects and look forward to resetting ourselves for growth in FY22.

With best wishes,

**Himanshu Gupta**  
**Managing Director**

# Flashback



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Although over the years, design and delivery of education has undergone rapid changes, the challenges in learning are also getting progressively intense for each new generation. This has been starkly evident over the last nearly two years because of school closures due to the COVID-19 pandemic. However brilliant a company's business strategy may be, and however leading edge the technology, the value proposition of the offering can be best netted only in a supportive marketplace – one that has eluded our Company for nearly two years now. But that did not deter us. We went back to the basics. We assessed the business, the industry, and the organization, and reacted with greater agility, creativity and accelerated momentum to rein in costs and increase efficiencies, so as to become nimbler and more relevant. And we adapted to changes in the environment but, never swerved from delivering products and services which satisfy the needs and expectations of customers. We sought to create a one-of-a-kind customer experience.



# The COVID-19 Impact

The continuing effects of COVID-19 stalled school openings and thereby impacted our sales season in FY20 and FY21. Despite this, we see plentiful opportunities in our digital offerings and expect a promising season in FY22.

## Q1 FY21



- ◇ India wide lockdown which was announced in March 2020, continues.
- ◇ Process of reopening of schools and colleges impacted and remain firmly closed.
- ◇ Examinations delayed.
- ◇ Supplies disrupted till May.



## Q2 FY21



- ◇ Reopening gathers steam across the country.
- ◇ COVID cases on an upward trajectory -Wave 1 peaks during September.
- ◇ Schools remain physically closed although online classes start where possible.
- ◇ Remaining Board examinations cancelled; results announced late.
- ◇ College admissions postponed to Q3.
- ◇ Delay in JEE and NEET examinations.





## Q3 FY21

- ◇ Reducing Wave-1 COVID cases.
- ◇ Schools still wary of physically opening; online classes continue.
- ◇ College first semester session starts.
- ◇ Syllabus for Academic Year for schools cut by 20%-40%.



## Q4 FY21

- ◇ Schools across India open in January/ February, for classes 9 to 12.
- ◇ In February, Company looks forward to a normal sales season.
- ◇ COVID struck again in March leading to schools/ colleges closing physical premises.
- ◇ Huge impact on school sales.
- ◇ College second semester compressed; Board examinations delayed.



# This is What We Said in FY19



We continue to be staunchly focused on our 3.0 strategy. We have products that competitively satisfy our clients' needs. We know and understand our priorities and we are determined to focus our energy and resources to strengthen operations, ensure that employees and other stakeholders are working toward the common goals, and establish processes around intended outcomes and results.

Stepping back and looking at the business helped us refocus our energy and resources

in areas that we are sure are going to pay off. It was a big and necessary correction to bring our focus back to our core strengths and values. And we are determined to succeed. We asked ourselves what changes had to be made at the organization level? What initiatives were needed to keep us ahead of the rapidly changing market landscape? What we had to do to emerge as an undisputed leader in all areas of our business and add value to all our stakeholders?

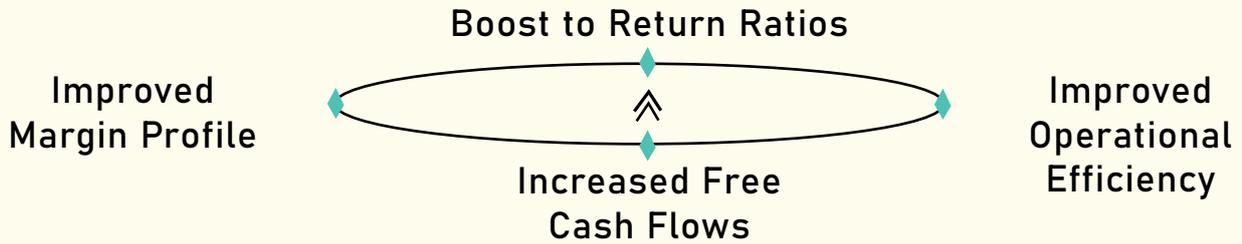


RENEWED FOCUS

## Focus Area for S.Chand 3.0

- ◇ We will undertake steps to enhance cash flow, lower operational costs and optimize receivables efficiency.
- ◇ We will right size our organization.
- ◇ We will rationalize offices and warehouse space.
- ◇ We will renegotiate major operational cost items.
- ◇ We will focus on better terms with channel partners, review sales productivity metrics, prioritize channel partners based on historic receivables efficiency, and improve the velocity of collections.
- ◇ We will rationalize the number of SKU's and eliminate print of titles which do not meet sales threshold limits

# Focus On Cash Flow Improvement



## Lowering Operating Costs

- ◇ Right sizing of our employee base
- ◇ Rationalization of number of offices and consolidation of warehouses of over 25 locations
- ◇ Focus on manpower optimization through shared services across group companies
- ◇ Renegotiations of all major operational cost items to bring costs down

## Lower Inventory Levels

- ◇ Focus on portfolio of faster moving titles
- ◇ Warehouse consolidation at 15 locations
- ◇ Rationalizing number of SKU's
- ◇ Eliminating print of titles which do not meet sales threshold limits

## Faster Receivables Collection Cycle

- ◇ Prioritizing our channel partners based on historic receivables efficiency
- ◇ Strict escalation of delay in receivables collection from channel partners in an appropriate manner
- ◇ Launch of Dealer loyalty program
- ◇ Best-selling titles being sold against reduced credit / advance payment

## Working with Higher Quality Channel Partners

- ◇ Focusing on better terms with channel partners, improved velocity of collection, sales productivity metrics, etc.
- ◇ Focus on higher margin products
- ◇ Tightening of discounting structure



# The Year that was...FY21



FY21

## CASH FLOW

The rigor of our S.Chand 3.0 implementation yielded tremendous results. We ended this fiscal with our net debt significantly reduced while cash flows more than doubled on a YoY basis. Our print business returned to profitability.

Nothing is more important for longevity than healthy cash flows. Strong cost control leads to lowered expenses. In addition to imposing stringent controls on capital and operating expenditures, we managed to squeeze large amounts of cash from accounts receivable, inventory, and accounts payable. Stringent balance-sheet management led to reduced debt. We will continue to focus on these areas on an on-going basis.

In streamlining our organization, we have taken care to stay in close contact with our work force, suppliers, and customers – the pulse of our organization.

# FY21 seeing full benefits from 3.0 implementation

## - Substantial Reduction in Losses

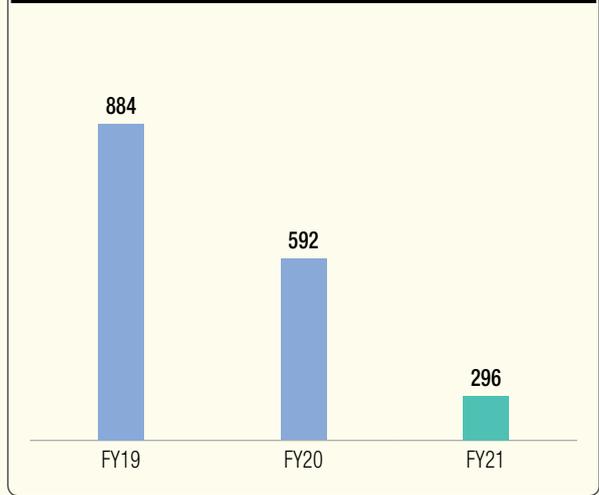
<p><b>₹ 1,076 mn</b></p> <p>Operating Cash flows (OCF) more than doubled on a YoY basis (FY20: Rs484m)</p>	<p><b>₹ 748 mn</b></p> <p>Returns to positive EBITDA after FY18</p>	<p><b>₹ 707 mn</b></p> <p>Net Debt reduced to Rs 1,284 m (vs. Rs 1,991 m Q3FY21). Lowest level since Sept. 2018.</p>
<p><b>₹ 321 mn</b></p> <p>Returns to positive Free Cash Flow after FY18. (FY20: Negative Rs 507 m) An improvement of Rs 828 m over last year.</p>	<p><b>28%/46%</b></p> <p>Reduction in FY21 Operating Expenses over FY20/FY19</p>	<p><b>Digital – Taking Strong Strides</b></p> <p>Learnflix - 250K+ downloads &amp; 21K paying subs (July 21). e-Commerce Sales - ~10% of company revenues. e-Book Sales - Double YoY.</p>

Full benefit of the S.Chand 3.0 plan visible.

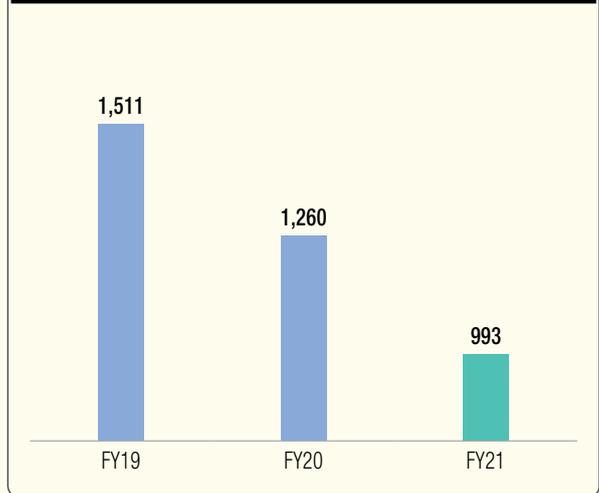
- ◇ Strong cost control leads to lowered expenses – Operating expenses lower by 28% in comparison to FY20 and 46% lower in comparison to FY19.
- ◇ Majority of the cost benefits are permanent in nature.
- ◇ Expect culture of strong cost control to continue going ahead.



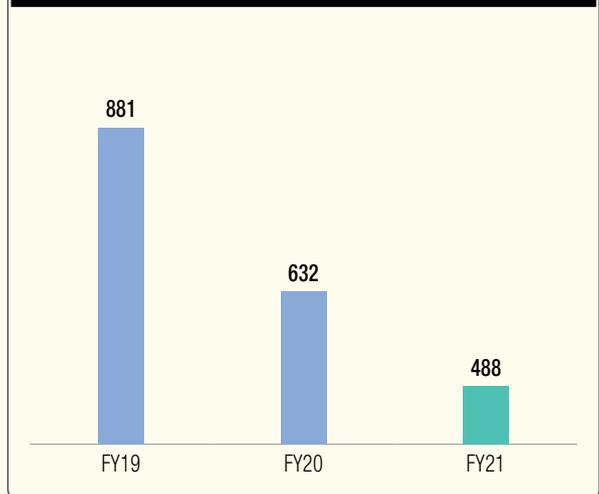
### Selling & Distribution Costs (₹ M)



### Employee Costs (₹ M)



### Other Expenses (₹ M)



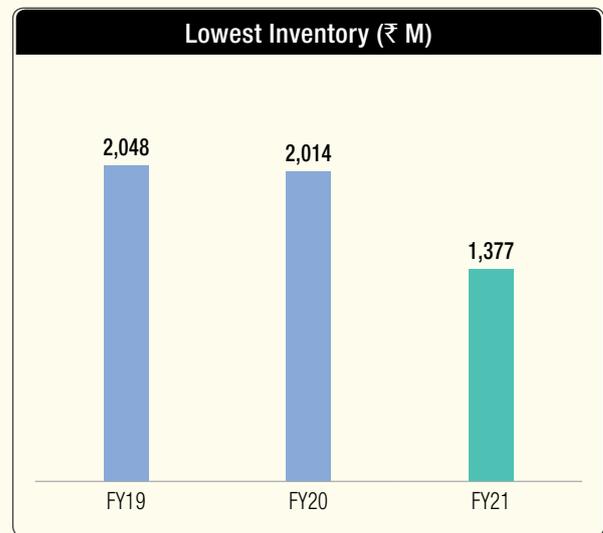
## Strong Improvement In Balance Sheet Metrics

We ended FY21 with inventory of Rs 1,377 m (vs FY20: Rs 2,014 m) - down 32% on a YoY basis.

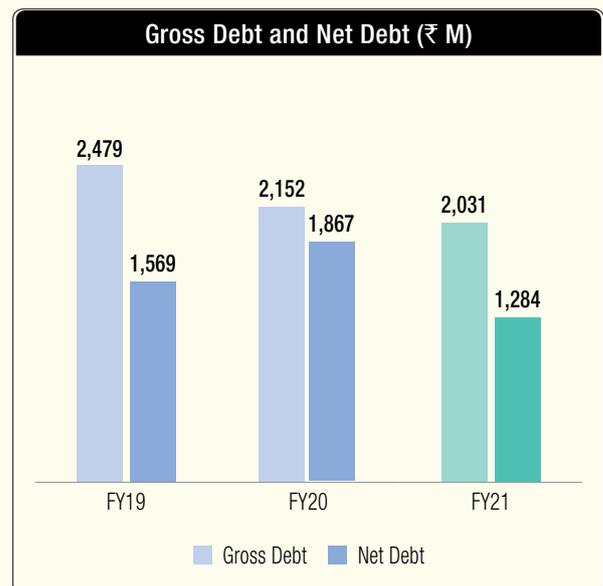
This improvement in inventory is driven by various steps that we took in controlling print runs, optimizing book titles, selective focus on existing stock sales etc. Additionally, this inventory level also includes raw material paper inventory of Rs 133 m (vs FY20 : Rs 295 m).



Inventory days has reduced by 101 days to 261 days in 4QFY21 (vs. 362 days in FY20)



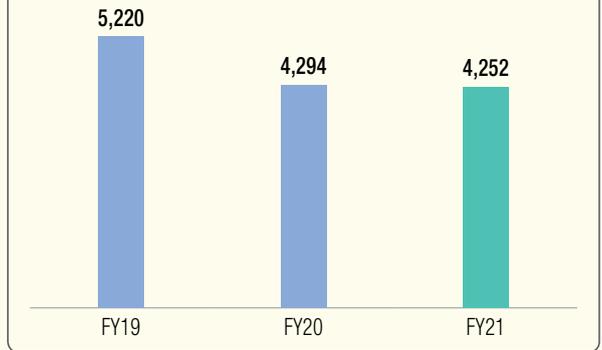
Net Debt is at Rs 1,284 m (vs. Rs 1,867 m in FY20) and Gross Debt stands at Rs 2,031 m (vs. Rs 2,152 m in FY20). This is the lowest Net Debt level since September, 2018.



# FY 21

## Key Performance Highlights

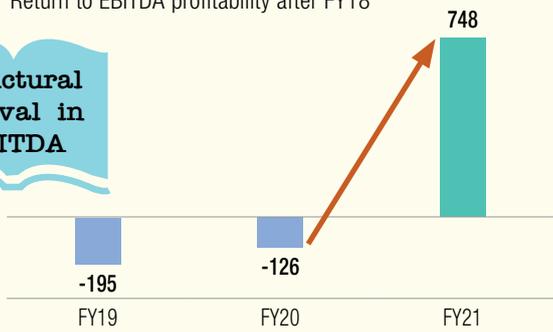
### Revenues from Operations (₹ M)



### EBITDA (₹ M)

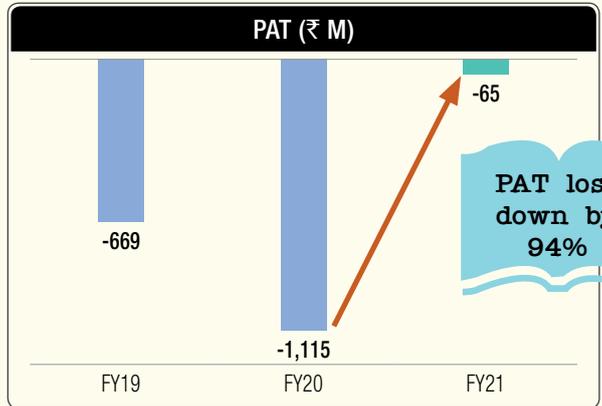
Return to EBITDA profitability after FY18

Structural revival in EBITDA



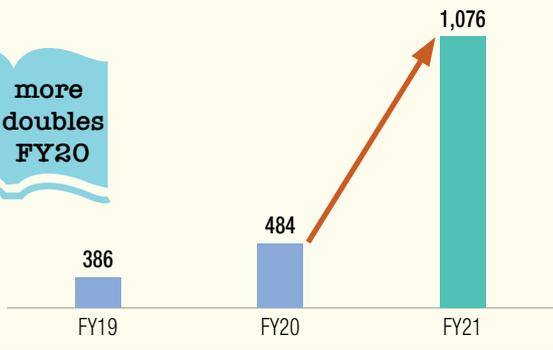
### PAT (₹ M)

PAT loss down by 94%



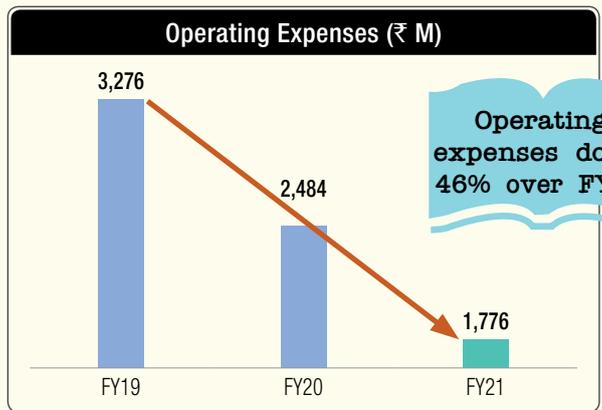
### Cash flow from Operations (₹ M)

CFO more than doubles over FY20



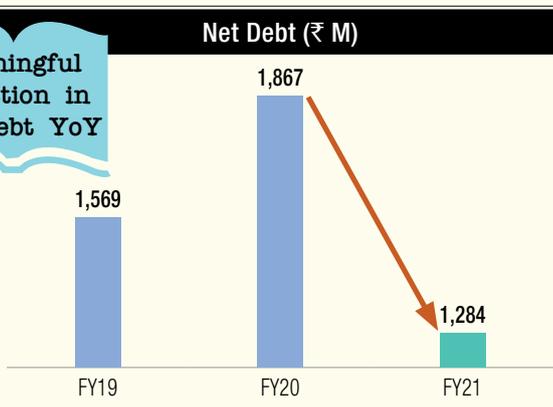
### Operating Expenses (₹ M)

Operating expenses down 46% over FY19



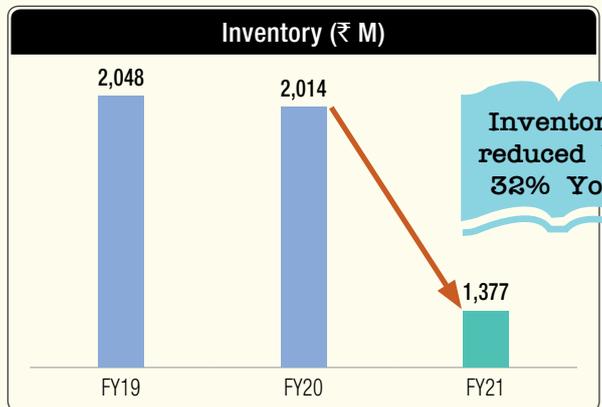
### Net Debt (₹ M)

Meaningful reduction in Net Debt YoY

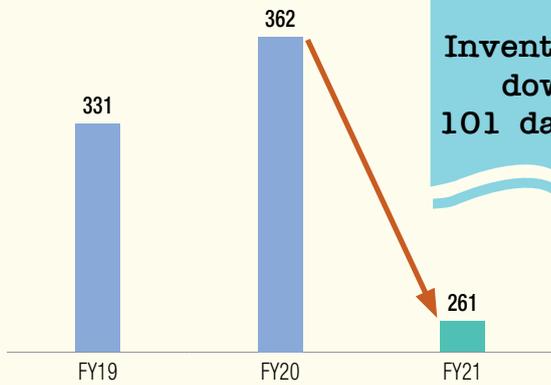


### Inventory (₹ M)

Inventory reduced by 32% YoY

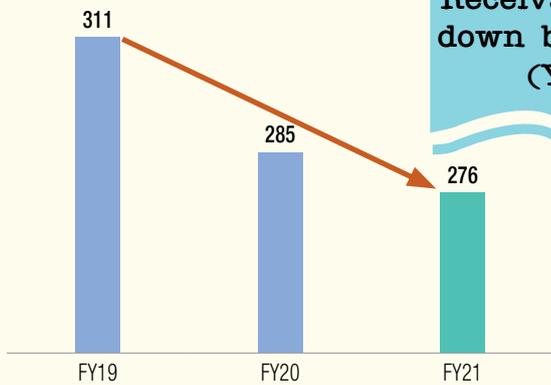


### Inventory Days



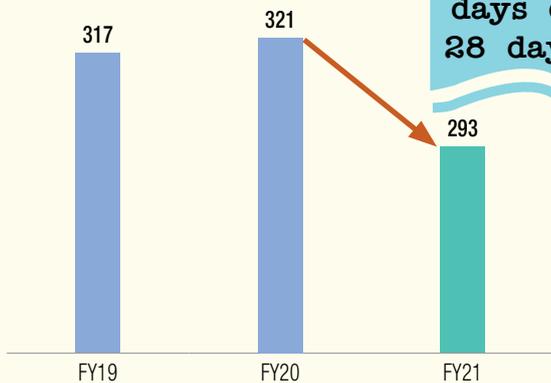
Inventory days down by 101 days (YoY)

### Receivable Days

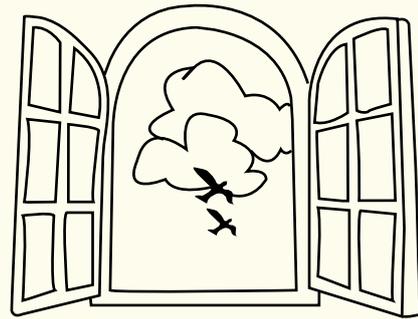


Receivable days down by 9 days (YoY)

### Net Working Capitals Days



Net Working Capital days down by 28 days (YoY)

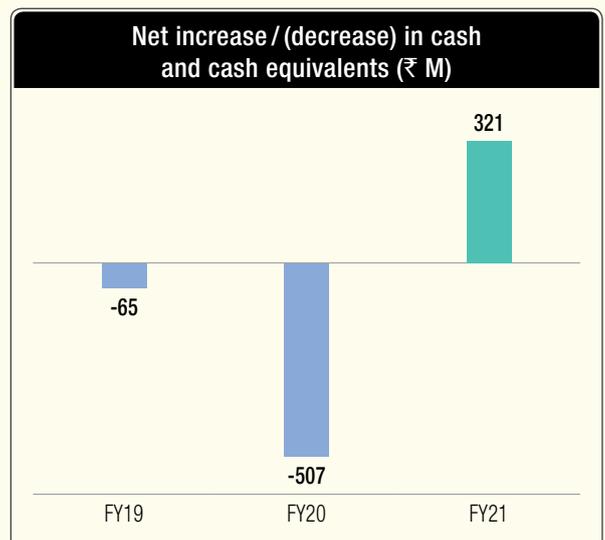
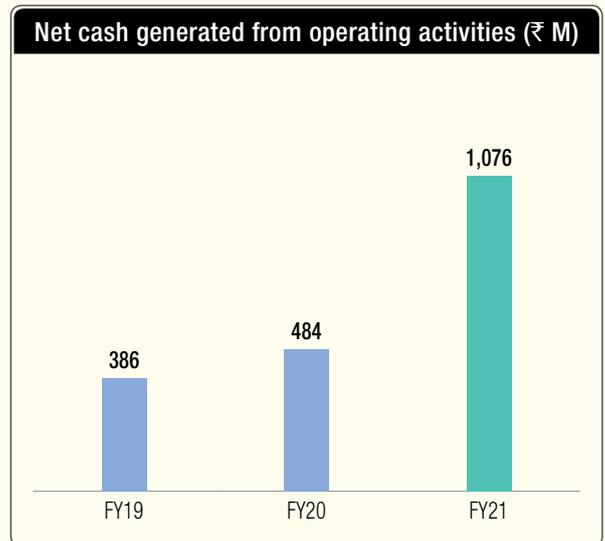
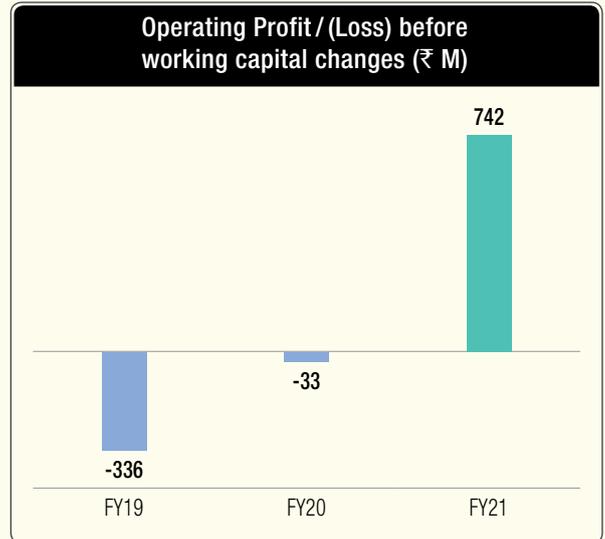
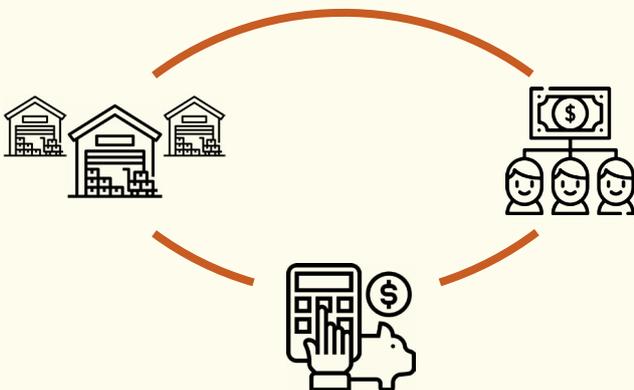


## Strong Improvement in Cash Flow Metrics - Operating Cash Flow & Free Cash Flow

Net cash generated from operations of ₹ 1,076 mn in FY21 (vs. ₹ 484 mn in FY20 and ₹ 386 mn in FY19)

Operating Cash Flows (OCF) have more than doubled on a YoY basis. This is in spite of collections being affected by the onset of Covid Wave 2 in March.

Turn Free Cash Flow (FCF) positive in FY21, for the first time since FY18. This represents a Rs828m improvement in cash generated over FY20.



# Our Digital Offerings

Our Digital Offerings are centered around Learnflix, Mylestone and Educate 360. We see a lot of growth potential in these digital offerings given that the sector is strongly steeped in online learning presently and the Government initiatives for providing equal educational opportunities for rural India, revolves around e-learning.

## Learnflix



### Offering (Grades 6-10)



Digital Content



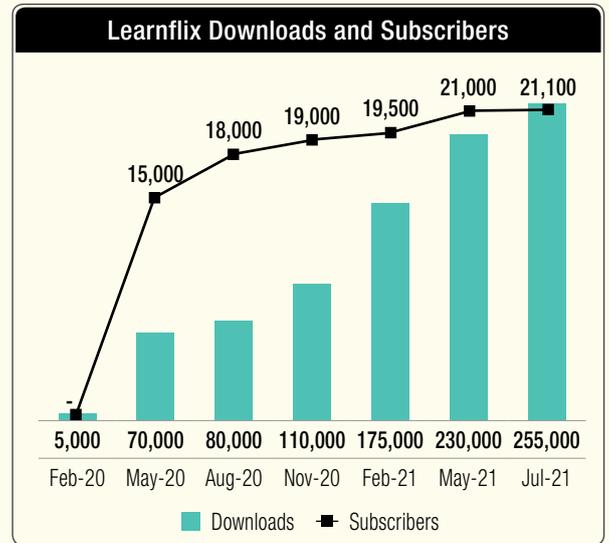
Adaptive Test



Self-paced Learning



Analytics & Reports



### Channel

- ◇ **B2B2C:** Distributing through schools and channel partners
- ◇ **B2C:** Distributing directly to students

### Support

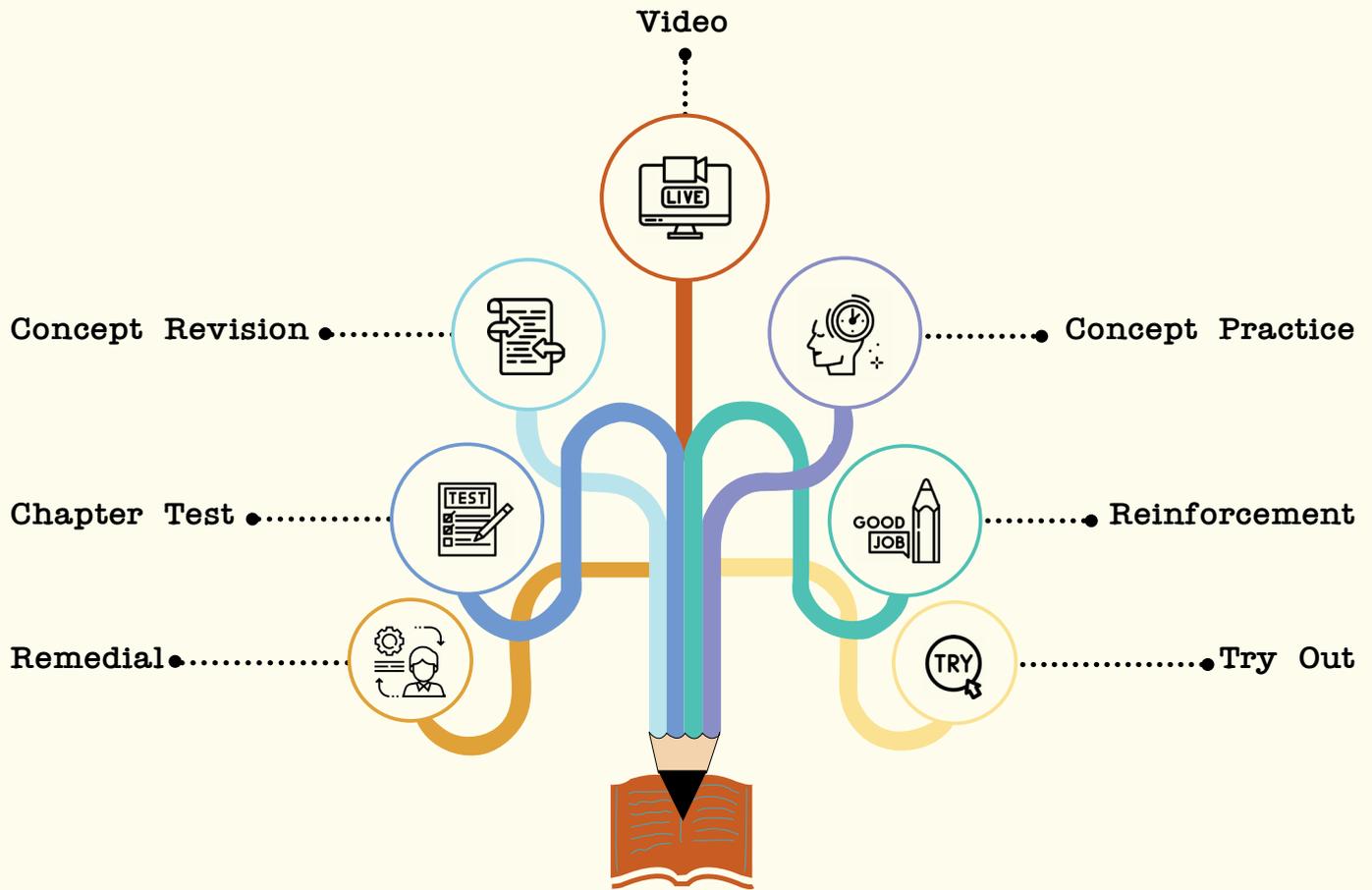
- ◇ Tele-counselors team who prompt students to continue the usage and address their support issues

### Sales & Marketing

- ◇ Strong sales team that connects with schools & channel partners to reach out to students
- ◇ Lead generation through social media campaigns and other marketing activities
- ◇ Team of telecallers who convert the leads

### Revenue Model

- ◇ Annual subscription fee in the range of Rs 2,000 to Rs 2,500.



**1500+** Instructional Modules | **2500+** Practice Tests | **25000+** Question Banks

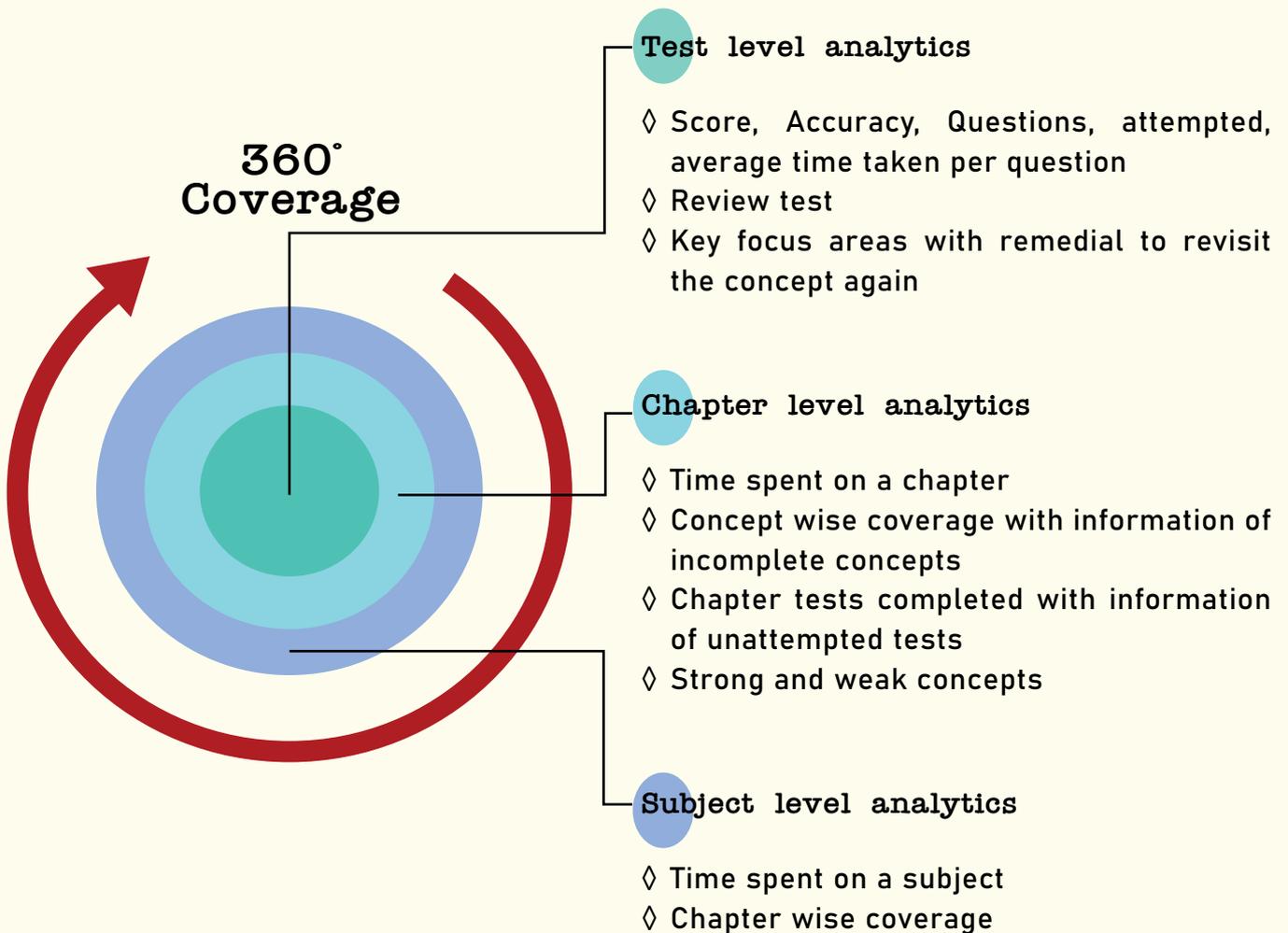
## Learnflix Overview

- ◇ Currently available for Grades 6 to 10 for maths and science subjects
- ◇ The Spiral Learning Pedagogy ensures all concepts are well-learned, revised, practiced and assessed
- ◇ One of its kind product, with teacher analytics and reports built-in



We provided key schools free access to the App during COVID-19, and expect they will convert to paying customers in FY22.

## Extremely focused and guided analytics to help students, teachers and parents to monitor performance



Learnflix App (Affordable Personalised Student App targeted towards the Next Half Billion (NHB) audience, has got a strong response in the past 12 months.

# Milestone



A digitally enabled end-to-end school curriculum solution for the K-8 segment, Milestone is now ready to grow exponentially.



## Offerings



Student Learning Material



Teacher's Resource Book with Lesson Plans



Training & Support



Progress Report



Resource Kits



Teacher/ Student App



Digital Content



Adaptive Test



Self-paced Learning



Analytics & Reports



## Channel

- ◇ **B2B:** Affordable private schools that aspire for a holistic solution to manage academics and provide students with activity based learning



## Sales & Marketing

- ◇ A strong sales team that works closely with schools to do their need assessment and pitch the solution to them.
- ◇ Existing network of more than 40,000 schools that is leveraged for the sale



## Support

- ◇ A team of academic counselors that supports the school with implementation through year long interventions



## Revenue Model

- ◇ Subscription fee that varies by grade level. The fee ranges from Rs 800 to Rs 5000 per child per annum

## Milestone - Why the Need Exists

- ◇ Affordable private schools can be defined as schools charging annual fee in the range of 12k to 60k. Schools charging below 12k fees can be termed as low fee schools
- ◇ According to DICE report, around 79% of private schools charge less than Rs 5000 per month. That is around 230,000 schools
- ◇ Out of which around 40% can be estimated to charge annual fee in the range of Rs 12,000 to Rs 60,000. That is around 92,000 schools
- ◇ According to ACER report as of 2017-18, an average private unaided school has ~300 students on their rolls

## Smart Curriculum

Milestone Edu-Carnival

Teacher Handbook

Assessment Support

Practice Book

Milestone App

Course Book

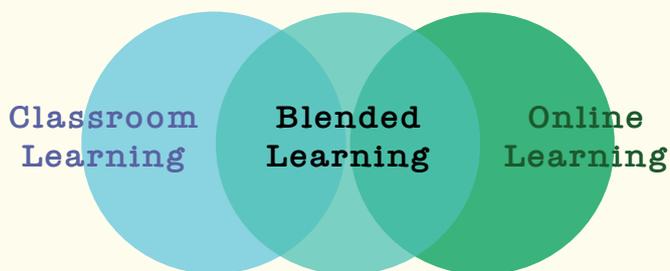
Digital Portal

Assessment Platform

Implementation Support



## Blended Learning



- ◇ Teachers get flexibility on how they present material.
- ◇ Students get to learn at their pace, with a variety of learning experiences.

## Mylestone App

- |                     |                  |                    |                |
|---------------------|------------------|--------------------|----------------|
| ◇ Teacher Handbook  | ◇ Quiz MCQ based | ◇ Online MCQ based | ◇ Live Classes |
| ◇ Course Material   | ◇ Assignment     | ◇ Pen and Paper    | – Integrated   |
| ◇ Practice Material | (Objective &     | (Objective &       | with Zoom, MS  |
| ◇ Digital Resources | Subjective       | Subjective         | teams, Google  |
|                     | question based)  | question based)    | Meet, etc.     |



Learn/ Teach



Homework



Assessment



Live Classes

### Features

Notifications



- ◇ Communication and alerts

Analytics



- ◇ Students - assessment and assignment reports
- ◇ Syllabus - completion reports

Digital Resource Content



- ◇ Teacher created digital resources
- ◇ PDF
- ◇ MP3/MP4
- ◇ Web links

## Affordable Private Schools Face Multiple Challenges that Negatively Impacts the Learning Outcome

### Poor quality of teachers & high attrition



Scarcity of trained and experienced teachers leads to ineffective classroom delivery; High turnover of teachers due to low salaries and other factors impacts the learning continuum of students and their progress

### Ineffective curriculum planning & delivery



Teachers lack the skills to plan and deliver the curriculum in order to improve learning outcome of students. Schools do not have resources to support teachers in planning

### No support for at home learning



Affordable schools are not able to provide support to students at home; this brings in discontinuity in the learning

### Lack of affordable quality content



Content that is based on strong pedagogical principles and effective practices is not available easily

### Reliance on rote learning



Learning is still imparted through traditional rote methodology that does not include 21<sup>st</sup> century skills

### No avenue of parent connect



Affordable schools are not able to connect with parents in order to provide them regular updates and make them a partner in their child's learning

### Lack of proper assessment & reports

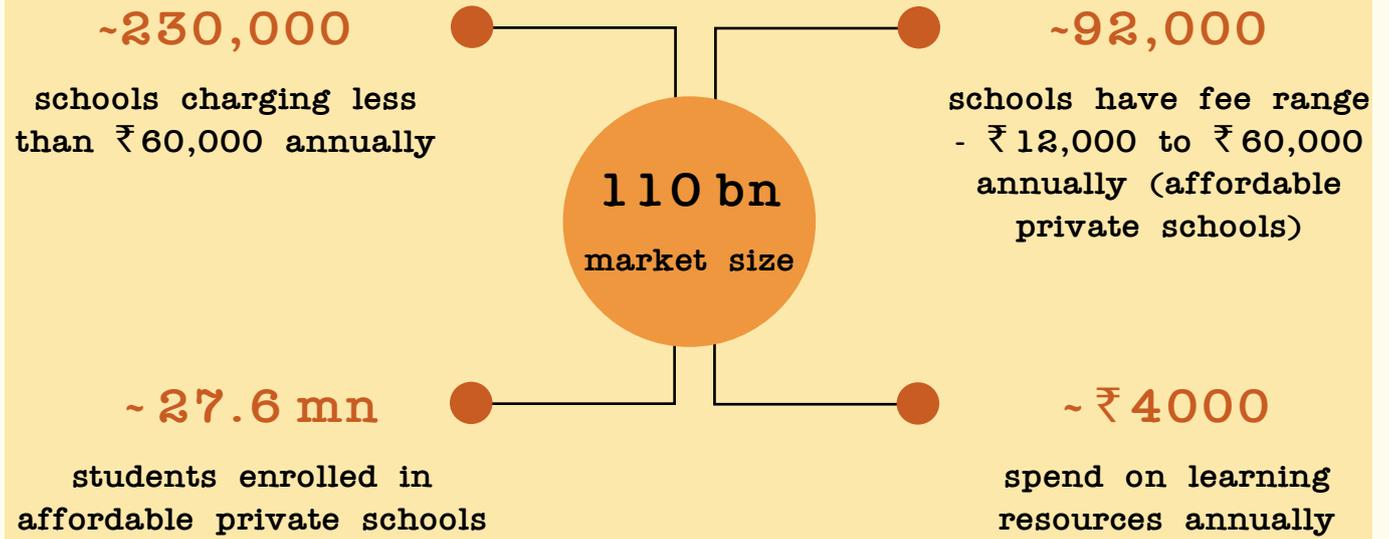


Assessments are based on rote learning and no analytical tool is used to monitor the performance of students over a period of time to track either improvement or regression

### No access to digital content

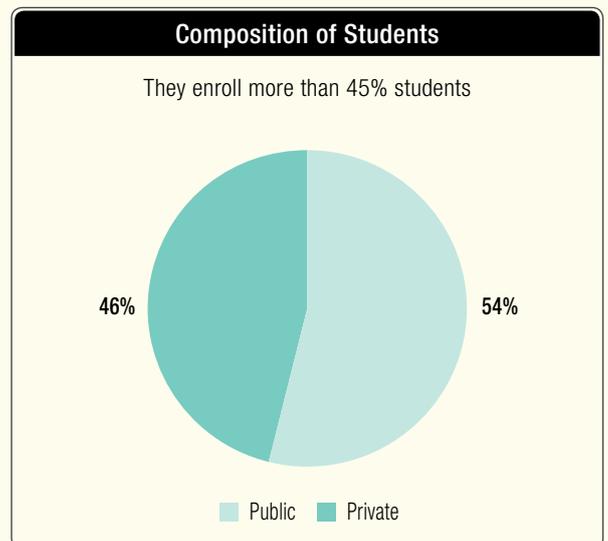
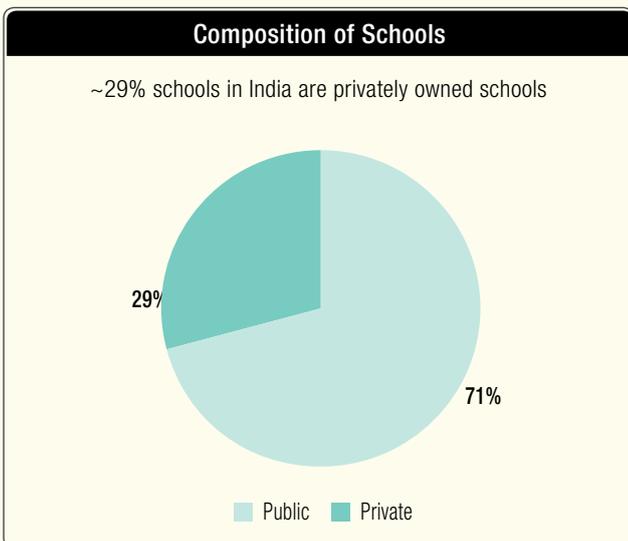


Digital content is available on internet but content mapped to curriculum that schools can directly implement is either not available or not aligned to needs of affordable segment



## The Business Case

- ◇ With over 245 million K-12 enrollments, India is one of the largest K-12 markets
- ◇ Over the years, there has been a significant rise in K-12 enrollments in private schools
- ◇ ~29% of India's schools are privately owned and run, and they enroll more than 45% of students



## Reach of Mylestone

	 States	 Schools	 Teachers	 Students
2020 - 2021	16	300+	5000+	1,10,000+
2019 - 2020	15	300+	4500+	1,05,000+
2018 - 2019	09	165	2000+	60,000+
2017 - 2018	07	67	800+	20,000+

- ◇ Madhubun Educate360 is the newly conceived K-12 blended learning solution (LMS) for enabling schools to conduct online classes, student assessments, e-book support, etc. as a response to the COVID-19 crisis. This product is New Education Policy (NEP) 2020 compliant and supports the recommended pedagogies.
- ◇ Secured paid implementations in 21 schools for FY22, post pilot phase in over 50 schools on a pan India basis. We also reached out to over 7,000 students during the pilot phase.

## Product Package



E-Book



Printed Book



Digital Supplements



Integrated Platform



Concept Videos



Teacher's Manual



Teacher Training



Assessment



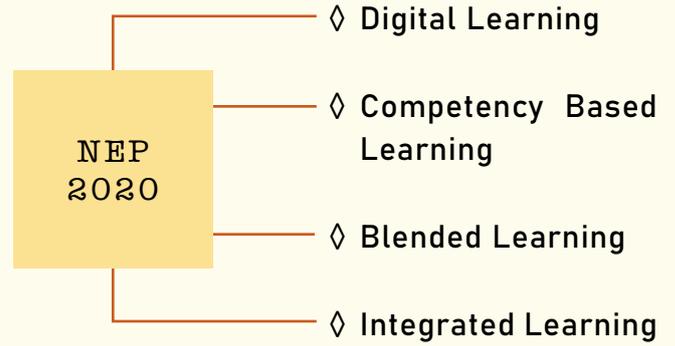
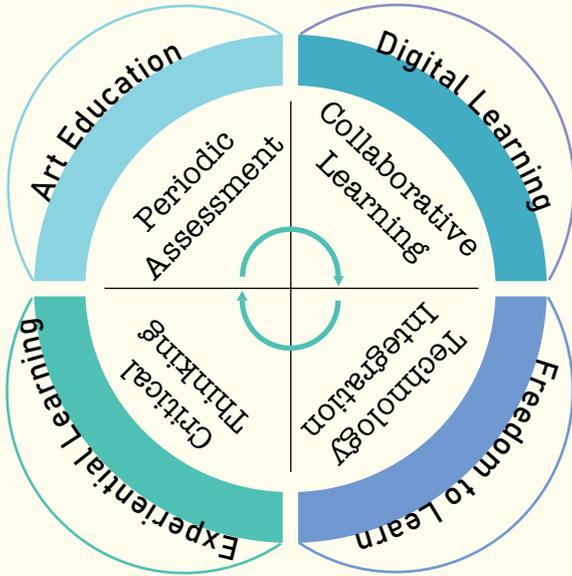
Internet Links



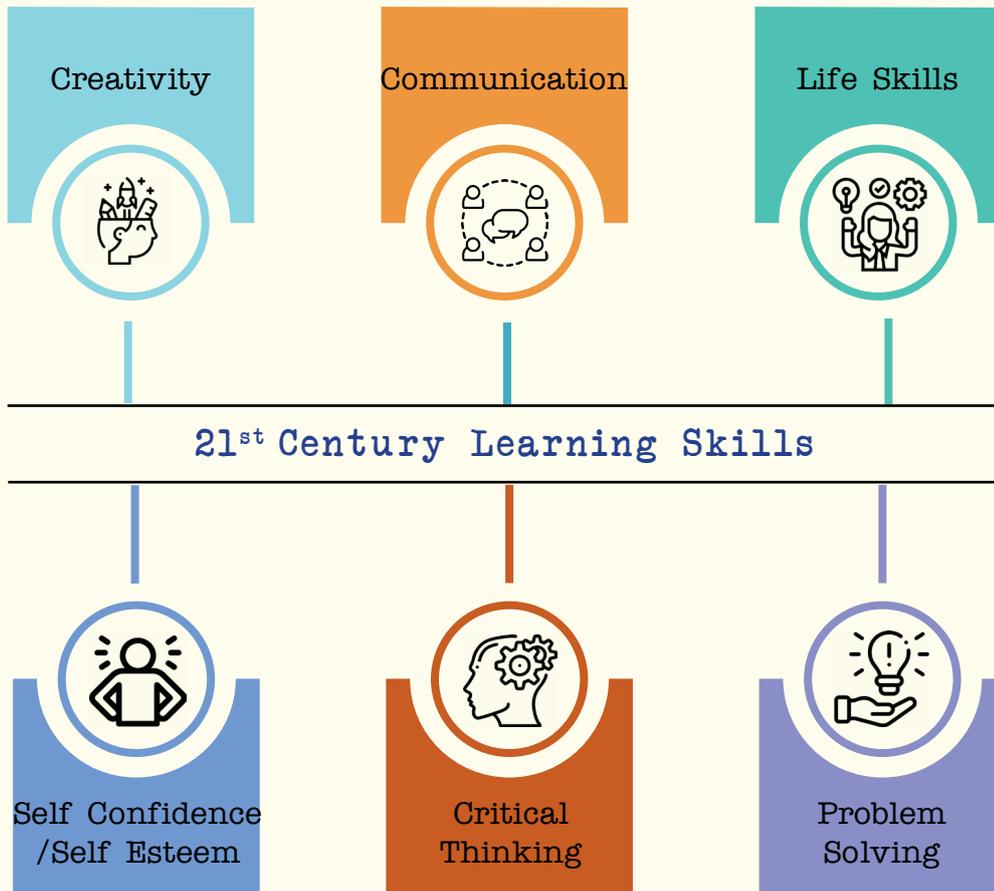
Ease of Access

# An Overview

In Sync with the National Education Policy (NEP) 2020



## Focuses on Developing 21<sup>st</sup> Century Skills



## Our Investee Companies



**Testbook** was founded in 2014 with a focus on online test preparation for Government competitive exams like civil services, banks, Government departments like railways, defense, police, etc., with an investment of approximately Rs 25m in 2016. We have an ~8% stake in the Company.



**Smartivity** was founded in 2015 with a focus on S.T.E.M. Learning and DIY Kits. We have Angel funded approximately Rs. 22m in the Company across various funding rounds. We hold an 18% stake in the Company.



- ◇ The Company has transferred Mylestone and Learnflix, the school and student solution into a Special Purpose Vehicle (SPV) - Convergia Digital Education Private Limited, through a slump sale, with the view of raising capital separately for this business which is expected to grow exponentially. Convergia is a subsidiary of the Company.
- ◇ We look forward to launching Learnflix Bangla by Q2FY22 in partnership with Chhaya and Edutor.

## Other Inhouse Digital Offerings



- ◇ Destination Success enables digital classrooms (CBSE/ICSE/IB and State Board Schools).



- ◇ Smart K is an early learning curriculum solution for pre-schools for which a B2C package will be launched.



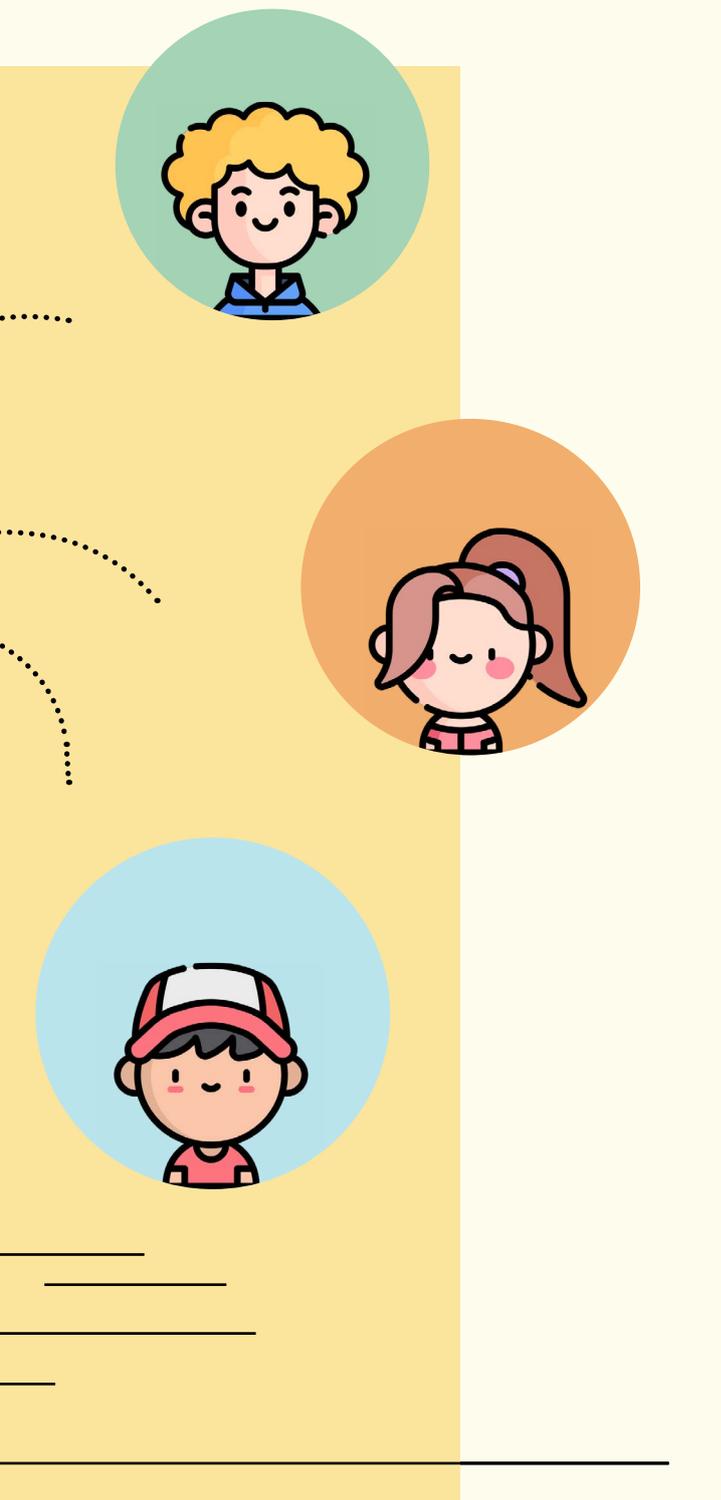
- ◇ Test Coach is focused on the Government exams market and has over 100K App installations.

- ◇ Chhaya is a Bengali/English learning App, having over 500,000 App installations.

- ◇ VRX is virtual reality with books, and has over 100,000 + users.

# Flashforward





The Right of Children to Free and Compulsory Education Act, which India passed in 2009, envisions a future with 100% school enrolment for children aged 6–14 years. It recommends harnessing EdTech “through app-based learning, online student communities, and lesson delivery beyond ‘chalk and talk.’” The NEP seeks to promote the use of internet-powered devices for the under-served student community through nodal schools. It sees EdTech as a crucial link between enrolment and enhanced learning outcomes.

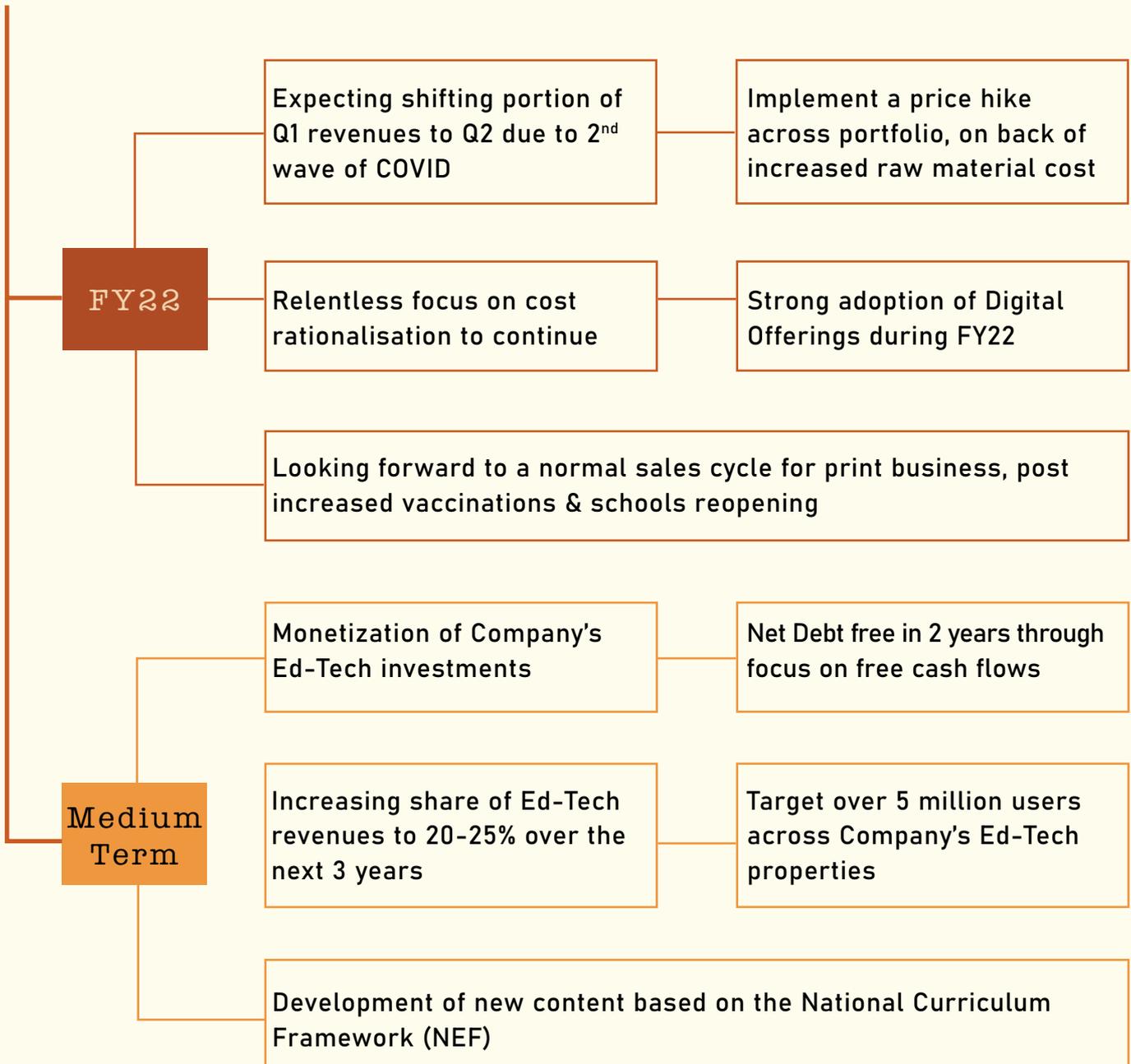
New areas are expected to emerge, allowing EdTech to disrupt traditional education systems and provide students phenomenal learning opportunities. EdTech offers several innovative solutions for building competencies in critical thinking and creativity; and it develops mindsets which remain relevant with changing times.

A large untapped market—coupled with burgeoning internet reach, awareness, and the digitization of primary education—yields a promising outlook for EdTech in India. Future outlook for digitization, user growth, and increased funding are likely to be particularly aggressive. These drivers of growth have led to a watershed moment for EdTech in the Indian market. There is clear indication that the education delivery landscape is morphing rapidly into new avatars and online education offerings will lead the disruption of the status quo.

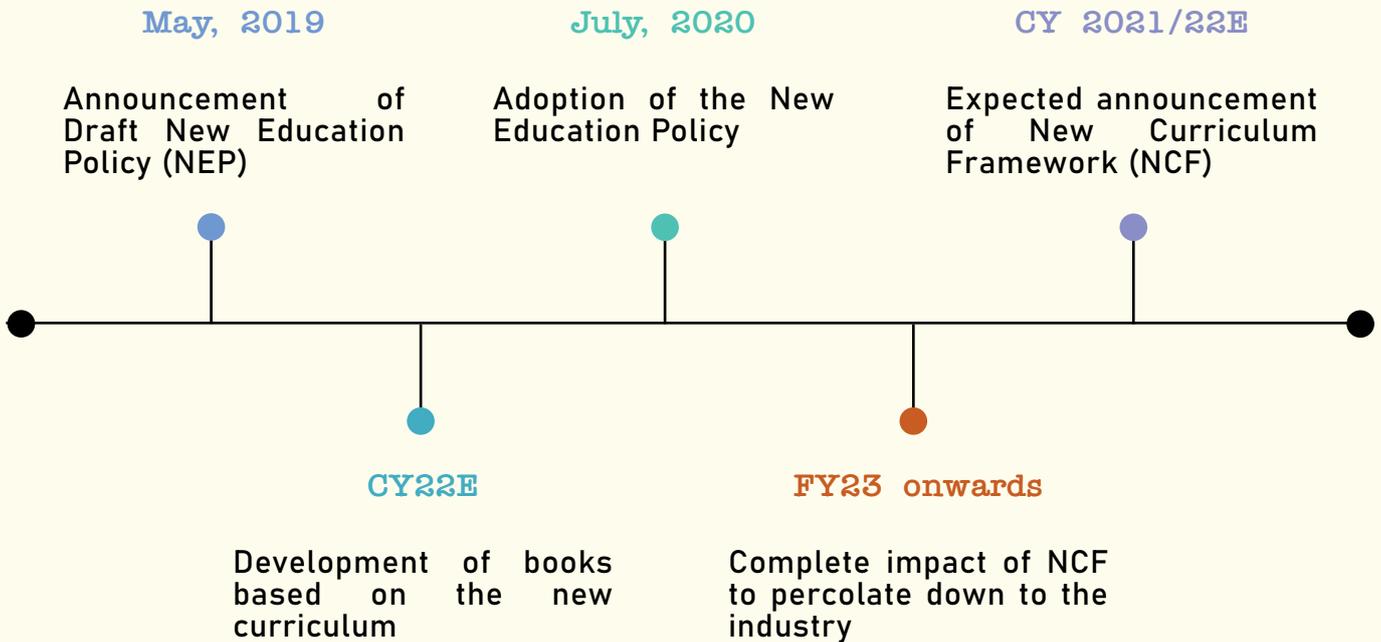
# Looking Ahead

## Twin Growth Engines for the Future

- ◇ NEP based, new curriculum for print business
- ◇ Increased adoption of our Ed-Tech solutions in Post-COVID world

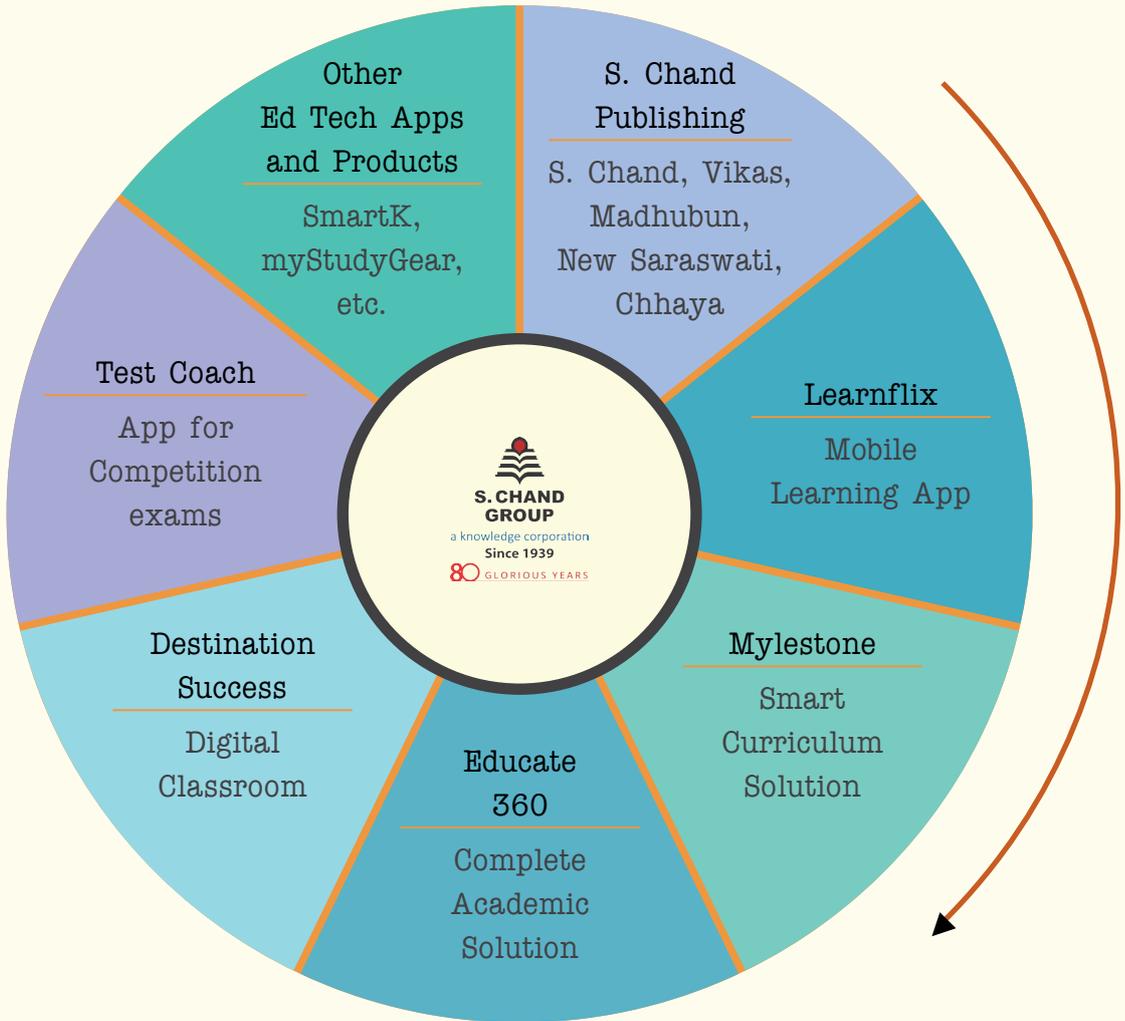
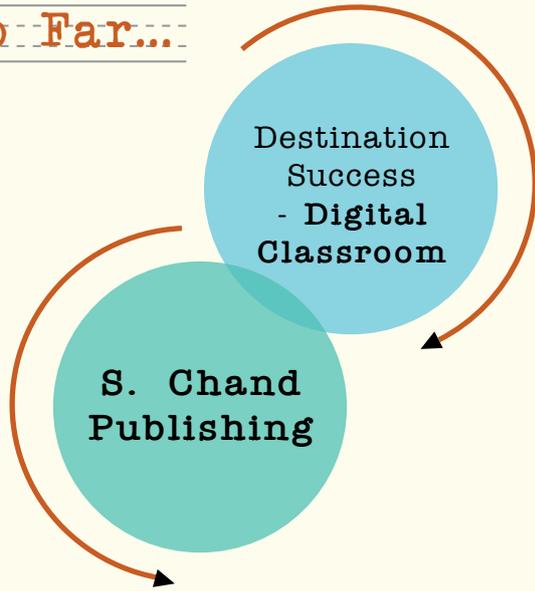


# New Education Policy (NEP)

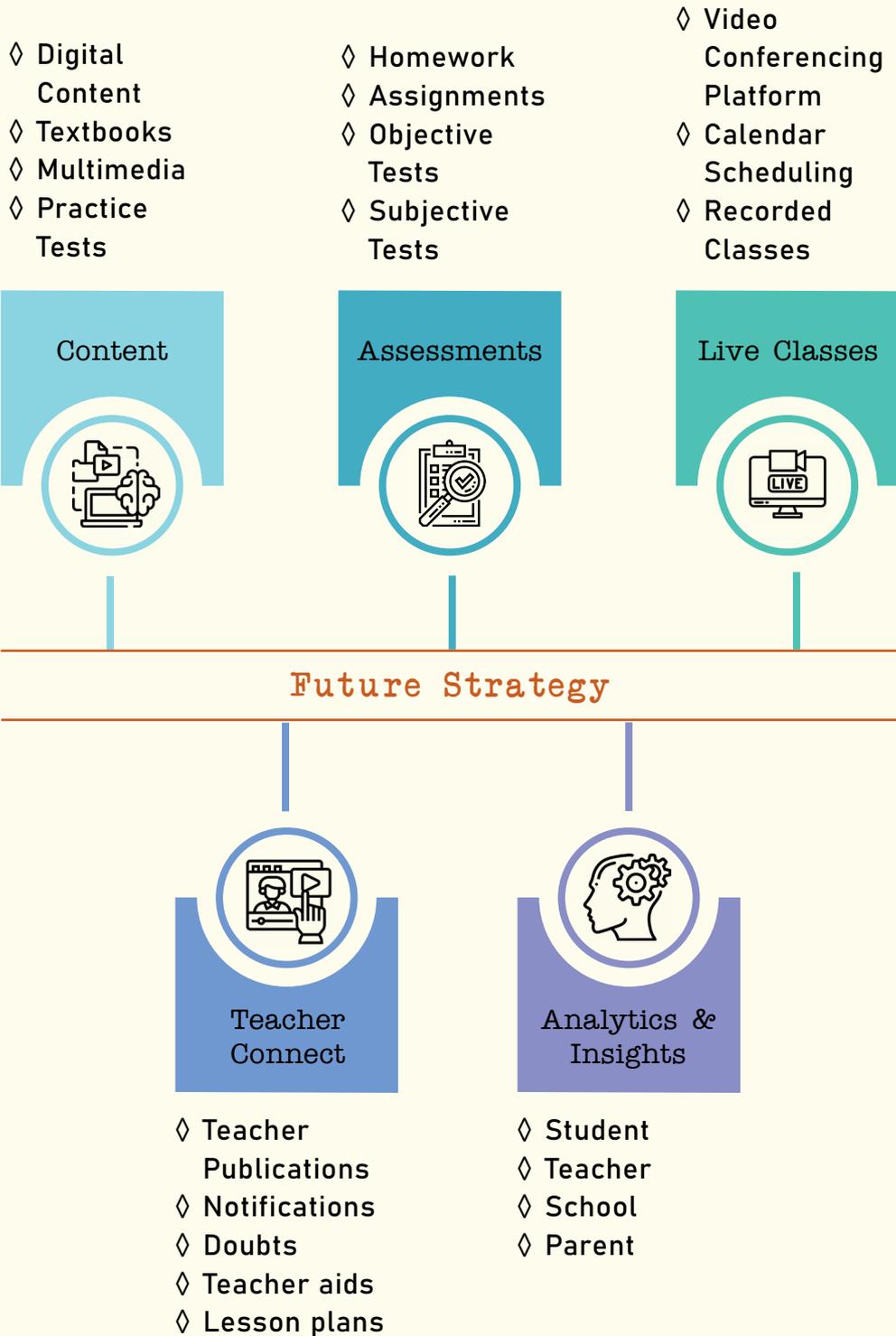


- ◇ The New Education Policy (NEP) was formally adopted by the Union Government in July, 2020.
- ◇ Expected release of the New National Curriculum Framework (NCF) after taking inputs from all stakeholders during CY2021/22E.
- ◇ Strong runway of growth for at least 2-3 years. Since the new curriculum is being developed after a gap of 15 years, it would eliminate sale of second-hand books and would lead to strong growth for at least 2-3 years.
- ◇ Lessons from 2005 NEP/NCF roll out. During the 2005 NCF announcement, the new syllabus was rolled out over a period of 3 years with 5 grades moving to the new syllabus in Year 1, another 5 grades moving to new syllabus in year 2 and 2 grades moving to new syllabus in year 3.
- ◇ Impact of NCF on the company financials dependent on the timing of the NCF announcement by the government.

# Group Journey So Far...



# Product Strategy for the Future



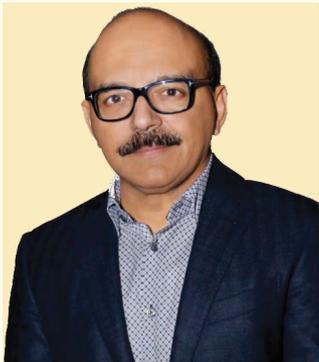
The Company's suite of products and solutions cater to the complete education paradigm across K-12, Higher Education and Competition.

# Board Members



**Mr. Himanshu Gupta - Managing Director**

Mr. Himanshu Gupta, aged 42 years, is the Managing Director of our Company. He holds a Bachelor's degree in Commerce from the University of Delhi and has over 21 years of experience in the knowledge products and the services industry. He is a recipient of the 'Young Publisher Award' by the Federation of Educational Publishers in India for the year 2011; he has been awarded the 'Family Entrepreneur of the Year' from Entrepreneur magazine and he is the recipient of the '40 Under Forty Award' from the Economic Times.



**Mr. Dinesh Kumar Jhunjhnuwala - Executive Director**

Mr. Dinesh Kumar Jhunjhnuwala, aged 60 years, is an Executive Director of our Company. He has been associated with our Company since 2004 and has over 16 years of experience in the knowledge products and services industry.



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

Mr. Desh Raj Dogra, aged 66 years, is an Independent Director and Chairman of the Board. He holds a Bachelors's and Master's degree in Science and a Master's degree in Business Administration from the University of Delhi. He has over 42 years of experience in the financial sector and credit administration and previously served as the CEO and Managing Director at Credit Analysis and Research Limited (CARE).



**Ms. Archana Capoor - Independent Director**

Ms. Archana Capoor, aged 62 years, is an Independent Director of our Company. She holds a Bachelor degree in Science, as well as a Masters of Business Administration. She has over 38 years of experience across various sectors and previously served as the Managing Director of Tourism Finance Corporation of India Limited.



**Mr. Rajagopalan Chandrashekar - Independent Director**

Mr. Rajagopalan Chandrashekar, aged 43 years, is an Independent Director of our Company. He is an Industrial Engineer from NIT Jalandhar and a management graduate from NITIE Mumbai. He has 18 years of experience in strategy, corporate planning and business development. He was appointed as an Independent Director of our Company on July 23, 2018. He works in the domain of inbound marketing and consulting. He is the Managing Director of Pragmatic Learning Private Ltd.



**Mr. Sanjay Vijay Bhandarkar - Independent Director**

Mr. Sanjay Vijay Bhandarkar, aged 53 years, is an Independent Director of our Company. He holds a Bachelor's degree in Commerce from the University of Pune and a Post-graduate diploma in Management from XLRI Jamshedpur. He has over 30 years of experience in the financial sector.



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

Mr. Gaurav Kumar Jhunjhnuwala, aged 34 years, is a Non-Executive Director of our Company. He has over 9 years of experience in the knowledge products and services industry and has been with our Company since 2011. Gaurav is the co-founder of Peak Performer, an AI platform which has raised its first funding in July 2021.



**Ms. Savita Gupta - Non-Executive Director**

Ms. Savita Gupta, aged 71 years, is a Non-Executive Director of our Company. She holds a Bachelors and Masters Degree in English Literature, and is associated with our Company since 1989.

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# Corporate Information

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## BOARD OF DIRECTORS

Desh Raj Dogra – Chairman and Independent Director  
Himanshu Gupta – Managing Director  
Dinesh Kumar Jhunjhnuwala – Whole Time Director  
Archana Capoor – Independent Director  
Sanjay Vijay Bhandarkar – Independent Director  
Rajagopalan Chandrashekar – Independent Director  
Savita Gupta – Non-Executive Director  
Gaurav Kumar Jhunjhnuwala – Non-Executive Director

## CHIEF FINANCIAL OFFICER

Saurabh Mittal

## COMPANY SECRETARY & COMPLIANCE OFFICER

Jagdeep Singh

## KEY MANAGEMENT TEAM

K M Thomas – Business Head-S Chand  
Naveen Rajlani – CEO-Vikas  
Vinay Sharma – CEO-Digital  
Shammi Manik – CEO-Saraswati  
Prateek Dhanuka – CEO-Chhaya

## REGISTERED OFFICE & CORPORATE OFFICE

A-27, Second Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi 110044  
Tel – +91 11 4973 1800  
Fax – +91 11 4973 1801  
website – [www.schandgroup.com](http://www.schandgroup.com)

## STATUTORY AUDITORS

Walker Chandiook & Co LLP  
Chartered Accountants  
(Firm Registration No. 001076N/N500013)

## SECRETARIAL AUDITOR

R. S. Bhatia – Company Secretary in Practice

## REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.  
Noble Heights, 1<sup>st</sup> Floor,  
Plot NH 2, C-1 Block LSC,  
Near Savitri Market,  
Janakpuri, New Delhi-110058  
Phone: +91 11 49411000  
Fax: +91 11 4141 0591  
E-mail: [delhi@intime.co.in](mailto:delhi@intime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## PRINTING FACILITIES

- 20/4, Site IV, Industrial Area, Sahibabad, Ghaziabad (Uttar Pradesh) - 201010
- 40A/2, Site IV, Industrial Area, Sahibabad, Ghaziabad (Uttar Pradesh) - 201010

## BANKERS TO THE COMPANY

HDFC Bank Limited  
State Bank of India Limited  
RBL Bank Limited  
Indian Bank Limited  
Kotak Mahindra Bank Limited  
DBS Bank Limited  
Standard Chartered Bank  
IndusInd Bank

# Board's Report

## DEAR MEMBERS,

Your Directors are pleased to present the 50<sup>th</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2021.

## 1. FINANCIAL PERFORMANCE

Figures in Rs. Millions

Abridged Profit And Loss Statement	Consolidated		Standalone	
	FY Ended 31st March 2021	FY Ended 31st March 2020	FY Ended 31st March 2021	FY Ended 31st March 2020
Revenue from operations	4,252.23	4,293.71	1,430.39	1,510.61
Other income	201.25	94.38	216.20	156.32
<b>Total Revenue</b>	<b>4,453.48</b>	<b>4,388.09</b>	<b>1,646.59</b>	<b>1,666.93</b>
<b>Profit/(Loss) before finance cost, tax, depreciation and amortization (EBIDTA)</b>	<b>748.21</b>	<b>(125.51)</b>	<b>282.64</b>	<b>(108.65)</b>
Depreciation and amortization expenses	416.21	407.69	88.66	90.94
Finance cost	323.14	347.93	156.98	154.42
<b>Profit/(Loss) before tax, minority interest and share of associate company</b>	<b>8.86</b>	<b>(881.13)</b>	<b>37.00</b>	<b>(354.01)</b>
Exceptional items	(2.43)	(101.67)	(5.00)	(102.62)
Tax expense	64.71	127.85	9.76	(59.35)
<b>Profit/(Loss) after tax and before minority interest and share of associate company</b>	<b>(58.28)</b>	<b>(1,110.65)</b>	<b>22.24</b>	<b>(397.28)</b>
Share in loss of associate company	(6.65)	(4.03)	-	-
<b>Profit/(Loss) for the year</b>	<b>(64.93)</b>	<b>(1,114.68)</b>	<b>22.24</b>	<b>(397.28)</b>
Other Comprehensive income/(Loss)	17.11	(6.01)	6.95	(4.08)
<b>Total Comprehensive Income/(Loss) for the year</b>	<b>(47.82)</b>	<b>(1,120.69)</b>	<b>29.19</b>	<b>(401.36)</b>
Profit for the year attributable to				
- Owners of the parent	(41.05)	(1,120.09)		
- Minority interest	(6.77)	(0.60)		
Balance of profit brought forward from previous years	1,518.85	2,638.90	1,035.08	1,436.44
Net surplus/(Loss) in the statement of profit and loss account	(57.66)	(1,114.17)	22.24	(397.28)
Other Comprehensive income/(Loss)	16.61	(5.88)	6.95	(4.08)
Appropriations:				
Equity dividend	-	-	-	-
Tax on Equity dividend	-	-	-	-
Adjustments relating to subsidiary companies	-	-	-	-
Transfer to Debenture redemption reserve	(22.96)	-	-	-
<b>Balance Carried to Balance Sheet</b>	<b>1,454.84</b>	<b>1,518.85</b>	<b>1,064.27</b>	<b>1,035.08</b>

## 2. OPERATIONS

The Company has reported revenue from operations of Rs. 1430.39 million in comparison to the previous year revenue from operation of Rs. 1,510.61 million, a decrease in revenue by 5% YoY. The Company has turned around in profitability and reported a net profit (after tax) of Rs. 22.24 million as compared to a net loss (after tax) of Rs.397.28 million in the previous year. This turnaround was driven by strong control on all operating expenses in the Company.

The Company benefited from the complete implementation of the S Chand 3.0 program during the year and achieved significant success in lowering costs during the year. The Company's operational costs (Employee costs, Selling and Distribution expenses and Other Overhead expenses) went lower by 35% on a YoY basis from Rs. 909.31 million to Rs.588.86 million in the year under review. The Company's operating cash flows increased by Rs.361.80 million to Rs.523.20 million from Rs.161.40 million in the year under review.

On back of the Covid-19 pandemic, schools and education institutions were shut for a large part of the year in the country. Post Covid Wave 1, some schools opened for senior classes from January 21 but the opening was short lived with Covid Wave 2 impacting the country from March, 21 onwards. The onset of wave 2 also led to schools and education institutions taking precautions and shutting down from mid-March onwards. Most of the institutes announced postponement of their summer holidays as well up to June 2021. This also impacted our peak sales season in March.

While Revenues were impacted apart from reduced operating costs, the Company was able to increase efficiency in working capital through inventory reduction and better trade receivable management. This led to improved cash flow, which in effect helped in reduction of debt.

The Company also benefited from the increase in sales through e-commerce channels and also saw a rise in B2B and B2C sales of e-books in the wake of the pandemic.

The application filed by the Company in financial year 2017-18 for demerger of Education business from DS Digital Private Limited and the demerger of education business of Safari Digital Education Initiatives Private Limited into the Company along with the amalgamation of the wholly owned subsidiaries Nirja Publishers & Printers Private Limited and Blackie and Son (Calcutta) Private Limited with the Company having appointed date of 1<sup>st</sup> April, 2017 is still under process and in the final stages. We expect the final closure to happen during financial year 2021-22.

The Company expects to achieve higher revenue and profitability growth in the next financial year driven by recovery of revenues from a normal sales season during the financial year 2021-22. There will also be a price hike on the product portfolio given the rise in paper costs over the past 12 months. Increase in product pricing, controlled operating expenses and reduction in working capital should drive our cash flows for financial year 2021-22. This will further help in reduction of debt. Further, the Company is also focusing on preparing for the National Curriculum Framework to be announced and mapping its content repository according to the changes envisaged in the New Education Policy 2020.

### 3. DIVIDEND

Pursuant to Regulation 43A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended), the Board of Directors of your Company has formulated a Dividend Distribution Policy. The policy is available on web-link <https://schandgroup.com/wp-content/uploads/Dividend-Distribution-Policy.pdf>.

After considering the parameters as specified in Dividend Distribution Policy of the Company and due to inadequate profits and future requirements for working capital, the Board of Directors of your Company has not recommended any dividend for the financial year ended March 31, 2021.

Pursuant to Rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), Mr. Jagdeep Singh has been appointed as the Nodal Officer of the Company. The details of the Nodal Officer and the unpaid and unclaimed amounts are available on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

### 4. AMOUNT TRANSFERRED TO RESERVES

The Board of Directors of your Company has not proposed to transfer any amount to the Reserves for the year under review.

### 5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 2020-21 AND THE DATE OF THIS REPORT

The Company has transferred the Mylestone School Solutions business owned by Safari Digital Education Initiatives Private Limited (a wholly owned subsidiary of the Company; "Safari") and Learnflix Student Solutions business owned by DS Digital Private Limited (a subsidiary of the Company; "DS Digital") on slump sale basis to Convergia Digital Education Private Limited ("Convergia") on July 01, 2021 at a business consideration Rs. 483.18 millions and Rs. 218.54 millions, respectively, to be paid by issuance of Compulsory Convertible Debenture ("CCDs") by Convergia to Safari & DS Digital and fractional amount will be paid in cash.

Two Business transfer agreements were executed. One between Safari and Convergia and other between DS Digital and Convergia. Before transfer of the aforesaid business, Safari acquired 90,000 equity shares of face value of Rs. 10/- each of Convergia constituting 90% of total paid up share capital of Convergia. Consequent to this, Convergia has become a subsidiary of Safari and also classifying as a subsidiary of the Company with effect from 1<sup>st</sup> July, 2021.

Edtech in India post Covid-19 has received substantial investment. The verticals are poised for rapid growth with the right amount of capital invested. These businesses require investment in technology, marketing and content. With the support of the Company and external capital and vision of investors, this would lead to validation of the value creation done in the Edtech segment by the Company and ultimately value creation for the shareholders of the Company. These businesses are expected to change the revenue mix and also help the publishing business when offered in combination. The combination of Mylestone and Learnflix teams would also bring in synergies of sales, technology, backend support as a single unit since the target customer and process remains the same. The combination will lead to higher revenues and more efficient use of resources.

There have been no other material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year 2020-21 and the date of this Report.

### 6. CHANGE IN THE NATURE OF BUSINESS

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

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

The Hon'ble National Company Law Tribunal ("NCLT") passed the 1<sup>st</sup> motion order dated February 10, 2020 with respect to the Composite Scheme of Arrangement amongst Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited, S Chand And Company Limited and their respective shareholders and creditors. The NCLT directed the Company to convene the meeting of its shareholders, secured and unsecured creditors, secured and unsecured creditors of Nirja and DS Digital ("meetings") for approval of the Scheme. However, due to Covid-19 pandemic and nationwide lockdown these meetings were postponed. Considering the prevalent scenario and difficulty in convening these meetings physically, the Company had filed an application before the NCLT for convening the meetings through video conferencing. The NCLT vide its order dated May 29, 2020 directed to convene the meetings through video conferencing on July 17, 2020 and July 18, 2020. In compliance of order of the NCLT these meetings were convened through video conferencing. Post approval of the shareholders and creditors of the respective companies, the Company has filed the 2<sup>nd</sup> motion application before the NCLT. NCLT order in the second motion application is awaited.

No other significant and material orders were passed by any Regulators/Courts/Tribunals.

## 8. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial control system and processes. Internal Control policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Internal Auditors of the Company M/s KPMG, Chartered Accountants, audited and reviewed the internal controls, operating systems, internal processes and procedures of the Company. The reports on findings of Internal Auditor have been reviewed by the Audit Committee periodically.

## 9. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, Edutor Technologies India Private Limited had ceased to be an associate company and became the subsidiary of the Company with effect from August 31, 2020.

As on March 31, 2021, the Company has 12 (twelve) subsidiaries. During the year, the Board of Directors reviewed the affairs of its subsidiaries. The Consolidated Financial Statements of your Company for the financial year 2020-21 are prepared in compliance with the applicable provisions of The Companies Act, 2013 ("the Act"), The Companies (Indian Accounting Standards) Rules, 2015 and the Listing Regulations, as amended from time to time, which shall be placed before the members in their ensuing Annual General Meeting ("AGM").

### Subsidiaries:

#### a) Chhaya Prakashani Limited (Formerly Chhaya Prakashani Private Limited)

Chhaya Prakashani Limited reported total revenue from operations of Rs. 746.69 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 874.36 millions in the previous financial year and reported a net profit (after tax) of Rs. 155.25 millions in financial year 2020-21 as compared to a net profit (after tax) of Rs. 104.00 millions in the previous financial year.

#### b) Vikas Publishing House Private Limited

Vikas Publishing House Private Limited reported total revenue from operations of Rs. 1354.93 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 1285.50 millions in the previous financial year and reported a net profit (after tax) of Rs. 68.64 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 97.29 millions in the previous financial year.

#### c) Nirja Publishers & Printers Private Limited

Nirja Publishers & Printers Private Limited reported total revenue from operations of Rs. 6.66 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 20.18 millions in the previous financial year and reported a net profit (after tax) of Rs. 29.90 millions in financial year 2020-21 as compared to a net profit (after tax) of Rs. 19.71 millions in the previous financial year.

#### d) Indian Progressive Publishing Co Pvt Ltd

Indian Progressive Publishing Co Pvt Ltd reported total revenue from operations of Rs. 9.40 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 15.81 millions in the previous financial year and reported a net profit (after tax) of Rs. 3.71 millions in financial year 2020-21 as compared to a net profit (after tax) of Rs. 6.32 millions in the previous financial year.

#### e) Eurasia Publishing House Private Limited

Eurasia Publishing House Private Limited ("Eurasia") reported total revenue from operations of Rs. 5.39 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 8.05 millions in the previous financial year and reported a net loss (after tax) of Rs. 6.27 millions in financial year 2020-21 as compared to a net profit (after tax) of Rs. 4.98 millions in the previous financial year. A scheme of amalgamation of

Eurasia with Chhaya Prakashani Limited with appointed date as April 01, 2020 has been filed with the Hon'ble National Company Law Tribunal, Kolkata Bench ("Tribunal"), on March 31, 2021 under section 230-232 of the Act and other applicable provisions and rules made thereunder. The Tribunal has passed its 1<sup>st</sup> motion order dated August 11, 2021 (Date of the pronouncement of order).

#### f) Blackie & Son (Calcutta) Private Limited

Blackie & Son (Calcutta) Private Limited reported total revenue from operations of Rs. 0.62 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 0.67 millions in the previous financial year and reported a net profit (after tax) of Rs. 0.81 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 0.01 millions in the previous financial year.

#### g) S. Chand Edutech Private Limited

S. Chand Edutech Private Limited reported total revenue from operations of Rs. 8.91 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 19.56 millions in the previous financial year and reported a net loss (after tax) of Rs. 39.80 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 30.41 millions in the previous financial year.

#### h) BPI (India) Private Limited

BPI (India) Private Limited reported total revenue from operations of Rs. 57.90 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 110.98 millions in the previous financial year and reported a net loss (after tax) of Rs. 28.21 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 0.96 millions in the previous financial year.

#### i) DS Digital Private Limited

DS Digital Private Limited reported total revenue from operations of Rs. 83.03 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 160.20 millions in the previous financial year and reported a net loss (after tax) of Rs. 109.15 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 82.54 millions in the previous financial year.

#### j) Safari Digital Education Initiatives Private Limited

Safari Digital Education Initiatives Private Limited reported total revenue from operations of Rs. 180.89 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 139.43 millions in the previous financial year and reported a net loss (after tax) of Rs. 112.47 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 148.98 millions in the previous financial year.

#### k) New Saraswati House (India) Private Limited

New Saraswati House (India) Private Limited reported total revenue from operations of Rs. 782.34 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 687.62 millions in the previous financial year and reported a net loss (after tax) of Rs. 42.51 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 524.61 millions in the previous financial year.

#### l) Edutor Technologies India Private Limited

Edutor Technologies India Private Limited reported total revenue from operations of Rs. 42.77 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 51.91 millions in the previous financial year and reported a net profit (after tax) of Rs. 12.23 millions in financial year 2020-21 as compared to a net profit (after tax) of Rs. 5.33 millions in the previous financial year.

#### Associate:

#### a) Smartivity Labs Private Limited

Smartivity Labs Private Limited reported total revenue from operations of Rs. 126.74 millions in the financial year 2020-21 as compared to total revenue from operations of Rs. 114.57 millions in the previous financial year and reported a net loss (after tax) of Rs. 31.35 millions in financial year 2020-21 as compared to a net loss (after tax) of Rs. 31.47 millions in the previous financial year.

In accordance with section 129 (3) of the Act, a statement containing salient features of financial statements of each of the subsidiary and associate in the prescribed Form AOC-1 is enclosed as **Annexure-A**. In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of its subsidiary will be available on the website of the Company ([www.schandgroup.com](http://www.schandgroup.com)). These documents will also be available for inspection during business hours at the registered office of the Company.

The policy for determining material subsidiaries can be accessed on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

## 10. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the purview of section 73 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014. There is no unclaimed or unpaid deposits lying with the Company.

## 11. AUDITORS

### Statutory Auditor

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Reg. No. 101049W/E300004), who were re-appointed as the Statutory Auditors of the Company by the members at their 46<sup>th</sup> AGM held on September 25, 2017 for a period of 5 (five) years to hold office until the conclusion of the 51<sup>st</sup> AGM to be held in the year 2022 had resigned from the position of Statutory Auditors of the Company with effect from November 12, 2020.

Owing to impact of Covid-19 pandemic on the business operations and financial resources, the management had requested the auditors to consider reduction in audit fees for the year ended March 31, 2021 as compared to the audit fees for the year ended March 31, 2020. M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, had a view that the management proposal for the audit fees for the statutory audit and review of quarterly results for the year ended March 31, 2021 is lower than existing fees for the year ended March 31, 2020, which is not commensurate with the time and efforts in the audit engagement for the year ended March 31, 2021 in spite of twenty percent increase in scope of work. Accordingly, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, have expressed their unwillingness to continue as Statutory Auditors of the Company and resigned.

To fill the casual vacancy caused due to resignation of M/s. S.R. Batliboi & Associates LLP, the Board of Directors of the Company at its meeting held on December 10, 2020, appointed M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as the Statutory Auditors of the Company to hold office until the conclusion of the 50<sup>th</sup> AGM of the Company pursuant to provisions of Section 139(8) of the Act. The said appointment was approved by shareholders of the Company by passing ordinary resolution by way of postal ballot on February 26, 2021.

The term of M/s. Walker Chandiook & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company will expire at the conclusion of the ensuing AGM of the Company.

In view of the above, the Board of Directors of the Company at its meeting held on August 12, 2021 has made its recommendation for re-appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company by the members at the 50<sup>th</sup> AGM of the Company for a consecutive period of 5 (five) years. Accordingly, a resolution, proposing re-appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of 50<sup>th</sup> AGM till the conclusion of 55<sup>th</sup> AGM of the Company pursuant to Section 139 of the Act, forms part of the Notice of the 50<sup>th</sup> AGM of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act and no comment of Board on the audit report is required to be given.

The auditor's report submitted by the Statutory Auditors on the standalone and consolidated financial statements of the Company for the year ended March 31, 2021 forms part of the Annual Report. The auditor's report has following qualification/modified opinion and disclaimer on which your directors have provided comment, as mentioned hereunder:

### Standalone Financial Statements

#### I. Qualification/Modified Opinion

Due to outbreak of second wave of COVID-19, pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these standalone financial statements. Accordingly, we were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures, and, therefore, we were unable to verify the existence/condition of inventories of INR 397.54 million finished goods, INR 18.07 million traded goods and INR 35.73 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the standalone financial statements as at 31 March 2021.

#### Comment of the Board

The Company normally performs physical count of the Inventory for the year ended March, in the first week of May on account of the hectic activity and supplies to schools near year end, coinciding with the Academic session starting in Schools. The Second wave of Covid 19 in April and May 2021 resulted in this activity being deferred to July 2021, taking into account the MHA guidelines of social distancing etc. The management is of the view that this has no material impact on the financials since the Internal controls on Inventory were effective during the period and even in the past no such major variations have been noticed. In the month of July, 2021, the Company has conducted the physical verification and no such major variations have been noticed.

#### II. Disclaimer/Emphasis of matter

We draw attention to note 50 of the standalone financial statements which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and management's evaluation of its impact on the Company's operations and the accompanying standalone financial

statements of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.

### Comment of the Board

The Company continues to review the situation that is unfolding due to the Covid-19 pandemic and is regularly reassessing risks and impact on the operations of the Company. The Company has during the past year taken various measures to control costs, optimize Inventory and receivables. The liquidity position of the Company as on March 2021 and upto the date of the approval of the Financial Statements has improved as compared to March 2020 and the Company sees no risk in meeting its obligations and also sees no material impact on the recovery from the customers and on its assets. Adequate provisioning has been done where deemed necessary.

### Consolidated Financial Statements

#### I. Qualification/Modified Opinion

Due to outbreak of second wave of COVID-19, pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these financial statements. Accordingly, we and other auditor of 3 subsidiary companies included in the group were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures, and, therefore, we were unable to verify the existence/condition of inventories of INR 703.77 million finished goods, INR 91.01 million traded goods, INR 0.22 million work in progress and INR 75.72 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the financial statements as at 31<sup>st</sup> March 2021.

#### Comment of the Board

The Company and its subsidiaries normally performs physical count of the Inventory for the year ended March, in the first week of May on account of the hectic activity and supplies to schools near year end, coinciding with the Academic session starting in Schools. The second wave of Covid-19 in April and May 2021 resulted in this activity being deferred to July 2021, taking into account the MHA guidelines of social distancing etc. The management is of the view that this has no material impact on the financials since the Internal controls on Inventory were effective during the period and even in the past no such major variations have been noticed. In the month of July, 2021, the Company and its subsidiaries have conducted the physical verification and no such major variations have been noticed.

#### II. Disclaimer/Emphasis of matter

We draw attention to note 53 of the consolidated financial results which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and management's evaluation of its impact on the Group's operations and the accompanying consolidated financial statements of the Group as at the balance sheet date, the extent of which is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.

#### Comment of the Board

The Company along with its subsidiaries on a consolidated basis continues to review the situation that is unfolding due to the Covid-19 pandemic and is regularly reassessing risks and impact on the operations of the Company and each of the subsidiaries. The Group has during the past year taken various measures to control costs, optimize Inventory and receivables. The liquidity position of the Group on a consolidated basis as on March 2021 and upto the date of the approval of the financial statements has improved as compared to March 2020 and the Company on a consolidated basis sees no risk in meeting its obligations and also sees no material impact on the recovery from the customers and on its assets. Adequate provisioning has been done where deemed necessary.

#### Internal Auditor

During the year under the review, to ensure better governance, compliances and internal control over financial reporting and financial processes, the Company had re-appointed M/s KPMG, as Internal Auditors of the Company with effect from July 01, 2021 for a period of one year.

#### Secretarial Auditor

The Board had appointed Mr. R.S. Bhatia, Company Secretary in Practice [CP No. 2514] as the Secretarial Auditor. The secretarial audit report submitted by the Secretarial Auditor for the financial year 2020-21 is annexed as **Annexure-B** and forms an integral part of this report.

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

As per the requirements of the Listing Regulations, Secretarial Auditors of the respective material subsidiaries of the Company have undertaken secretarial audits of these subsidiaries for FY 2020-21. The Audit Report confirms that the material subsidiaries have complied with the provisions of the Act, Rules, Listing Regulations and Guidelines and that there were no deviations or non-compliances.

## 12. WEB ADDRESS FOR ANNUAL RETURN

The Annual Return for the financial year 2020-21 will be made available on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

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

The Company is in the business of publishing and printing of books. The brief details about Conservation of energy and technology absorption are mentioned below:

### A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy -
  - The Company has rationalized the use of DG Set and structured the working hours of its production facilities in such a manner where dependence on DG Set has been reduced.
  - In its offices lighting system has been efficiently used and overall use of electricity has been minimized.
- (ii) the steps taken by the Company for utilizing alternate sources of energy; Nil
- (iii) the capital investment on energy conservation equipment's; Nil

### B) Technology absorption-

- (i) the efforts made towards technology absorption- There was no additional investment for technology absorption during the year under review.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; Nil
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil
- (iv) the expenditure incurred on Research and Development. Nil

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

- i) Foreign Exchange earnings: Rs. 5.03 millions
- ii) Foreign Exchange outgo: Nil

## 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company is managed and controlled by the Board comprising an optimum blend of Executives and Non-Executive Professional Directors. The Chairman of the Board is a Non-Executive, Independent Director. As on March 31, 2021, the Board of Directors consists of 8 (Eight) Directors consisting of a Managing Director, Whole-time Director and 6 (six) Non-Executive Directors, out of which 4 (Four) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Act.

During the year under review, there was no change in the composition of Board of Directors.

All the Directors possess requisite qualifications and experience in corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors.

### Re-appointments

#### Director liable to retire by rotation

In terms of section 152 of the Act, Mr. Dinesh Kumar Jhunjhnuwala will retire by rotation at the ensuing AGM and being eligible offers himself for re-appointment. The Board recommended his re-appointment and the same is included in the notice of the ensuing AGM.

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

#### Re-appointment of Independent Directors

Mr. Desh Raj Dogra (DIN: 00226775) and Ms. Archana Kapoor (DIN: 01204170) were appointed as independent directors of the Company at the Extra Ordinary General Meeting held on November 10, 2016, to hold office for a period of 5 (five) years i.e. up to November 09, 2021. Their present term will expire on November 09, 2021. The Nomination and Remuneration Committee of the Directors of your Company after taking into account the

performance evaluation of Mr. Desh Raj Dogra and Ms. Archana Capoor during their first term of 5 (five) years and considering their knowledge, acumen, expertise, experience and the substantial contribution, have recommended their re-appointment to the Board for a second term of 5 (five) years. Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended their re-appointment as independent directors, not liable to retire by rotation, for a second term of 5 (five) years with effect from November 10, 2021 up to November 09, 2026 to the shareholders for their approval by passing special resolution.

Mr. Sanjay Vijay Bhandarkar (DIN: 01260274), who was appointed as independent director of the Company at the Extra Ordinary General Meeting held on November 10, 2016, to hold office for a period of 5 (five) years i.e. up to November 09, 2021 is not seeking re-appointment for second term of 5 (five) years and therefore he will remain in the office of independent director upto November 09, 2021.

### **Independent Directors' Declaration**

The Independent Directors have given a declaration that they meet the criteria of independence as prescribed under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Further, pursuant to Sub-rule (3) of Rule 6 of The Companies (Appointment & Qualifications of Directors) Rules, 2014, the Independent Directors have successfully registered their names in the Data Bank of Independent Directors. The Independent Directors have also complied with the Code of Conduct for Directors and senior management personnel. The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact the ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

### **Board Evaluation**

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

The evaluation of the Independent Directors was based on their performance and fulfillment of criteria of independence as per the Listing Regulations and independence from the management.

Complete details of such evaluation are given in the Corporate Governance Report that forms part of this Annual Report. The Board of Directors expressed their satisfaction with the evaluation process.

### **Board Meetings**

During the year under review, the Board of Directors met 6 (Six) times, details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations, the Ministry of Corporate Affairs circular no. 11/2020 dated March 24, 2020 and The Securities And Exchange Board of India Circular dated March 19, 2020.

### **Integrity, expertise and experience (including the proficiency) of the independent directors**

The details relating to skills, competencies and expertise of Independent Directors are given in the Corporate Governance Report that forms part of this Annual Report.

As on March 31, 2021, the Company has 4 (four) Independent Directors namely Mr. Desh Raj Dogra, Mr. Sanjay Vijay Bhandarkar, Ms. Archana Capoor and Mr. Rajagopalan Chandrashekar. All the independent directors are able to read and understand the financial statements and have successfully registered themselves with the Data Bank of Independent Directors as maintained by The Indian Institute of Corporate Affairs. In the opinion of the Board, all are proficient enough and understand business, finance, commercial and corporate governance matters of the Company. Pursuant to the proviso to Rule 6(4) of The Companies (Appointment and Qualifications of Directors) Rules, 2014, none of the independent director is required to pass online proficiency self-assessment test.

## **15. DETAILS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act alongwith the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Note No. 5A, 5B, 5G and 44 to the standalone financial statements.

## **16. RELATED PARTY TRANSACTIONS**

The disclosure of related party transactions as required under Section 134(3)(h) of the Act in form AOC-2 is enclosed as **Annexure C**.

The Policy on materiality of related party transactions and policy on dealing with the related party transactions are available on the Company's website at [www.schandgroup.com](http://www.schandgroup.com).

## 17. INFORMATION REGARDING EMPLOYEES AND RELATED DISCLOSURES

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

Pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing, inter alia, the names of top ten employees in terms of remuneration drawn and every employee employed throughout the financial year and in receipt of remuneration of Rs. 1.02 crores or more, and every employee employed for part of the year and in receipt of Rs. 8.50 lakhs or more per month is attached as **Annexure-E** of this report.

### Managerial Remuneration

The Nomination and Remuneration Committee and Board of Directors at its meetings held on February 14, 2019 and the shareholders at the AGM held on September 19, 2019 approved the remuneration of Mr. Himanshu Gupta, Managing Director of the Company effective from April 01, 2019 and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company effective from March 28, 2019 till the expiry of their respective terms.

During the financial year 2020-21, the following remuneration was paid to the Managerial Personnel:

Mr. Himanshu Gupta - Rs. 10.12 Millions

Mr. Dinesh Kumar Jhunjhnuwala - Rs. 10.82 Millions

### Sexual Harassment Policy

The Company has zero tolerance for sexual harassment at the work place and has adopted a Policy on "Prevention of Sexual Harassment of Women at Workplace" in line with the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" ("**POSH**"). The Company has an Internal Complaints Committee which has been constituted as per the provisions of POSH and this Committee deals with all the sexual harassment matters. The disclosures in relation to POSH have been provided in the Corporate Governance Report.

### Details of ESOPS

The underlying objectives of **Employees Stock Option Scheme 2012** and **Employees Stock Option Plan 2018** are to attract, motivate, retain and reward employees for high levels of individual performance and share the wealth that they have created for the Company and its members. Both the Schemes are in line with the Securities and Exchange Board of India (Share Based Employee Benefits), Regulations 2014 ("**SBEB Regulations**").

The relevant disclosures pursuant to Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014 and the Regulation 14 of the SBEB Regulations are given as **Annexure-F**. These disclosures are available on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

## 18. RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of risk. The business risks inter-alia impact of Covid 19 pandemic, increase in raw material and printing cost, change in curriculum, change in education framework, higher borrowing cost, competition from other players and violation of intellectual property rights of the Company and current regulatory framework in the country. The risk management framework defines the risk management approach of the Company which includes periodic review of such risks, mitigation controls and reporting mechanism of such risks. The Board of Directors, Audit Committee and the senior management evaluates the operations to identify potential risks and take necessary actions to mitigate the same. The Company also has in place a Risk Management Policy and the Audit Committee ensures implementation of appropriate risk management framework for the Company. The Company has also evaluated the impact of Covid 19 Pandemic on the business of the Company as the schools and other educational institutes are likely to remain closed in first half of the financial year 2020-21 and opportunities available on digital learning segment.

The Board of Directors of the Company at its meeting held on June 09, 2021 constituted a Risk Management Committee. The details relating to composition and terms of reference of such committee are given in Corporate Governance Report that forms part of this Annual Report.

## 19. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Act, the Company has a Corporate Social Responsibility Committee ("**CSR Committee**"), which comprises of Mr. Desh Raj Dogra-Chairman of the Board and Independent Director, Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director. The terms of references of the CSR Committee is provided in the Corporate Governance Report which forms part of this report. The CSR policy of the Company is available on the Company's website at [www.schandgroup.com](http://www.schandgroup.com).

The Annual Report on the CSR activities for the financial year 2020-21 is attached as **Annexure-G** and forms part of this report.

## 20. VIGIL MECHANISM

The Company has adopted the Vigil Mechanism by way of formulating a Whistle Blower Policy. The policy provides a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees and also provides for direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

## 21. CORPORATE GOVERNANCE

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

## 22. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 23. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report, describing the initiatives taken by the Company from an environment, social and governance perspective, is provided in a separate section and forms an integral part of this annual report.

## 24. AUDIT COMMITTEE

The Audit Committee comprises of four Non-Executive, Independent Directors, namely Ms. Archana Capoor (Chairperson-Non-Executive, Independent Director), Mr. Desh Raj Dogra (Member-Non-Executive, Independent Director), Mr. Sanjay Vijay Bhandarkar (Member-Non-Executive, Independent Director) and Mr. Rajagopalan Chandrashekar (Member-Non-Executive, Independent Director). The details of the Audit Committee are included in the Corporate Governance Report.

## 25. NOMINATION AND REMUNERATION POLICY

The Board of Directors has a policy which lays down a framework in relation to appointment and remuneration to Directors, Key Managerial Personnel and senior management of the Company. The policy lays down the criteria for determining qualifications, positive attributes and independence and remuneration of Board members, Key Managerial Personnel and employees. The objective of this policy is to attract and retain talent and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company. The Nomination and Remuneration Policy is available on Company's website at [www.schandgroup.com](http://www.schandgroup.com).

## 26. COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. Secretarial Standard-1 Meeting of the Board of Directors and Secretarial Standard-2 General Meetings.

## 27. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 28. STATUTORY DISCLOSURES

- a) The Company is not required to maintain cost records as per Section 148(1) of the Act.
- b) No application was made against the Company under the Insolvency and Bankruptcy Code 2016 ("IBC 2016") during the year and no proceeding is pending against the Company under IBC 2016 as at the end of financial year under report.

## 29. ACKNOWLEDGMENTS

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

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

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

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

## ANNEXURE-A

## FORM AOC-1

Pursuant to first proviso to sub-section (3) of section 129 of the Act read with Rule 5 of The Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in million)

Sl. No.	Particulars			
1	Sl.No.	1	2	3
2	Name of the subsidiary	Chhaya Prakashani Limited	Vikas Publishing House Private Limited	Nirja Publishers & Printers Private Limited
3	The date since when subsidiary was acquired	05/12/2016	10/10/2012	30/03/2010
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
6	Share capital	14.83	4.01	0.12
7	Reserves & surplus	1,027.91	1,493.61	807.78
8	Total assets	1,246.49	2,704.02	824.82
9	Total Liabilities	1,246.49	2,704.02	824.82
10	Investments	223.84	120.00	212.89
11	Turnover	746.69	1,354.93	6.66
12	Profit before taxation	208.29	100.70	41.22
13	Provision for taxation	53.04	32.06	11.32
14	Profit after taxation	155.25	68.64	29.90
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	The Company holds 69.53% shares directly and 30.47% shares through its wholly owned subsidiary i.e. Eurasia Publishing House Private Limited	The Company holds 98% shares directly and 2% shares through its wholly owned subsidiary i.e. Nirja Publishers & Printers Private Limited	100%

Sl. No.	Particulars			
1	Sl.No.	4	5	6
2	Name of the subsidiary	Indian Progressive Publishing Co Private Limited	Eurasia Publishing House Private Limited	Blackie & Son (Calcutta) Private Limited
3	The date since when subsidiary was acquired	05/12/2016	25/09/2012	25/09/2012
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case	N.A.	N.A.	N.A.
6	Share Capital	0.12	0.11	0.15
7	Reserves & Surplus	17.38	616.67	71.17
8	Total assets	19.58	867.14	72.19
9	Total Liabilities	19.58	867.14	72.19
10	Investments	Nil	711.61	55.39

Sl. No.	Particulars			
11	Turnover	9.40	5.39	0.62
12	Profit Before Taxation	5.03	(6.17)	1.14
13	Provision for taxation	1.32	0.09	0.33
14	Profit after taxation	3.71	(6.27)	0.81
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of Shareholding (in percentage)	Chhaya Prakashani Limited (wholly owned subsidiary of the Company) holds 100% ₹shares.	100%	100%

Sl. No.	Particulars			
1.	Sl.No.	7	8	9
2.	Name of the subsidiary	S. Chand Edutech Private Limited	BPI (India) Private Limited	DS Digital Private Limited
3.	The date since when subsidiary was acquired	30/03/2011	25/09/2012	03/07/2014
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
6.	Share capital	47.79	13.50	568.99
7.	Reserves & surplus	(98.70)	11.53	(623.32)
8.	Total assets	93.52	233.95	529.23
9.	Total Liabilities	93.52	233.95	529.23
10	Investments	Nil	Nil	Nil
11	Turnover	8.91	57.90	83.03
12	Profit before taxation	(39.80)	(32.12)	(116.51)
13	Provision for taxation	Nil	(3.91)	(7.36)
14	Profit after taxation	(39.80)	(28.21)	(109.15)
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	The Company holds 99.56% shares directly and 0.44% through its wholly owned subsidiary i.e. Safari Digital Education Initiatives Private Limited	The Company holds 51% shares through its wholly owned subsidiary i.e. Blackie & Son (Calcutta) Private Limited	The Company holds 59.20% shares directly and 40.79% shares through its wholly owned subsidiary i.e Safari Digital Education Initiatives Private Limited

Sl. No.	Particulars			
1	Sl.No.	10	11	12
2.	Name of the subsidiary	Safari Digital Education Initiatives Private Limited	New Saraswati House (India) Private Limited	Edutor Technologies India Private Limited
3.	The date since when subsidiary was acquired	07/02/2011	17/05/2014	31/08/2020
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
6.	Share capital	443.69	136.68	9.07
7.	Reserves & surplus	(483.59)	163.41	(13.15)
8.	Total assets	1,196.17	1,242.83	69.26

Sl. No.	Particulars			
9.	Total Liabilities	1,196.17	1,242.83	69.26
10.	Investments	401.70	Nil	Nil
11.	Turnover	180.89	782.34	42.77
12.	Profit before taxation	(143.37)	(42.51)	9.75
13.	Provision for taxation	(30.89)	Nil	(2.48)
14.	Profit after taxation	(112.47)	(42.51)	12.23
15.	Proposed Dividend	Nil	Nil	Nil
16.	Extent of shareholding (in percentage)	The Company holds 59.92% shares directly and 40.08% shares through its wholly owned subsidiary i.e. Nirja Publishers & Printers Private Limited	The Company holds 82.01% shares directly and 17.99% share through its wholly owned subsidiary i.e. Vikas Publishing House Private Limited	The Company holds 54.86% shares through its wholly owned subsidiary i.e. Safari Digital Education Initiatives Private Limited

### Part "B": Associates and Joint Ventures

#### Statement pursuant to Section 129 (3) of the Act related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	Smartivity Labs Private Limited ("Smartivity")
1.	Latest audited Balance Sheet Date	31.03.2021
2.	Date on which the Associate was associated or acquired	05.08.2015
3.	Shares of Associate held by the company on the year end	
	No.	- 50 Equity Shares; and - 5,414, 0.001% Compulsorily Convertible Cumulative Preference Shares
4.	Amount of Investment in Associates	Rs. 21.62 Millions
5.	Extend of Holding%	18.06%
6.	Description of how there is significant influence	Mr. Saurabh Mittal, KMP of the Company, is on the Board of Smartivity and accordingly, the Company controls and participates in the business decisions of Smartivity
7.	Reason why the associate is not consolidated	N.A.
8.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 15.56 Millions
9.	Profit/(Loss) for the year	
	i) Considered in Consolidation	Rs. (5.74) millions
	ii) Not Considered in Consolidation	-

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

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

Sd/-  
Dinesh Kumar Jhunjhuwala  
Whole-time Director  
DIN: 00282988

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Saurabh Mittal  
Chief Financial Officer

Sd/-  
Jagdeep Singh  
Company Secretary

**ANNEXURE-B**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

[Pursuant to section 204(1) of The Companies Act, 2013 and Rule No. 9 of The Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**S Chand And Company Limited**

A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S Chand And Company Limited (CIN No. L22219DL1970PLC005400)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. Neither there was any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which was required to be reported during the financial year.
- v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the year under review);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the year under review);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the year under review);
  - h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (not applicable during the year under review);
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulation");
  - j) The Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2021 complied with the aforesaid laws.

Based on the information received and records made available I further report that;

a) Loans:

During the FY 2020-21, the Board of Directors have approved the following loans:

- Conversion of outstanding dues of Rs. 18,444,054/- due from BPI (India) Private Limited, subsidiary of the Company, into optionally convertible unsecured loan;
- Extension of the period of existing outstanding optionally convertible loan plus accrued interest thereon aggregating to Rs. 11.69 crores due from DS Digital Private Limited, subsidiary of the Company, for a period of 1 (One) year;
- Optionally convertible loan of Rs 2.50 crores to New Saraswati House (India) Private Limited, wholly owned subsidiary of the Company;
- Extension of the period of existing outstanding optionally convertible loan plus accrued interest thereon aggregating to Rs. 18.68 crores due from Safari Digital Education Initiatives Private Limited, wholly owned subsidiary of the Company, for a period of 1 (One) year; and
- Optionally convertible loan of Rs 50.00 lakhs to S. Chand Edutech Private Limited, wholly owned subsidiary of the Company.

b) Investments:

During the FY 2020-21, the Company made following investments:

- Acquired 55,70,007 Compulsory Convertible Preference Shares of face value of Rs. 10/- each of New Saraswati House (India) Private Limited ("NSHPL"), wholly owned subsidiary of the Company, at par in lieu of outstanding optionally convertible loan plus accrued interest aggregating to Rs. 5,57,00,070/- due from NSHIPL; and
- Acquired 7,62,965 Equity Shares of face value of Rs. 10/- each of S. Chand Edutech Private Limited ("S. Chand Edutech"), wholly owned subsidiary of the Company, at a price of Rs. 35.50/- each in lieu of outstanding optionally convertible loan plus accrued interest aggregating to Rs. 2,70,85,257.50/- due from S. Chand Edutech.

c) Guarantees given:

During the FY 2020-21, the Company has given corporate guarantee in favour of the following bank to secure the loan granted by the bank to Company's wholly owned subsidiary:

Name of the wholly owned subsidiary	Name of the bank	Amount of Guarantee
Vikas Publishing House Private Limited	State Bank of India	28.00 crores

- d) During the FY 2020-21, the Company has taken an interest free unsecured loan of Rs. 50.00 lakhs (Rupees Fifty Lakhs Only) from Ms. Savita Gupta, Non-Executive, Non-Independent Director of the Company in the month of September, 2020 for a period of 6 (six) months. The same was ratified by the Board of Directors of the Company at its meeting held on November 11, 2020.
- e) The Board of Directors at its meeting held on November 11, 2020, granted 68,049 stock options to the eligible employees at a price which is discounted by 15 % of the closing market price on the date of grant.
- f) M/s. S.R. Batliboi & Associates LLP (Firm Registration No: 101049W/E300004), Chartered Accountants, who were appointed by the shareholders of the Company at their Annual General Meeting held on August 25, 2017 as Statutory Auditors of the Company for a period of 5 (five) years to hold office till the conclusion of the 51<sup>st</sup> Annual General Meeting to be held in 2022 have submitted their resignation with effect from November 12, 2020. To fill the casual vacancy caused due to such resignation, the Board of Directors at its meeting held on December 10, 2020 appointed M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No: 001076N/N500013) as the Statutory Auditors of the Company to hold office until the conclusion of the 50<sup>th</sup> Annual General Meeting of the Company. The said appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants, to fill the casual vacancy was also approved by the shareholders of the Company by passing resolution by postal ballot on February 26, 2021.
- g) During the FY 2020-21, the Board approved to transfer the "Milestone School Solutions business" owned by Safari Digital Education Initiatives Private Limited (wholly owned subsidiary of the Company) and "Learnflix Student Solutions business" owned by DS Digital Private Limited (subsidiary of the Company) to a newly formed SPV i.e. Convergia Digital Education Private Limited on slump sale basis. The said transactions were also approved by the shareholders of the Company by way of special resolutions passed by postal ballot on February 26, 2021 pursuant to Regulation 24(6) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h) The Company received a letter from National Stock Exchange of India Limited ("NSE") with respect to certain deficiency/non-submissions in the financial results for the financial year ended March 31, 2020. The Company had submitted the following response to NSE thereafter, no further communication was received from NSE.

Deficiency/non-submissions	Response of the Company
Financial results not submitted within 30 minutes from end of board meeting	The Board Meeting held on June 30, 2020 commenced at 5:00 P.M. and concluded at 8:00 P.M. The financial results were submitted within 30 minutes from the end of Board Meeting. However, due to some network issue the acknowledgement was confirmed at 8:33 P.M.
Financial results not signed by authorized signatory/ies	The Company had submitted the financial results ended March 31, 2020 were duly signed by Mr. Himanshu Gupta, Managing Director and Mr. Saurabh Mittal, Chief Financial Officer. The copy of the same was shared with NSE.

Deficiency/non-submissions	Response of the Company
The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange.	The Statement on Impact of audit qualifications as per the prescribed format of SEBI was submitted to NSE on August 07, 2020.

- i) 22 equity shares were allotted to Ms. Jaladhiben B Shah in the Initial Public Offer of the Company on May 05, 2017. These shares were to be credited in the demat account of the concerned investor. The Company continued its efforts to locate the concerned investor. However, they could not locate the concerned investor. As directed by SEBI, the Company keeps on sending reminders to the concerned investor. The status of the same has been disclosed by the Company to SEBI on monthly basis and in the Reconciliation Share Capital Audit Report submitted by the Company to stock exchanges on quarterly basis.

In compliance to Regulation 39(4) and Schedule VI of the SEBI LODR Regulation, the Stakeholder Relationship Committee of Directors of the Company at its meeting held on August 02, 2021 approved to start the process of crediting the said 22 unclaimed shares in a demat suspense account to be opened by the Company with one of the depository participants.

- j) In pursuance of the Order dated 29<sup>th</sup> May, 2020 (date of pronouncement), passed by the Hon'ble National Company Law Tribunal, Special Bench, New Delhi read with Order dated 10<sup>th</sup> February, 2020 (date of pronouncement) passed by New Delhi Bench-III, New Delhi, separate meetings of the Secured Creditors, Unsecured Creditors and shareholders of the Company were convened through Video Conferencing under the supervision of the Hon'ble National Company Law Tribunal, for the purpose of considering and, if thought fit, approving, with or without modifications, the proposed Scheme of Arrangement and other connected matters, if any, as per the following schedule:

Secured Creditors	Friday, July 17, 2020 at 4.00 P.M.
Shareholders	Saturday, July 18, 2020 at 11.00 A.M.
Un-secured Creditors	Saturday, July 18, 2020 at 4.00 P.M.

The scheme was duly approved by requisite majority by the secured creditors, unsecured creditors and shareholders of the Company.

- k) The shareholders of the Company at their 49<sup>th</sup> Annual General Meeting held on September 29, 2020:
- Waived off the recovery of excess remuneration of Rs. 2,538,126/- paid to Mr. Himanshu Gupta, Managing Director of the Company during the financial year 2019-20; and
  - Waived off the recovery of excess remuneration of Rs. 2,479,833/- paid to Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director, of the Company during the financial year 2019-20.
- l) The shareholders of the Company by passing resolution by postal ballot by remote e-voting process on February 26, 2021:
- Approved the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants [Firm Registration No: 001076N/N500013] as Statutory Auditors of the Company to fill the casual vacancy;
  - Approved to the transfer of Mylestone and Learnflix businesses of the Company to Convergia Digital Education Private Limited; and
  - Approved the amendment in S Chand - Employees Stock Option Plan 2018.
- m) During the year under review, the Company was required to spend a sum of Rs. 20,092 towards CSR, whereas, a sum of Rs. 4,150,000 was spent by the Company which is in excess of the recommended amount.
- n) During the year under review, The Company had filed the 2<sup>nd</sup> motion application before the Hon'ble National Company Law Tribunal ("NCLT") for approval of the proposed Composite Scheme of Arrangement ("**Scheme**") amongst the Company, DS Digital Private Limited ("**DS Digital**"), Safari Digital Education Initiatives Private Limited ("**Safari**"), Blackie & Son (Calcutta) Private Limited ("**Blackie**") and Nirja Publishers & Printers Private Limited ("**Nirja**") and their respective creditors and shareholders. The Scheme inter alia includes Amalgamation of Blackie and Nirja into S Chand, De-merger of Education Business of DS Digital and Safari into S Chand, Amalgamation of DS Digital [the residual business remained in DS Digital after the de-merger of its Education Business] with Safari and other connected matters.

The Company has received No Objection Certificate from the Income Tax department and the reports/comments of Regional Director, Official Liquidator, Registrar of Companies have been submitted before the Hon'able NCLT. The final hearing before the Hon'able NCLT was on April 16, 2021 but due to lack of time with the Hon'able NCLT, the matter could not be heard. After that due to prevailing novel corona virus lockdown was imposed in Delhi by the Government of Delhi. Matter is now pending before the Hon'able NCLT.

Based on the information received and records made available I further report that;

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. There was no change in the composition of the Board of Directors during the financial year under review;
- ii. Adequate notice(s) were given to all directors regarding holdings of Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and wherever short notice of the meeting was given, compliance of relevant provisions of the Companies Act, 2013 with respect to attendance of independent directors in the meeting was adhered. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

- iii. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.
- iv. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.
- v. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, I believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

**Place: New Delhi**  
**Dated: August 12, 2021**

**Sd/-**  
**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN: F002599C000772907**

Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report.

### *ANNEXURE A*

To,  
The Members

**S Chand And Company Limited**  
A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044  
CIN No: L22219DL1970PLC005400

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

My report of even date is to be read along with this letter.

1. Maintenance of record is the responsibility of the management of the Company. Our responsibility is to express an opinion on those records based on our audit.
2. We have followed the audit practices. and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on text basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws; rules and regulations and happening of events etc.
4. The compliance of the provisions of SEBI laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. As regards the books, papers, forms, reports and returns filed by the Company under these regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examinations was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company under the said regulations. We have verified the correctness and coverage of the contents of such forms, returns and documents.

**Place: New Delhi**  
**Dated: August 12, 2021**

**Sd/-**  
**R. S. Bhatia**  
**Practicing Company Secretary**  
**CP No: 2514**  
**UDIN: F002599C000772907**

**ANNEXURE-C****FORM NO. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188
Safari Digital Education Initiative Private Limited- Wholly owned Subsidiary Company	Sale of e-books	Financial Year 2020-21	The Company sold e-books to Safari Digital Education Initiatives Private Limited as per mutually agreed terms. The value of transaction during the financial year 2020-21 is Rs. 4.78 million.	To have access of B2B & B2C platforms through Safari Digital Education Initiatives Private Limited for further selling these e-books to direct users, schools and colleges	30.06.2020	Nil	Not applicable
	License to use myStudygear application	Financial Year 2020-21	Safari Digital Education Initiatives Private Limited provided to the Company the right to use the myStudygear application for providing digital content to the students. The value of transaction during the financial year 2020-21 is Rs. 1.43 million.	For development of digital content and expansion of business	30.06.2020	Nil	Not applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis: Nil**

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

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

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

## ANNEXURE-D

**STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013  
AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL)  
RULES, 2014**

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name of the Director	Designation	Ratio to median remuneration of the employees
Mr. Himanshu Gupta	Managing Director	28.48
Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	30.46

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:

Name of the Employee	Designation	% increase in remuneration
Mr. Himanshu Gupta	Managing Director	-30%
Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	-26%
Mr. Saurabh Mittal	Chief Financial Officer	-31%
Mr. Jagdeep Singh	Company Secretary	-35%

3. The percentage increase in median remuneration of employees in financial year 2020-21: -13.44%

4. The number of permanent employees on the rolls of Company: 496

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was a 27.82% decrease in the salaries of managerial personnel and a 24.05% decrease in the salaries of those other than managerial personnel. This is on account of pay cuts taken which were higher at the senior level and lower or nil at the junior level. The same were done on account of the impact of Covid-19 on the business as educational institutions were closed during the year. There were various measures taken to ensure business continuity and liquidity to meet obligations.

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

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

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

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

**ANNEXURE-E**

**INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(Rs. in million)

**A) Top 10 employees in terms of remuneration drawn during the year**

S. No.	Name of Employee	Designation	Remuneration drawn (per annum)	Nature of employment (Contractual or otherwise)	Qualification	Experience (in years)	Date of Commencement of employment (Company Date of Joining)	Age (in years)	% of equity held by the employee	Relative of any Director or Manager	Last employment
1.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	10.82	Permanent	Intermediate	16	December 11, 2004	60	11.00	Father of Mr. Gaurav Kumar Jhunjhnuwala	MD, Hind Group, Hong Kong
2.	Mr. Himanshu Gupta	Managing Director	10.12	Permanent	B.Com, DU	21	April 21, 2000	42	17.14	Son of Ms. Savita Gupta	NA
3.	Mr. Saurabh Mittal	Group CFO	6.87	Permanent	B.Com (Hons), DU and CA	23	May 01, 2006	48	0.25	No	General Manager Accounts at Milk food Limited, Delhi
4.	Mr. K Mammen Thomas	Group Business Head (School & Higher Education)	6.42	Permanent	B.Com (Hons), St. Xaviers College Calcutta	41	August 01, 2014	61	NIL	No	Encyclopedia Britannica India Pvt. Ltd.
5.	Mr. Jagdeep Singh	Head - Legal & Compliance	3.60	Permanent	B. Com, LL.B., C.S.	19	December 20, 2013	45	Negligible	No	Irene Healthcare Private Limited
6.	Mr. Arvind Srivastava	Head - Group Management Audit and Finance	3.57	Permanent	C.A.	22	February 12, 2015	59	Negligible	No	MBD Group
7.	Dr. Atul Nischal	Executive VP - Academic & Professional Development	3.51	Permanent	Ph. D - Mathematics - 1997	23	July 01, 2018	54	NIL	No	Elipsis Consulting Pvt. Ltd.
8.	Mrs. Meenu Aggarwal	Vice President - Finance	3.42	Permanent	CA	19	April 07, 2014	44	Negligible	No	Compass India Support Services Pvt. Ltd.
9.	Mrs. Lali John	Publishing Head - School Education	3.14	Permanent	MSc Zoology, M Ed, PGDCA	35	December 06, 2014	58	NIL	No	Headword Publishing Co. Pvt. Ltd.
10.	Mr. Ashok Rajaram Yeligeti	AVP - Sales (West)	2.71	Permanent	B.Com	37	December 03, 2014	59	NIL	No	Oxford University Press

**B) Employees drawing salary of Rs. 1.02 crores or above per annum and posted in India (employed throughout the financial year)** (Rs. in million)

Sl. No.	Name of Employee	Designation	Remuneration drawn (per annum)	Nature of employment (Contractual or otherwise)	Qualification	Experi-ence (in years)	Date of Commencement of employment (Company Date of Joining)	Age (in years)	% of equity held by the employee	Relative of any Director or Manager	Last employment
1.	Mr. Dinesh Kumar Jhunjhuwala	Whole-time Director	10.82	Permanent	Intermediate	17	December 11, 2004	60	11.00	Father of Mr. Gaurav Kumar Jhunjhuwala	MD, Hind Group, Hong Kong

**C) Employees drawing salary of Rs. 8.50 lakhs or above per month and posted in India (employed for part of the financial year) – NIL**

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

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

Sd/-  
Dinesh Kumar Jhunjhuwala  
Whole-time Director  
DIN: 00282988

Place: New Delhi  
Date: August 12, 2021

## ANNEXURE-F

**DETAILS OF SHARES ISSUED UNDER EMPLOYEE STOCK OPTION PLAN (ESOPS)**

The position of the existing scheme is summarized as under-

S. No.	Particulars	Remarks
<b>I.</b>	<b>Details of ESOS</b>	
1.	Date of Shareholder's Approval	30th June 2012
2.	Total number of options approved	367,928 equity shares of face value Rs. 5 each
3.	Vesting Requirements	Options vest over a maximum period of 7 years based on continued service and certain performance parameters.
4.	The Pricing formula	The price will be determined by the Board of Directors
5.	Maximum term of Options granted (years)	5 years
6.	Source of shares	Primary
7.	Variation in terms of ESOP scheme	None

**II. Option Movement during the year ended Mar 2021**

Sr. No	Particulars	No. of Options	Weighted Average Exercise Price
1	No. of Options Outstanding at the beginning of the year	55,687	311.48
2	Options Granted during the year	68,049	54.00
3	Options Forfeited/Surrendered/Lapsed during the year	42,922	314.25
4	Options Vested during the year	0	0
5	Options Exercised during the year	0	0
6	Total number of shares arising as a result of exercise of options	0	0
7	Money realized by exercise of options (Rs.)	0	0
8	Number of options Outstanding at the end of the year	80,814	99.49
9	Number of Options exercisable at the end of the year	12,765	304.05

**III. Weighted Average remaining contractual life**

As on 31 Mar 2021

Range of Exercise Price	Weighted average contractual life (years)
54-304	2.62

**IV Weighted average Fair Value of Options granted during the year ended Mar 2021 whose**

(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	Rs. 99.49

<b>V</b>	<b>The weighted average market price of options exercised during the year ended March 2021</b>	N.A
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VI Employee-wise details of options granted during the financial year 2020-21 to:	
(i) Senior managerial personnel	
Name of employee	No. of Options granted
Arvind Srivastava	2,827
Meenu Aggarwal	4,335
Jagdeep Singh	190
Naveen Rajlani	18,254
Priya Malhotra	2,384
Saurabh Mittal	4,534
Shammi Manik	5,345
Vinay Sharma	22,013
(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	
Name of employee	No. of Options granted
Balram Pradhan	5,354
Meenu Aggarwal	4,335
Naveen Rajlani	18,254
Saurabh Mittal	4,534
Shammi Manik	5,345
Vinay Sharma	22,013
(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
Name of employee	No. of Options granted
NONE	

**VII Method and Assumptions used to estimate the fair value of options granted during the year ended Mar 2021:**

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

The Assumptions used in the model are as follows:

	Variables	Weighted Average
1.	Risk Free Interest Rate	4.13%
2.	Expected Life(in years)	2
3.	Expected Volatility	64.83%
4.	Dividend Yield	0.31%
5.	Exercise Price	54
6.	Price of the underlying share in market at the time of the option grant.(Rs.)	62

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

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

Sd/-  
Dinesh Kumar Jhunjuwala  
Whole-time Director  
DIN: 00282988

## ANNEXURE-G

## ANNUAL REPORT ON CSR ACTIVITIES

## 1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility Policy ("CSR Policy") of S Chand And Company Limited ("S Chand") is framed to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community in fulfillment of its role as a Socially Responsible Corporate with environmental concern. The CSR Policy is available on the Company's website at [www.schandgroup.com](http://www.schandgroup.com). The Company has identified the area of promoting education for CSR engagement.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Mr. Desh Raj Dogra	Chairman- Non-Executive, Independent Director	1	1
ii	Mr. Himanshu Gupta	Member-Non-Executive, Non-Independent Director	1	1
iii	Mr. Dinesh Kumar Jhunjhnuwala	Member-Non-Executive, Non-Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : [www.schandgroup.com](http://www.schandgroup.com)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Nil

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
	Nil	Nil	Nil
	<b>Total</b>		

6. Average net profit of the company as per section 135(5) : Rs. 1,004,586
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 20,092
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 20,092
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
4,150,000	Nil	NA	NA	Nil	NA

- (b) Details of CSR amount spent against **ongoing projects** for the financial year : No ongoing project

(c) Details of CSR amount spent against other than ongoing projects for the financial year

: Nil

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(8) Amount spent in the project (in Rs.)	(10) Mode of Implementation - Direct (Yes / No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.			Yes	Delhi	North East Delhi	2,000,000	No	Shyam Lal Charitable Trust	N.A.
2.	Promoting Education	Item No. (ii)	Yes	Delhi	North West Delhi	2,000,000	No	Delhi Institute of Higher Education	N.A.
3.			No	Uttar Pradesh	Varanasi	150,000	No	Varanasi society	N.A.
<b>Total</b>						<b>4,150,000</b>			

(d) Amount spent in Administrative Overheads

: Nil

(e) Amount spent on Impact Assessment, if applicable

: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

: Rs. 4,150,000

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (In Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	20,092
(ii)	Total amount spent for the Financial Year	4,150,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4,129,908
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,129,908

9. (a) Details of Unspent CSR amount for the preceding three financial years

: Not applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital asset was created/acquired for fiscal 2021 through CSR Spent

(a) Date of creation or acquisition of the capital asset(s)

:

(b) Amount of CSR spent for creation or acquisition of capital asset

:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

:

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

: Not applicable

Sd/-  
Desh Raj Dogra  
Chairman of CSR Committee  
DIN: 00226775

Sd/-  
Himanshu Gupta  
Managing Director &  
Member of CSR Committee  
DIN:00054015

## ANNEXURE-H

## CORPORATE GOVERNANCE REPORT

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

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is creation and enhancing long-term sustainable value for all stakeholders of the Company through ethically driven business process. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders.

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

The Company considers it absolutely essential to abide by the laws and regulations of the land in true letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the country.

The Company has adopted the requirements of corporate governance as specified under Listing Regulations, as amended from time to time.

## 2. BOARD OF DIRECTORS

The Board is the focal point and custodian of corporate governance for the Company. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

### a) Composition:

As on March 31, 2021, the Board of Directors consists of 8 (eight) Directors comprising of a Managing Director, a Whole-time Director and 6 (six) Non-executive Directors, out of which 4 (four) are Independent Directors. The Company has two women directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Companies Act, 2013 ("the Act").

### b) Attendance of Directors:

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

Name of the Director	Category	Relationship with other directors	No. of Board meetings held during the financial year 2020-21	No. of Board Meetings entitled to attend during the financial year 2020-21	No. of Board Meetings attended during the financial year 2020-21	Attendance of each director at last AGM	Shareholding of Directors as on March 31, 2021
Mr. Desh Raj Dogra (DIN: 00226775)	Chairman-Non-Executive, Independent Director	NA	6	6	6	Yes	31,500 equity shares held by his relatives
Mr. Himanshu Gupta (DIN: 00054015)	Promoter & Managing Director	Son of Ms. Savita Gupta	6	6	5	Yes	5,994,038
Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Promoter & Whole-time Director	Father of Mr. Gaurav Kumar Jhunjhnuwala	6	6	5	Yes	3,846,854
Ms. Archana Capoor (DIN: 01204170)	Non-Executive, Independent Director	NA	6	6	6	Yes	NIL
Mr. Sanjay Vijay Bhandarkar (DIN: 01260274)	Non-Executive, Independent Director	NA	6	6	6	Yes	43,000

Name of the Director	Category	Relationship with other directors	No. of Board meetings held during the financial year 2020-21	No. of Board Meetings entitled to attend during the financial year 2020-21	No. of Board Meetings attended during the financial year 2020-21	Attendance of each director at last AGM	Shareholding of Directors as on March 31, 2021
Ms. Savita Gupta (DIN: 00053988)	Non-Executive, Non-Independent Director	Mother of Mr. Himanshu Gupta	6	6	1	Yes	1,218,626
Mr. Gaurav Kumar Jhunjhnuwala (DIN: 03518763)	Non-Executive, Non-Independent Director	Son of Mr. Dinesh Kumar Jhunjhnuwala	6	6	2	No	592,000
Mr. Rajagopalan Chandrashekar (DIN: 03634002)	Non-Executive, Independent Director	NA	6	6	5	Yes	NIL

**c) Directorship/committee position held in other Companies as on March 31, 2021:**

S. No.	Name of the Director	Name of the other listed entities where the Director holds directorship	Category of directorship in listed entities	No. of other Director-ships*	No. of Committee positions held in other companies**	No. of Committees Chaired in other companies**
1.	Mr. Desh Raj Dogra	- Welspun Corp Limited	- Non-Executive, Independent Director	9	6	3
		- Sintex Plastics Technology Limited	- Non-Executive, Independent Director			
		- IFB Industries Ltd	- Non-Executive, Independent Director			
		- Capri Global Capital Limited	- Non-Executive, Independent Director			
		- Axiscades Technologies Limited	- Non-Executive, Independent Director			
2.	Mr. Himanshu Gupta	-	-	9	0	0
3.	Mr. Dinesh Kumar Jhunjhnuwala	-	-	9	1	0
4.	Ms. Archana Capoor	- Maral Overseas Limited	- Non-Executive, Independent Director	6	3	0
		- RSWM Limited	- Non-Executive, Independent Director			
		- Birla Cable Limited	- Non-Executive, Independent Director			
		- Sandhar Technologies Limited	- Non-Executive, Independent Director			
5.	Mr. Sanjay Vijay Bhandarkar	- The Tata Power Company Limited	- Non-Executive, Independent Director	8	8	3
		- HDFC Asset Management Company Limited	- Non-Executive, Independent Director			
6.	Mr. Rajagopalan Chandrashekar	-	-	6	1	0
7.	Ms. Savita Gupta	-	-	5	0	0
8.	Mr. Gaurav Kumar Jhunjhnuwala	-	-	4	0	0

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

\*\* Committee of Directors includes Audit Committee & Stakeholders Relationship Committee in all public limited companies (whether listed or unlisted) and excludes private limited companies, foreign companies and Section 8 companies.

In accordance with the Regulation 26 of the Listing Regulations, none of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

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

During the financial year 2020-21, 6 (six) board meetings were held on June 30, 2020, August 14, 2020, November 11, 2020, December 10, 2020, January 19, 2021 and February 12, 2021. The intervening gap between the meetings was within the period prescribed under the Act, the

Listing Regulations, the Ministry of Corporate Affairs circular no. 11/2020 dated March 24, 2020 and The Securities and Exchange Board of India ("SEBI") circular dated March 19, 2020.

**e) Independent Directors:**

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and rules made thereunder and meet with requirements of Regulation 25 of the Listing Regulations and are independent of the management.

The Independent Directors meet once in a financial year without the presence of non-independent directors and presence of the management. The Independent Directors, inter alia, reviewed the performance of the other Directors and Board as a whole and also assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**f) Board's Procedures:**

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, material investment proposals, sale and acquisition of material nature of assets, mortgages, guarantees, etc. are regularly placed before the Board. The matters regarding actual operations, major litigation feedback reports, information on senior level appointments below the Board level and minutes of the Board and Committee Meetings are also placed before the Board. In addition to the information required under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations, the Board is also kept informed of major events/items and approvals taken wherever necessary.

**g) Board Evaluation:**

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

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

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

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

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors covered the following as described in the evaluation framework of the Company:

- a) Professional qualification and experience, especially experience to relevant industry;
- b) Attendance and participation in the Board Meeting;
- c) Whether person is independent from the entity and the other directors and there if no conflict of interest and exercises his/ her own judgement and voices opinion freely;
- d) Timely inputs on minutes of meeting of board and committees;
- e) Timely disclosure of interest and any change therein;
- f) Adherence of Code of Conduct of the Company;
- g) Contribution in the board and committee meetings such as raising valid concerns and providing his/her inputs for resolutions of such issues;
- h) Promoting the good corporate governance practices in the Company;
- i) Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information provided by the Company and its representatives; and
- j) Fulfillment of the independence criteria as per the SEBI Listing Regulations and their independence from the management.

**h) Maximum tenure of Independent Directors:**

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

**i) Familiarisation Programmes for Independent Directors:**

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

**j) Skills/Expertise/Competencies of the Board of Directors:**

The Board of Directors of the Company comprise of qualified members from diverse fields who bring in the required skills, competencies and expertise and add valuable contributions to the Board and its Committees. The members of the Board ensures that the Company complies with the applicable laws and maintains highest standards of corporate governance.

The following skills/expertise/competencies have been identified for the effective functioning of the Company, which are currently available with the Board.

Skills/expertise/competencies	Directors who possess such skills/expertise/competencies
Diversified Leadership	Mr. Desh Raj Dogra
	Mr. Sanjay Vijay Bhandarkar
	Ms. Archana Capoor
	Mr. Rajagopalan Chandrashekar
Strategic Planning	Mr. Desh Raj Dogra
	Mr. Sanjay Vijay Bhandarkar
	Ms. Archana Capoor
	Mr. Rajagopalan Chandrashekar
	Mr. Himanshu Gupta
Industry experience	Mr. Dinesh Kumar Jhunjhnuwala
	Mr. Himanshu Gupta
	Ms. Savita Gupta
	Mr. Gaurav Kumar Jhunjhnuwala
Finance and Accounts	Mr. Desh Raj Dogra
	Mr. Sanjay Vijay Bhandarkar
	Ms. Archana Capoor
	Mr. Himanshu Gupta
Legal, Regulatory and Risk Management	Mr. Dinesh Kumar Jhunjhnuwala
	Mr. Desh Raj Dogra
	Ms. Archana Capoor
	Mr. Himanshu Gupta
Corporate Governance	Mr. Dinesh Kumar Jhunjhnuwala
	Mr. Desh Raj Dogra
	Mr. Sanjay Vijay Bhandarkar
	Ms. Archana Capoor
	Mr. Himanshu Gupta
	Mr. Dinesh Kumar Jhunjhnuwala

### 3. BOARD COMMITTEES

The Committees constituted by the Board Directors deal with specific areas and activities which concern the Company and makes recommendations to the Board on matters in their area or purview. The Committees take informed decisions within the framework designed by the Board. These Committees play an important role in overall management of day-to-day affairs and governance of the Company. To ensure good governance, all the decisions or recommendations by the Committee are placed before the Board for its information or approval, as required.

#### a) Audit Committee

##### Constitution and composition:

Pursuant to the provisions of the Act and Regulation 18 of the Listing Regulations, the Audit Committee of the Company comprising of 4 (four) Directors performs all such powers and functions as are required to be performed under the said provisions. All the members of the Committee have relevant experience in financial matters.

##### Meetings & Attendance:

The Audit Committee met 6 (six) times during the financial year 2020-21 on June 30, 2020, August 13, 2020, August 14, 2020 (Adjourned meeting), November 10, 2020, December 10, 2020 and February 10, 2021. The intervening period between two meetings was well within the maximum time gap as specified in the Listing regulations and SEBI Circular dated March 19, 2020. The constitution of Audit Committee and attendance of each member during the financial year 2020-21 is as given below:

Name of the Member	Category	No. of meetings entitled to attend	No. of meetings attended
Ms. Archana Capoor (Chairperson of Audit Committee)	Non-Executive, Independent Director	6	6
Mr. Desh Raj Dogra	Non-Executive, Independent Director	6	6
Mr. Sanjay Vijay Bhandarkar	Non-Executive, Independent Director	6	6
Mr. Rajagopalan Chandrashekar*	Non-Executive, Independent Director	2	2

\* Mr. Rajagopalan Chandrashekar became member of the Committee with effect from November 11, 2020.

The Audit Committee invites such executives, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meetings. The Company Secretary acts as the Secretary of the Audit Committee. The statutory auditors and internal auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee. Separate discussions are held with the internal auditors to review the compliances, issues involved and to review the internal controls in the Company.

### Terms of Reference:

#### A. Powers of Audit Committee

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

#### B. Role of Audit Committee

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

1. To consider internal audit reports, reviews internal control and systems and provide guidance and direction to internal audit function. To review the corporate accounting and reporting practices and also consider changes in accounting policy, if any. Review, with the management, the quarterly/half yearly financial statements before submission to the Board of Directors for approval.
2. To have an oversight of the Company's financial reporting process and the disclosure of its financial information so as to ensure that the financial statement is correct, sufficient and credible.
3. To review with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
  - a. Matters to be included in the Director's Responsibility Statement in the Board's Report;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Qualifications in the draft audit report, if any; and
  - g. Disclosure of any Related Party Transactions
4. To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
5. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit. It can have discussion with internal auditors regarding any significant findings and follow up there on.
6. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors.
7. To have discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. The Committee may also look into the reasons for substantial defaults in the payment to the depositors, debenture holders and shareholders (in case of non-payment of declared dividends).
9. The Committee shall mandatorily review the following information:
  - a. Management Discussion and Analysis of financial condition and results of operations.
  - b. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
  - c. Management Letters/Letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal Audit reports relating to internal control weaknesses;
  - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to the review by the audit committee; and
  - f. Statement of deviations:
    - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, shall be submitted to the relevant stock exchanges in terms of Regulation 32(1) of the Listing Regulations; and
    - ii. An annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, in terms of Regulation 32(7) of the Listing Regulations.
10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11. Examination of the financial statement and the auditor's report thereon;
12. Approval or any subsequent modification of transactions of the Company with related parties;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial control and risk management systems;
16. Monitoring the end use of funds raised through public offers and related matters;

17. Overseeing of the vigil mechanism along with making provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
18. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
19. Carry out additional functions as is contained in the listing agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
20. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
21. Review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter.
22. Approval of appointment of Chief Financial Officer [i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
23. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

## b) Nomination and Remuneration Committee

### Constitution and composition:

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has a Nomination and Remuneration Committee comprising of 3 (three) Directors to perform all such powers and functions as are required to be performed under the said provisions.

### Meetings & Attendance:

The Nomination and Remuneration Committee met once during the financial 2020-21 on June 30, 2020. The constitution of Nomination and Remuneration Committee and attendance of each member is as given below:

Name of the Member	Category	Attended meeting held on June 30, 2020
Ms. Archana Capoor <b>(Chairperson of Nomination and Remuneration Committee)</b>	Non-Executive, Independent Director	Yes
Mr. Desh Raj Dogra	Non-Executive, Independent Director	Yes
Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	Yes

### Terms of References:

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

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of Directors their appointment and/or removal;
2. To specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees such that its policies ensure that -
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. To formulate the criteria for evaluation of Independent Directors and the Board of Directors;
5. To recommend to the Board of Directors whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. To devise a policy on the diversity of the Board of Directors;
7. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
8. To carry out any other function as is mandated by the Board of Directors from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To administration and superintendence the employee stock option scheme or employees benefit schemes as approved by Board of Directors of the Company;

10. To formulate the detailed terms and conditions of such schemes, frame suitable policies and procedures to ensure that there is no violation of applicable laws; and
11. To recommend to the Board of Directors, all remuneration in whatever form, payable to senior management.

### c) Stakeholders Relationship Committee

#### Constitution and composition:

Pursuant to the Act and Regulation 20 of the Listing Regulations, the Company has a Stakeholders Relationship Committee comprising of 3 (three) Directors. The Committee discharges duties of looking into the grievances and protecting the various aspects of interest of shareholders of the Company.

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

#### Meetings & Attendance:

The Stakeholders Relationship Committee met 4 (four) times during the financial year 2020-21 on June 25, 2020, August 31, 2020, November 10, 2020 and February 05, 2021. The constitution of the Stakeholders & Relationship Committee and attendance of each member during the financial year 2020-21 is as given below:

Name of the Member	Category	No. of meetings attended
Ms. Savita Gupta (Chairperson of Stakeholders Relationship Committee)	Non-Executive, Non-Independent Director	4
Mr. Himanshu Gupta	Managing Director	4
Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	1

Terms of References:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
5. Ensure effective implementation and monitoring of framework devised to avoid insider trading and abusive self-dealing; and
6. All other matters incidental or related to shares, debentures and other securities of the Company.

#### Investor Grievances/Complaints:

The details of investor complaints received and resolved during the financial year 2020-21 are as follows:

Complaints received	Complaints resolved	Complaints not solved to the satisfaction of shareholders	Complaints pending
3	3	0	0

Mr. Jagdeep Singh, Company Secretary is designated as Compliance Officer of the Company. The Company has an email-id investors@schandgroup.com for the investors to send their grievances.

### d) Corporate Social Responsibility Committee

#### Constitution and composition:

Pursuant to the provisions of Section 135 of the Act, the Corporate Social Responsibility Committee ("CSR Committee") comprising of 3 (three) Directors performs all such powers and functions as are required to be performed under the said provisions.

#### Meetings & Attendance:

The CSR Committee met once during the financial 2020-21 on June 30, 2020. The constitution of the CSR Committee and attendance of each member is as given below:

Name of the Member	Category	Attended meeting held on June 30, 2020
Mr. Desh Raj Dogra (Chairman of CSR Committee)	Non-Executive, Independent Director	Yes
Mr. Himanshu Gupta	Managing Director	Yes
Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	Yes

### Terms of References:

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

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time; and;
4. To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the Corporate Social Responsibility of the Company.

### e) Risk Management Committee

#### Constitution and composition:

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors at its meeting held on June 09, 2021 constituted Risk Management Committee consisting of 5 (five) members. The composition of Risk Management Committee is as under:

Sl. No.	Name of Member	Category
1	Mr. Desh Raj Dogra	Member - Non-Executive, Independent Director
2	Mr. Himanshu Gupta	Member- Managing Director
3	Mr. Rajagopalan Chandrashekar	Member- Non-Executive, Independent Director
4	Mr. Saurabh Mittal	Member- Chief Financial Officer
5	Mr. Atul Soni	Member- Head Investors Relations

### Terms of References:

The terms of reference of Risk Management Committee are as under:

1. To formulate a detailed risk management policy which shall include
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

### Other Functional Committees

Apart from the above statutory Committees, the Board of Directors have constituted the following functional committees to ensure better governance and to meet the specific business needs.

#### a) Administrative Committee

The Committee looks into routine administrative matters that arise in the normal course of business. The Committee comprises of 3 (three) members of the Board. The Committee reports to the Board and the minutes of this Committee are placed before the Board for information.

## 4. REMUNERATION OF DIRECTORS

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

During the financial year, the Company had taken an interest free unsecured loan of Rs. 5.00 million from Mrs. Savita Gupta, Non-Executive Non-Independent Director of the Company. This interest free unsecured loan has been repaid to Mrs. Savita Gupta.

#### b) Criteria of making payments to Non-Executive Directors:

The role of Non-Executive/Independent Director of the Company is not just restricted to Corporate Governance at the Board level of the Company but they also bring with them significant professional experience and expertise across the whole spectrum of the functional area such

as publishing, marketing, sales, corporate strategy, legal, finance and other corporate functions. The Company seeks their expert advice on various matters relating to the business of the Company. The Independent Directors are paid sitting fees within the prescribed limits. The sitting fees is reasonable to attract, retain and motivate Directors aligned to the requirements of the Company. The Company also reimburses out-of-pocket expenses, if any, incurred by the Non-Executive Directors for attending meetings. The remuneration paid to the Non-Executive Directors is in line with the Nomination and Remuneration Policy of the Company and the applicable provisions of the Act and Listing Regulations.

**c) The details of remuneration and sitting fees paid to each Director during the financial year 2020-21 are as under:**

(Figures in Millions)

S. No.	Name of the Director	Category	Salary	Other Benefits	Bonuses	Stock Options	Sitting Fees	Total
1.	Mr. Himanshu Gupta	Managing Director	10.12	-	-	-	-	<b>10.12</b>
2.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	10.82	-	-	-	-	<b>10.82</b>
3.	Ms. Savita Gupta	Non-Executive, Non-Independent Director	-	-	-	-	-	-
4.	Mr. Gaurav Kumar Jhunjhnuwala	Non-Executive, Non-Independent Director	-	-	-	-	-	-
5.	Mr. Desh Raj Dogra	Non-Executive, Independent Director	-	-	-	-	0.48	<b>0.48</b>
6.	Ms. Archana Capoor	Non-Executive, Independent Director	-	-	-	-	0.45	<b>0.45</b>
7.	Mr. Sanjay Vijay Bhandarkar	Non-Executive, Independent Director	-	-	-	-	0.43	<b>0.43</b>
8.	Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	-	-	-	-	0.35	<b>0.35</b>

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

## 5. SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED INDIAN SUBSIDIARIES

Pursuant to Regulation 24A of the Listing Regulations, Secretarial Audit Report of the material unlisted subsidiaries incorporated in India as given by Company Secretaries in Practice are attached herewith as **Annexure I**.

## 6. GENERAL MEETINGS

**a) The details of last three AGM's and the summary of Special Resolutions passed therein are as under:**

Financial Year & Meeting No.	Day & Date	Time	Venue	Special Resolutions passed
49th/2019-20	Tuesday, September 29, 2020	11:30 A.M.	Pursuant to Ministry of Corporate Affairs circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 and SEBI circular dated May 12, 2020, the meeting was held through video conferencing	<ul style="list-style-type: none"> <li>Waiver of excess remuneration paid to Mr. Himanshu Gupta, Managing Director of the Company, during the financial year 2019-20; and</li> <li>Waiver of excess remuneration paid to Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company, during the financial year 2019-20</li> </ul>
48th/2018-19	Thursday, September 19, 2019	11:35 A.M.	Executive Club Resort, 439, Village Sahaoorpur, Post Office Fatehpur Beri, New Delhi 110074	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Himanshu Gupta as Managing Director of the Company;</li> <li>Re-appointment of Mr. Dinesh Kumar Jhunjhnuwala as Whole-time Director of the Company;</li> <li>Amendments in Memorandum of Association of the Company; and</li> <li>Amendments in Articles of Association of the Company</li> </ul>
47th/2017-18	Tuesday, September 25, 2018	4:00 P.M.		<ul style="list-style-type: none"> <li>Approval of Employees Stock Option Plan 2018; and</li> <li>Extension of S Chand - Employees Stock Option Plan 2018 to the employees of Subsidiary Company(ies)</li> </ul>

## b) Details of meeting convened in pursuance of the order passed by the NCLT

The NCLT passed the 1<sup>st</sup> motion order dated February 10, 2020 and directed the Company to convene the meeting of its shareholders, secured and unsecured creditors, secured and unsecured creditors of Nirja and DS Digital (“meetings”) for approval of the proposed Composite Scheme of Arrangement. However, due to Covid-19 pandemic and nationwide lockdown these meetings were postponed. Considering the spread of Covid 19 and social distancing norms prescribed by appropriate authorities, and difficulty in convening these meetings physically, the Company had filed an application before the NCLT for convening the meetings through video conferencing. The NCLT vide its order dated May 29, 2020 directed to convene the meetings through video conferencing and these meetings were convened as under:

Name of the Company	Type of meeting	Date of meeting
S Chand And Company Limited	Secured creditors	July 17, 2020
	Shareholders	July 18, 2020
	Un-secured creditors	July 18, 2020
DS Digital Private Limited	Secured creditors	July 17, 2020
	Un-secured creditors	July 18, 2020
Nirja Publishers & Printers Private Limited	Secured creditors	July 17, 2020
	Un-secured creditors	July 18, 2020

In the said meetings proposed Composite Scheme of Arrangement has been approved and Company filed a second motion application before the NCLT for its approval. NCLT order in our second motion application is awaited.

## c) Resolution passed through postal ballot:

During the financial year 2020-21, following special resolutions were passed through postal ballot:

Special resolution passed	Date of passing special resolution	Postal Ballot notice date	Name of scrutinizer who conducted postal ballot exercise	Details of voting pattern																																												
Approval of the proposed Composite Scheme of Arrangement amongst Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited, DS Digital Private Limited, Safari Digital Education Initiatives Private Limited and S Chand And Company Limited, their respective members and creditors	July 21, 2020	February 13, 2020	Mr. Parveen Kumar, Chartered Accountant, (Member Ship No.: 524665)	<p>a) Votes cast in favour</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> <th>% of total number of valid votes</th> </tr> </thead> <tbody> <tr> <td>Physical postal ballot</td> <td>14</td> <td>218</td> <td>0.01</td> </tr> <tr> <td>E-voting</td> <td>70</td> <td>22,35,004</td> <td>99.99</td> </tr> <tr> <td><b>Total</b></td> <td><b>84</b></td> <td><b>22,35,222</b></td> <td><b>99.99</b></td> </tr> </tbody> </table> <p>b) Votes cast against</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> <th>% of total number of valid votes</th> </tr> </thead> <tbody> <tr> <td>Physical postal ballot</td> <td>3</td> <td>12</td> <td>Negligible</td> </tr> <tr> <td>E-voting</td> <td>3</td> <td>51</td> <td>Negligible</td> </tr> <tr> <td><b>Total</b></td> <td><b>6</b></td> <td><b>63</b></td> <td><b>Negligible</b></td> </tr> </tbody> </table> <p>c) Invalid votes</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> </tr> </thead> <tbody> <tr> <td>Physical postal ballot</td> <td>2</td> <td>11</td> </tr> <tr> <td>E-voting</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>2</b></td> <td><b>11</b></td> </tr> </tbody> </table>	Manner of voting	Number of members who voted	Number of votes cast by them	% of total number of valid votes	Physical postal ballot	14	218	0.01	E-voting	70	22,35,004	99.99	<b>Total</b>	<b>84</b>	<b>22,35,222</b>	<b>99.99</b>	Manner of voting	Number of members who voted	Number of votes cast by them	% of total number of valid votes	Physical postal ballot	3	12	Negligible	E-voting	3	51	Negligible	<b>Total</b>	<b>6</b>	<b>63</b>	<b>Negligible</b>	Manner of voting	Number of members who voted	Number of votes cast by them	Physical postal ballot	2	11	E-voting	Nil	Nil	<b>Total</b>	<b>2</b>	<b>11</b>
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Special resolution passed	Date of passing special resolution	Postal Ballot notice date	Name of scrutinizer who conducted postal ballot exercise	Details of voting pattern																																	
Transfer of Mylestone and Learnflix businesses of the Company to Convergia Digital Education Private Limited	February 26, 2021	January 19, 2021	Mr. R.S. Bhatia, Practicing Company Secretary (Certificate of Practice No. 2514)	<p>a) Votes cast in favour</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> <th>% of total number of valid votes</th> </tr> </thead> <tbody> <tr> <td>E-voting</td> <td>93</td> <td>1,39,66,953</td> <td>99.42</td> </tr> <tr> <td><b>Total</b></td> <td><b>93</b></td> <td><b>1,39,66,953</b></td> <td><b>99.42</b></td> </tr> </tbody> </table> <p>b) Votes cast against</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> <th>% of total number of valid votes</th> </tr> </thead> <tbody> <tr> <td>E-voting</td> <td>17</td> <td>81,455</td> <td>0.58</td> </tr> <tr> <td><b>Total</b></td> <td><b>17</b></td> <td><b>81,455</b></td> <td><b>0.58</b></td> </tr> </tbody> </table> <p>c) Invalid votes</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> </tr> </thead> <tbody> <tr> <td>E-voting</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>Nil</b></td> <td><b>Nil</b></td> </tr> </tbody> </table>	Manner of voting	Number of members who voted	Number of votes cast by them	% of total number of valid votes	E-voting	93	1,39,66,953	99.42	<b>Total</b>	<b>93</b>	<b>1,39,66,953</b>	<b>99.42</b>	Manner of voting	Number of members who voted	Number of votes cast by them	% of total number of valid votes	E-voting	17	81,455	0.58	<b>Total</b>	<b>17</b>	<b>81,455</b>	<b>0.58</b>	Manner of voting	Number of members who voted	Number of votes cast by them	E-voting	Nil	Nil	<b>Total</b>	<b>Nil</b>	<b>Nil</b>
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Approval for amendment in S Chand - Employees Stock Option Plan 2018	February 26, 2021	January 19, 2021	Mr. R.S. Bhatia, Practicing Company Secretary (Certificate of Practice No. 2514)	<p>a) Votes cast in favour</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> <th>% of total number of valid votes</th> </tr> </thead> <tbody> <tr> <td>E-voting</td> <td>97</td> <td>1,40,46,022</td> <td>99.98</td> </tr> <tr> <td><b>Total</b></td> <td><b>97</b></td> <td><b>1,40,46,022</b></td> <td><b>99.98</b></td> </tr> </tbody> </table> <p>b) Votes cast against</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> <th>% of total number of valid votes</th> </tr> </thead> <tbody> <tr> <td>E-voting</td> <td>13</td> <td>2,386</td> <td>0.02</td> </tr> <tr> <td><b>Total</b></td> <td><b>13</b></td> <td><b>2,386</b></td> <td><b>0.02</b></td> </tr> </tbody> </table> <p>c) Invalid votes</p> <table border="1"> <thead> <tr> <th>Manner of voting</th> <th>Number of members who voted</th> <th>Number of votes cast by them</th> </tr> </thead> <tbody> <tr> <td>E-voting</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>Nil</b></td> <td><b>Nil</b></td> </tr> </tbody> </table>	Manner of voting	Number of members who voted	Number of votes cast by them	% of total number of valid votes	E-voting	97	1,40,46,022	99.98	<b>Total</b>	<b>97</b>	<b>1,40,46,022</b>	<b>99.98</b>	Manner of voting	Number of members who voted	Number of votes cast by them	% of total number of valid votes	E-voting	13	2,386	0.02	<b>Total</b>	<b>13</b>	<b>2,386</b>	<b>0.02</b>	Manner of voting	Number of members who voted	Number of votes cast by them	E-voting	Nil	Nil	<b>Total</b>	<b>Nil</b>	<b>Nil</b>
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Manner of voting	Number of members who voted	Number of votes cast by them																																			
E-voting	Nil	Nil																																			
<b>Total</b>	<b>Nil</b>	<b>Nil</b>																																			

There is no proposal for passing any special resolution through postal ballot.

## 7. MEANS OF COMMUNICATION

### a) Financial Results:

Prior intimation of the Board Meeting to consider and approve the unaudited /audited financial results of the Company is given to the stock exchanges and also disseminated on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com). The said financial results are intimated to the stock exchanges after the same are approved at the Board Meeting.

## b) Newspapers & Website:

The unaudited quarterly, half-yearly financial results and audited financial results for the financial year are published in leading newspapers i.e. 'The Financial Express' and 'Jansatta'. The said financial results, quarterly/half-yearly/annual compliances, other statutory filings made to the Stock Exchanges and other official news releases, if any, are also disclosed on the website of the Company at [www.schandgroup.com](http://www.schandgroup.com).

## c) Presentations to institutional investors/analysts:

The Company also hosts all presentations shared/made to analysts/ investors on website of the Company at [www.schandgroup.com](http://www.schandgroup.com). The said presentations are also submitted to the stock exchanges where the shares of the Company are listed.

## 8. GENERAL SHAREHOLDER INFORMATION

### a) 50th AGM:

Day : Tuesday  
Date : September 28, 2021  
Time : 11:30 A.M.  
Mode of convening the meeting : through video conferencing

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

### c) Dividend payment during the year under review:

During the year under review, the Board of Directors has not recommended any dividend.

### d) Financial Calendar for financial 2021-22:

- Quarterly results: within 45 days from the date of closure of the respective quarter or such extended time as maybe applicable to the Company;
- Annual Audited Results for the financial year ending March 31, 2022: within 60 days of close of the financial year or such extended time as maybe applicable to the Company; and
- AGM for the financial year ending March 31, 2022: within 180 days of close of financial year or such extended time as may be applicable to the Company.

### e) Listing of Shares and Stock Code:

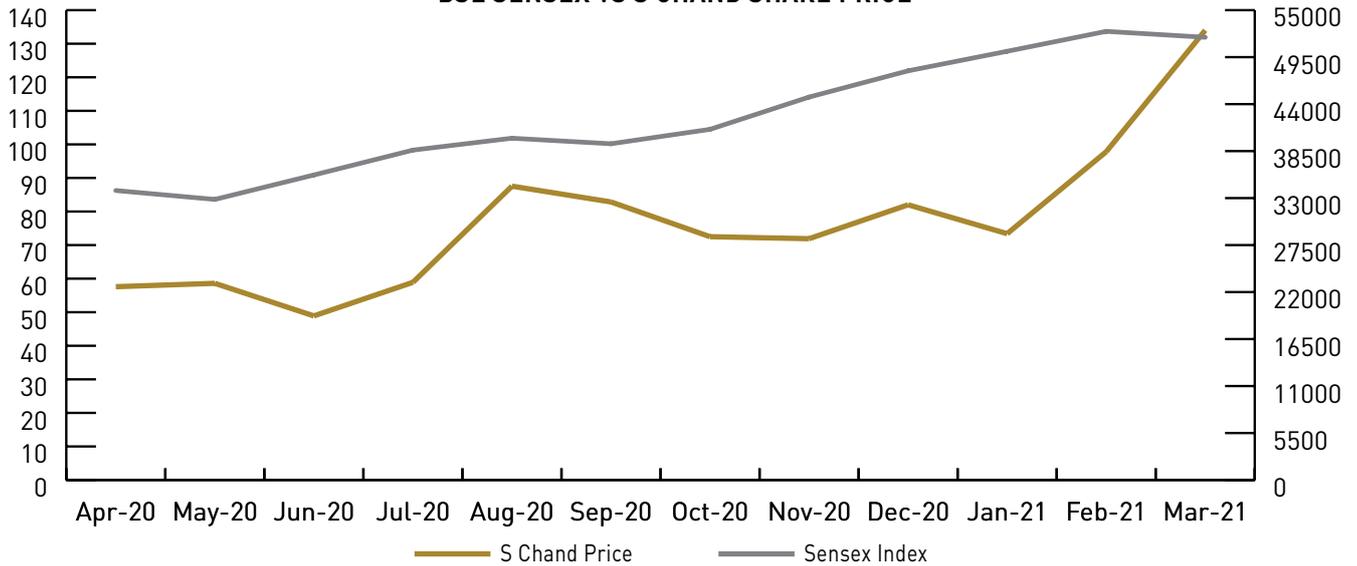
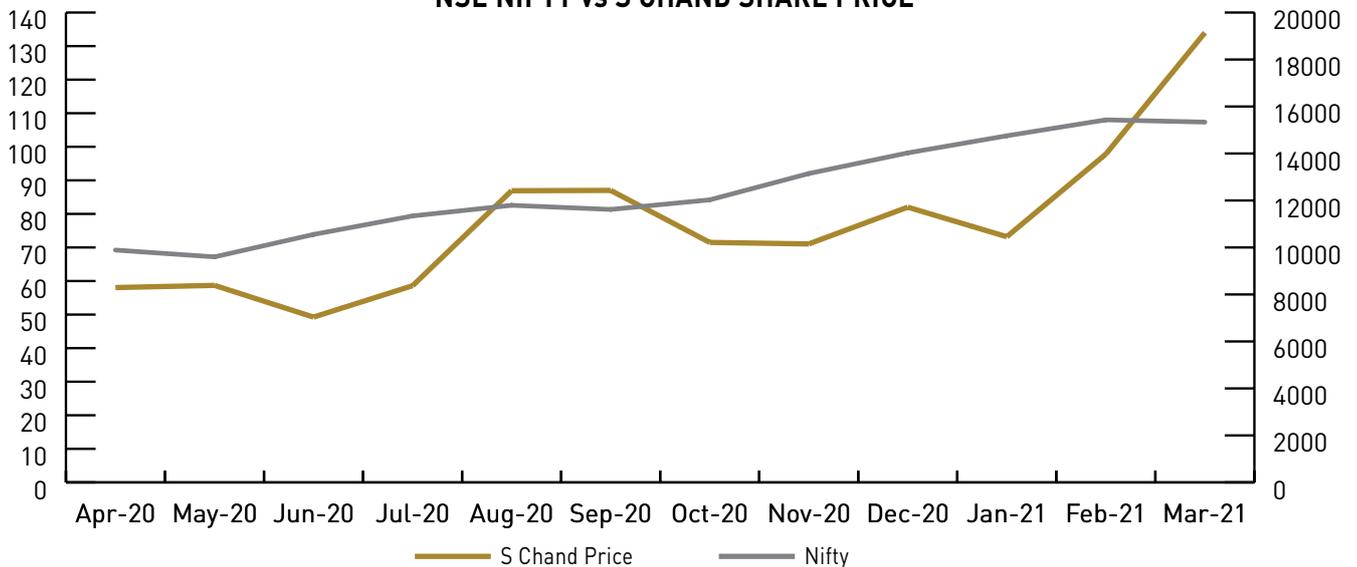
S. No.	Name of the Stock Exchange	Address of Stock Exchange	Stock Code
1.	BSE Limited ("BSE")	25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001	540497
2.	National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051	SCHAND

The Listing Fees for the financial year 2021-22 has been paid to NSE and BSE.

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

The monthly high and low prices and volume of shares of the Company at BSE and NSE for the year ended March 31, 2021 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-20	57.60	37.05	94,922	58.05	37.05	992,271
May-20	58.60	41.25	29,170	58.70	41.10	239,549
Jun-20	48.90	42.55	72,647	49.25	42.00	659,536
Jul-20	58.90	42.35	184,897	58.60	42.10	1,075,172
Aug-20	87.55	52.15	188,542	86.90	51.00	1,738,097
Sep-20	82.85	64.25	72,667	87.00	65.25	780,848
Oct-20	72.50	58.25	48,376	71.50	57.60	469,182
Nov-20	71.90	60.30	51,235	71.05	59.00	486,318
Dec-20	82.00	61.05	2,226,088	82.00	61.00	12,941,617
Jan-21	73.40	61.20	2,171,058	73.20	61.25	2,851,799
Feb-21	97.80	62.80	2,427,491	97.80	62.50	10,527,085
Mar-21	134.00	91.80	1,815,508	134.00	91.70	10,447,733

**BSE SENSEX VS S CHAND SHARE PRICE****NSE NIFTY vs S CHAND SHARE PRICE****g) Securities suspended from trading:**

The Company's securities has not been suspended from trading.

**h) Registrar and Share Transfer Agent:**

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

**Link Intime India Private Limited**

Noble Heights, 1<sup>st</sup> Floor,  
Plot NH 2, C-1 Block LSC,  
Near Savitri Market,  
Janakpuri, New Delhi-110058  
Phone: +91 11 49411000  
Fax: +91 11 4141 0591  
E-mail: delhi@intime.co.in  
Website: www.linkintime.co.in

### i) Share Transfer System:

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

As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

### j) Distribution of shareholding as on March 31, 2021:

S. No.	Shares Range	Number of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	1 To 500	47445	96.128	2245979	6.421
2	501 To 1000	889	1.801	714816	2.044
3	1001 to 2000	421	0.853	647952	1.853
4	2001 to 3000	170	0.345	434659	1.243
5	3001 to 4000	79	0.160	284667	0.814
6	4001 to 5000	84	0.170	401477	1.148
7	5001 to 10000	123	0.249	921296	2.634
8	10001 and above	145	0.294	29324441	83.843
	<b>Total</b>	<b>49356</b>	<b>100.000</b>	<b>34975287</b>	<b>100.000</b>

### k) Dematerialization of shares and liquidity:

As on March 31, 2021 all the equity shares of the Company are in compulsory dematerialization segment and are available on trading system of both the depositories in India viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The status of dematerialization of shares as on 31<sup>st</sup> March, 2021 is as under:

Particulars	Number of shares	Number of shareholders	% to total number of shares
CDSL	7,928,501	25,853	22.67
NSDL	27,046,786	23,503	77.33
<b>Total</b>	<b>34,975,287</b>	<b>49,356</b>	<b>100.00</b>

### l) Outstanding GDRs/ ADRs/Warrants:

The Company does not have any Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments as on March 31, 2021.

### m) Commodity price risk or foreign exchange risk and hedging activities:

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

### n) Plant locations:

- (i) 20/4, Site IV, Industrial Area, Sahibabad, Ghaziabad (Uttar Pradesh) – 201010; and
- (ii) Plot No. 40/2A, Site-IV-Industrial Area, Sahibabad, Ghaziabad (Uttar Pradesh) – 201010

### o) Credit Rating:

During the financial year ended March 31, 2021, CARE Ratings Limited has reviewed and revised the following credit ratings:

May 01, 2020

Facilities	Amount (Rs. in crore)	Rating	Rating Action
Long Term Bank Facilities	107	CARE A; Negative [Single A; Outlook: Negative]	Ratings Reaffirmed and outlook revised from Stable to Negative
Short Term Bank Facilities	3	CARE A1 [A One]	Reaffirmed

August 27, 2020

Facilities	Amount (Rs. in crore)	Rating	Rating Action
Long Term Bank Facilities	80	CARE A-; Negative [Single A Minus; Outlook: Negative]	Revised from CARE A; Negative [Single A; Outlook: Negative]
Short Term Bank Facilities	3	CARE A2+ [A Two Plus]	Revised from CARE A1 [A One]

**p) Address for correspondence:****Registered Office:**

A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate,  
New Delhi-110044  
Tel: +91 11 49731800  
Fax: +91 11 49731801  
Email: investors@schandgroup.com

**q) Compliance Officer:**

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

**9. OTHER DISCLOSURES****a) Disclosure on materially significant related party transactions:**

Except some transactions, all transactions entered into with related party as defined under the Act during the financial year 2020-21 were in the ordinary course of business and on arm's length basis. There were no materially significant transactions which have potential conflict with the interest of the Company at large.

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

Disclosure relating to loan/ advances as required under Schedule V is as under:

(Rs. in millions)

Name of subsidiary/associate/firms/companies in which directors are interested	Amount outstanding as on March 31, 2021	Maximum amount of loans/ advances outstanding during the financial year 2020-21
New Saraswati House (India) Private Limited – Wholly Owned Subsidiary of the Company	125.43	186.72
DS Digital Private Limited – Subsidiary of the Company	122.08	122.08
S. Chand Edutech Private Limited – Wholly Owned Subsidiary of the Company	2.12	28.45
Safari Digital Education Initiatives Private Limited – Wholly Owned Subsidiary of the Company	190.86	190.86
<b>Total</b>	<b>440.49</b>	<b>528.11</b>

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results:

Except the remuneration paid to Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole Time Director no related party transaction has been done with any promoter/promoter group entity which holds 10% or more shareholding in the Company.

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

BSE Limited and National Stock Exchange of India Limited had imposed a fine on the Company for non-compliance of the provisions of Regulation 19(1) (i.e. Constitution of Nomination and Remuneration Committee) of the Listing Regulations as on March 31, 2019. This non-compliance occurred due to resignation of Mr. Sanjay Gujral as the strength of the Nomination and Remuneration Committee reduced to two from three which is the minimum requirement of the Listing Regulations. The Company had taken corrective actions and the Committee was reconstituted comprising of three members. The Company had filed an application for waiver of the fine as the violation was unintentional. Based on the application filed by the Company, both BSE Limited and National Stock Exchange of India Limited have waived the penalty.

Further, National Stock Exchange of India Limited had imposed a penalty of Rs. 8,000/- towards non-compliance with regard to Regulation 31 of the Listing Regulations (i.e. non submission of the shareholding pattern) for the quarter ended June 30, 2019 within the prescribed timeline of June 21, 2019. Though the Company had filed the shareholding pattern within time but due to some technical issues it was not appearing on the website of NSE and no acknowledgement was issued. The Company rectified the non-compliance and submitted the shareholding pattern for the quarter ended June 30, 2019 and also deposited the fine.

**c) Whistle Blower Policy:**

The Company has adopted a vigil mechanism for employees wherein any employee or Director can report grievances to the reporting officer as designated by the Company or to the Chairperson of the Audit Committee. As part of vigil mechanism, the Company has formed a Whistle Blower Policy for its employees and Directors to report genuine concerns or grievances. The said policy provides avenues to employees and Directors to bring attention of the management of any issue which is perceived to be in violation or in conflict with the Code of Conduct of the Company. The Whistle Blower Policy is hosted on the website of the Company. None of the employees of the Company have been denied access to the Audit Committee.

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

The Company has complied with all the mandatory requirements of the Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements under the Listing Regulations as on March 31, 2021:

S. No.	Particulars	Remarks
1.	Non-Executive Chairman's Office	The Company has a Non-Executive Chairman and he maintains his own separate office. The Company does not bear expense of maintaining his office. The Company pays him sitting fees and reimburse travel expenses for attending the Board and Committee meetings.
2.	Shareholder Rights	The quarterly and half-yearly financial results along with the press release are published in the newspapers and also uploaded on the website of the Company at www.schandgroup.com.
3.	Audit Qualifications	The auditor's report of the Company for the financial year 2020-21 contains qualification/modified opinion as detailed in the Board's Report
4.	Reporting of Internal Auditor	The Internal Auditor submits its report to the Audit Committee on quarterly basis

**e) Policy for determining material subsidiaries:**

The policy for determining material subsidiaries has been uploaded on the Company's website at www.schandgroup.com.

**f) Policy for related party transactions:**

The policy for dealing with the related party transactions has been uploaded on the Company's website at www.schandgroup.com.

**g) Commodity price risks and commodity hedging activities:**

The Company does not have any commodity price risk exposure hedged through commodity derivatives.

**h) Details of utilization of funds raised:**

No funds were raised by the Company through preferential allotment or qualified institutions placement.

**i) Certificate from Practicing Company Secretary:**

A certificate from a Company Secretary in practice stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed herewith.

**j) Recommendations of Committees:**

All the recommendations of the various committees were accepted by the Board.

**k) Payment to Statutory Auditors:**

M/s. S.R. Batliboi & Associates LLP# (Rs. in millions)

Particulars	By the Company	By the subsidiaries	Total Amount*
Audit Fees	-	0.96	0.96
Limited review	1.50	1.66	3.16
Other services	0.07	0.17	0.24
Out of Pocket expenses	-	-	-
<b>Total</b>	<b>1.57</b>	<b>2.79</b>	<b>4.36</b>

# resigned with effect from November 12, 2020.

M/s. Walker Chandiok & Co LLP (Rs. in millions)

Particulars	By the Company	By the subsidiaries	Total Amount*
Audit Fees	3.50	1.20	4.70
Limited review	0.40	0.20	0.60
Other services	-	-	-
Out of Pocket expenses	0.04	0.02	0.06
<b>Total</b>	<b>3.94</b>	<b>1.42</b>	<b>5.36</b>

\* the amounts are exclusive of applicable GST.

**l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

In terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the number of complaints received during the financial year 2020-21 along with their status of redressal as on financial year ended March 31, 2021 are as under:

Number of complaints received during the financial year 2020-21	Nil
Number of complaints disposed of during the financial year 2020-21	Nil
Number of complaints pending as on March 31, 2021	Nil

**m) Details of non-compliance of any requirement of corporate governance report: Nil****n) Disclosures with respect to demat suspense account/unclaimed suspense account:**

22 equity shares allotted to Ms. Jaladhiben B Shah in the Initial Public Offer of the Company has not been credited to her demat account as the same appears to be closed/inactive. These shares are lying in the Share Escrow Account as on 31.03.2021.

In compliance to Regulation 39(4) and Schedule VI of the SEBI LODR Regulation, the Stakeholder Relationship Committee of Directors of the Company at its meeting held on August 02, 2021 approved to start the process of crediting the said 22 unclaimed shares in a demat suspense account to be opened by the Company with one of the depository participants.

**o) Code of Conduct Declaration:**

In accordance with Regulation 34(3) of the Listing Regulations, we hereby confirm that all the members of the Board and senior management personnel of the Company have affirmed compliance with the Code of Conduct of Board of directors and senior management. We also confirm the compliance with corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2) of the Listing Regulations for the financial year ended March 31, 2021.

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

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Himanshu Gupta  
Managing Director  
DIN: 00054015

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

## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To

The Board of Directors,  
S Chand And Company Limited

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

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2021.

Place: New Delhi  
Date: August 12, 2021

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

## COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,  
The Board of Directors  
S Chand And Company Limited

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

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2021 and based on our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

Place: New Delhi  
Date: August 12, 2021

Sd/-  
Himanshu Gupta  
Managing Director

Sd/  
Saurabh Mittal  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and sub clause (i) of clause 10 of  
Para C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
S Chand And Company Limited  
A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of S Chand And Company Limited having CIN L22219DL1970PLC005400 and having registered office at A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate, New Delhi-110044 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (i) of clause 10 of Para C of Schedule V of The Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities And Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of the Director	Designation	DIN	Date of appointment in the Company
1.	Mr. Desh Raj Dogra	Chairman, Non-Executive, Independent Director	00226775	10.11.2016
2.	Mr. Himanshu Gupta	Managing Director	00054015	21.04.2000
3.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	00282988	11.12.2004
4.	Ms. Archana Capoor	Non-Executive, Independent Director	01204170	10.11.2016
5.	Mr. Sanjay Vijay Bhandarkar	Non-Executive, Independent Director	01260274	10.11.2016
6.	Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	03634002	23.07.2018
7.	Ms. Savita Gupta	Non-Executive, Non-Independent Director	00053988	20.10.1989
8.	Mr. Gaurav Kumar Jhunjhnuwala	Non-Executive, Non-Independent Director	03518763	11.04.2011

Ensuring the eligibility of, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Dated: August 12, 2021

Sd/-  
R. S. Bhatia  
Practicing Company Secretary  
CP No: 2514  
UDIN: F002599C000773028

## **CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of  
S Chand And Company Limited  
A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044

I have examined the compliance of conditions of Corporate Governance by **S Chand And Company Limited ("the Company")** for the year ended 31<sup>st</sup> March, 2021, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

### **Opinion**

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

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

Place: New Delhi  
Dated: August 12, 2021

Sd/-  
R. S. Bhatia  
Practicing Company Secretary  
CP No: 2514  
UDIN: F002599C000772973

## ANNEXURE-I

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended 31<sup>st</sup> March, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014]

To,  
The Members  
**CHHAYA PRAKASHANI LIMITED**  
(Formerly known as CHHAYA PRAKASHANI PRIVATE LIMITED)  
CIN: U22122WB2006PLC111821  
1, Bidhan Sarani, College Street,  
Kolkata, WB-700073

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHHAYA PRAKASHANI LIMITED** (Formerly known as CHHAYA PRAKASHANI PRIVATE LIMITED) (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable to the Company during the Audit Period**);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**Not applicable to the Company during the Audit Period**);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Audit Period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable to the Company during the Audit Period**);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
- (vi) Other Laws applicable specifically to the Company, identified and confirmed by the Company and relied upon by us are as under:
  - (a) The Press and Registration of Books Act, 1867;
  - (b) The Copyright Act, 1957 read with The Copyrights Rules, 2013;
  - (c) The Trade Marks Act, 1999 read with The Trade Marks Rules, 2017;
  - (d) The Information Technology Act, 2000;
  - (e) The Legal Metrology Act, 2009;

- (f) Delivery of Books and Newspapers (Public Libraries) Act, 1954; and
- (g) The Child Labour (Prohibition and Regulation) Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with the following Stock Exchange(s) **(Not applicable to the Company during the Audit Period)**;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the other laws applicable on the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. During the year under review, the following changes have occurred in the composition of the Board of Directors in compliance with the provisions of the Act.

- Due to pre-occupation and other commitments, Mr. Sanjay Vijay Bhandarkar, Independent Director, resigned from his directorship with effect from March 08, 2021.

Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and wherever short notice of the meeting was given, compliance of relevant provisions of the Companies Act, 2013 read with secretarial standards on Board meeting as issued by Institute of Company Secretaries of India with respect to attendance of Independent Directors in the meeting was adhered. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. During the year under review, the Board of Directors at its meeting held on June 25, 2020 approved the draft Scheme of Amalgamation drawn pursuant to Sec 230 to Sec 232 of the Act and read with The Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 for Amalgamation of EURASIA PUBLISHING HOUSE PRIVATE LIMITED with CHHAYA PRAKASHANI LIMITED with appointed date as 1<sup>st</sup> April, 2020. The said scheme was filed by the Company with Hon'ble National Company Law Tribunal on March 31, 2021.
2. During the year under review, the shareholders of the Company by passing special resolutions in their Extra Ordinary General Meeting held on January 11, 2021, approved the matters regarding conversion of the Company into a Public Limited Company and replacing the existing set of Articles of Association of the Company with a new set of Articles of Association in light of conversion of the Company from a private limited Company to a public limited Company.

In pursuance of approval by the shareholders, the Company filed necessary e-form with Registrar of Companies for conversion of Company into a Public Limited Company. The Registrar of Companies approved the conversion of Company into a Public Limited Company and issued a fresh certificate of incorporation dated 18<sup>th</sup> February, 2021. Consequently the name of the Company has been changed to Chhaya Prakashani Limited with effect from 18<sup>th</sup> February, 2021.

3. During the year under review, the shareholders of the Company bypassing special resolution in their Extra Ordinary General Meeting held on February 12, 2021, approved the investment limits of the Company under section 186 of the Act for an amount of up to Rs. 100 crores (Rupees One Hundred Crores Only).

**For Suresh Gupta & Associates**  
**Company Secretaries**

Sd/-

**Suresh Gupta (Proprietor)**

**FCS No: 5660**

**CP No: 5204**

**Peer Review Cert. No. 740/2020**

**UDIN: F005660C000760744**

Date: August 10, 2021

Place: Noida

This report is to be read in conjunction with my letter of even date which is marked as 'Annexure A' and forms an integral part of this report.

**ANNEXURE A**

To,  
The Members  
**Chhaya Prakashani Limited**  
(Formerly known as Chhaya Prakashani Private Limited)  
CIN: U22122WB2006PTC111821  
1, Bidhan Sarani College Street,  
Kolkata, WB-700073

Our report of event date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company and our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Suresh Gupta & Associates**  
**Company Secretaries**

**Sd/-**  
**Suresh Gupta (Proprietor)**  
**FCS No: 5660**  
**CP No: 5204**  
**Peer Review Cert. No. 740/2020**  
**UDIN: F005660C000760744**

Date: August 10, 2021  
Place: Noida

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**VIKAS PUBLISHING HOUSE PRIVATE LIMITED**  
CIN: U74899DL1971PTC005766  
A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate,  
New Delhi-110044

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VIKAS PUBLISHING HOUSE PRIVATE LIMITED** (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
- (vi) Other Laws applicable specifically to the Company, identified and confirmed by the Company and relied upon by us are as under:
  - (a) The Press and Registration of Books Act, 1867;
  - (b) The Copyright Act, 1957 read with The Copyrights Rules, 2013;
  - (c) The Trade Marks Act, 1999 read with Trade Marks Rules, 2017;
  - (d) The Information Technology Act, 2000;
  - (e) The Legal Metrology Act, 2009;
  - (f) The Delivery of Books and Newspapers (Public Libraries) Act, 1954; and
  - (g) The Child Labour (Prohibition and Regulation) Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) **(Not applicable to the Company during the Audit Period);**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the other laws applicable on the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and wherever short notice of the meeting was given, compliance of relevant provisions of the Act read with secretarial standard on Board Meeting as issued by The Institute of Company Secretaries of India with respect to attendance of Independent Directors in the meeting was adhered. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. During the year under review, the members of the Company at their Extra Ordinary General Meeting held on July 21, 2020 by way of special resolution approved the investment limit under section 186 of the Act, for an amount of upto Rs. 25 crores (Rupees Twenty Five Crores Only).
2. During the year under review, the members of the Company at their Annual General Meeting held on September 21, 2020 by way of special resolution under section 197 of the Act, waived off the recovery of excess remuneration of Rs. 68,12,300/- paid to Ms. Savita Gupta, Whole-time Director of the Company, during the financial year 2019-20.
3. M/s. S.R. Batliboi & Associates LLP (Firm Registration No: 101049W/E300004), Chartered Accountants, who were appointed by the shareholders of the Company at their Annual General Meeting held on September 06, 2017 as Statutory Auditors of the Company for a period of 5 (five) years to hold office till the conclusion of the 51<sup>st</sup> Annual General Meeting to be held in 2022 have submitted their resignation with effect from November 12, 2020. To fill the casual vacancy caused due to such resignation, the Board of Directors at its meeting held on December 09, 2020 appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No: 001076N/N500013) as the Statutory Auditors of the Company to hold office until the conclusion of the 50<sup>th</sup> Annual General Meeting of the Company. The said appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, to fill the casual vacancy were also approved by the shareholders of the Company by passing resolution at their Extra Ordinary General Meeting held on January 06, 2021.

**For Suresh Gupta & Associates**  
**Company Secretaries**

Sd/-

**Suresh Gupta (Proprietor)**

**FCS No: 5660**

**CP No: 5204**

**Peer Review Cert. No. 740/2020**

**UDIN: F005660C000760744**

Date: August 10, 2021

Place: Noida

This report is to be read in conjunction with my letter of even date which is marked as 'Annexure A' and forms an integral part of this report.

## ANNEXURE A

To,  
The Members  
**Vikas Publishing House Private Limited**  
CIN: U74899DL1971PTC005766  
A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate,  
New Delhi-110044

Our report of event date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company and our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Suresh Gupta & Associates**  
**Company Secretaries**

Sd/-  
**Suresh Gupta (Proprietor)**  
FCS No: 5660  
CP No: 5204  
Peer Review Cert. No. 740/2020  
UDIN: F005660C000760744

Date: August 10, 2021  
Place: Noida

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended 31<sup>st</sup> March, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**SAFARI DIGITAL EDUCATION INITIATIVES PRIVATE LIMITED**  
CIN: U80904DL2010PTC204512  
A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAFARI DIGITAL EDUCATION INITIATIVES PRIVATE LIMITED** (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
- (vi) Other Laws applicable specifically to the Company, identified and confirmed by the Company and relied upon by us are as under:
  - (a) The Copyright Act, 1957 read with The Copyrights Rules, 2013;
  - (b) The Trade Marks Act, 1999 read with The Trade Marks Rules, 2017;
  - (c) The Information Technology Act, 2000;
  - (d) The Legal Metrology Act, 2009;
  - (e) The Child Labour (Prohibition and Regulation Act), 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company **(Not applicable to the Company during the Audit Period);**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the other laws applicable on the Company.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Director and Independent Directors. During the year under review, the Board of Directors at its meeting held on January 19, 2021 appointed Mr. Ashish Gupta as an Additional Director with effect from January 19, 2021.

Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and wherever short notice of the meeting was given, compliance of relevant provisions of the Companies Act, 2013 read with secretarial standard on Board Meeting as issued by The Institute of Company Secretaries of India with respect to attendance of Independent Directors in the meeting was adhered. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. During the year under review, the Board of Directors at its meeting held on June 17, 2020 approved an investment upto an amount of Rs. 5.00 crores in Edutor Technologies India Private Limited (an associate of the Company) by way of right issue of equity shares.
2. During the year under review, the shareholders of the Company at its Extra Ordinary General Meeting held on January 19, 2021 approved the following matters by way of passing special resolutions:
  - (a) Increase in investment limits of the Company under section 186 of the Act from Rs. 60 crores (Rupees Sixty Crores only) to Rs. 110 crores (Rupees One Hundred and Ten Crores only).
  - (b) Transfer of the Company's Mylestone business on slump sale basis to Convergia Digital Education Private Limited ("Convergia") at a business consideration of Rs. 483.18 millions to be paid in the form of equity instruments to be issued by Convergia to the Company.
3. During the year under review, the shareholders of the Company by way of passing special resolutions approved the following optionally convertible loans from Chhaya Prakashani Limited (formerly known as Chhaya Prakashani Private Limited), a fellow subsidiary of the Company under section 62(3) of the Act:

Date of Extra Ordinary General Meeting	Amount (in Rs.)
July 10, 2020	Upto an amount of Rs. 2.00 crores
November 12, 2020	Upto an amount of Rs. 2.00 crores
February 24, 2021	Upto an amount of Rs. 2.50 crores

4. During the year under review, the shareholders of the Company at its Extra Ordinary General Meeting held on February 24, 2021 by way of passing special resolution has approved the renewal of loan agreement between the Company and S Chand And Company Limited, holding Company ("S Chand") to extend the tenure of the existing outstanding optionally convertible loan of Rs. 18.68 crores taken from S Chand for a period of 1 (One) year with effect from November 17, 2020.

**For Suresh Gupta & Associates  
Company Secretaries**

Sd/-  
Suresh Gupta (Proprietor)  
FCS No: 5660  
CP No: 5204  
Peer Review Cert. No. 740/2020  
UDIN: F005660C000760744

Date: August 09, 2021  
Place: Noida

This report is to be read in conjunction with my letter of even date which is marked as 'Annexure A' and forms an integral part of this report.

**ANNEXURE A**

To,  
The Members  
**SAFARI DIGITAL EDUCATION INITIATIVES PRIVATE LIMITED**  
CIN: U80904DL2010PTC204512  
A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044

Our report of event date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company and our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Suresh Gupta & Associates**  
**Company Secretaries**

**Sd/-**  
**Suresh Gupta (Proprietor)**  
**FCS No: 5660**  
**CP No: 5204**  
**Peer Review Cert. No. 740/2020**  
**UDIN: F005660C000760744**

Date: August 09, 2021  
Place: Noida

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended 31<sup>st</sup> March, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**NEW SARASWATI HOUSE (INDIA) PRIVATE LIMITED**  
CIN: U22110DL2013PTC262320  
A-27, 2<sup>nd</sup> Floor,  
Mohan Co-operative Industrial Estate,  
New Delhi-110044

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NEW SARASWATI HOUSE (INDIA) PRIVATE LIMITED** (herein after called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period)**;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period)**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
- (vi) Other Laws applicable specifically to the Company, identified and confirmed by the Company and relied upon by us are as under:
  - (a) The Press and Registration of Books Act, 1867;
  - (b) The Copyright Act, 1957 read with The Copyrights Rules, 2013;
  - (c) The Trade Marks Act, 1999 read with The Trade Marks Rules, 2017;
  - (d) The Information Technology Act, 2000;
  - (e) The Legal Metrology Act, 2009;
  - (f) The Delivery of Books and Newspapers (Public Libraries) Act, 1954; and
  - (g) The Child Labour (Prohibition and Regulation) Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) **(Not applicable to the Company during the Audit Period)**;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the other laws applicable on the Company.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Director. No change in the composition of the Board of Directors took place during the period under review.

Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and wherever short notice of the meeting was given, compliance of relevant provisions of the Companies Act, 2013 read with secretarial standard on Board Meeting as issued by The Institute of Company Secretaries of India with respect to attendance of independent director in the meeting or ratification of minutes by Independent Director was adhered. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. During the year under review, the members of the Company has approved the following optionally convertible loans under section 62(3) of Act, by way of passing Special Resolutions:
  - a) Raising of optionally convertible loan upto an amount of Rs. 1.00 crore (Rupees One Crore Only) from Nirja Publishers & Printers Private Limited, a fellow subsidiary, at an Extra Ordinary General Meeting held on November 25, 2020.
  - b) Raising of optionally convertible loan upto an amount of Rs. 5.00 crores (Rupees Five Crores only) from Chhaya Prakashani Limited (formerly known as Chhaya Prakashani Private Limited), a fellow subsidiary, at an Extra Ordinary General Meeting held on December 18, 2020.
2. The average net profit of the Company (calculated as per section 198 of the Act) made during the preceding three financial years (i.e. 2017-2018, 2018-2019 and 2019-2020) is negative. Accordingly, the Company was not required to spend any amount in CSR activities.
3. The shareholders of the Company at its Extra Ordinary General Meeting held on March 06, 2021 by way of passing an ordinary resolution has increased the Authorized share capital of the Company from Rs. 10,00,000/- (Rupees Ten Lakhs only) divided into 1,00,000 (One Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each to 20,10,00,000/- (Rupees Twenty Crores Ten Lakhs only) divided into 1,00,000 (One Lakh) Equity shares of Rs.10/- each and 2,00,00,000 (Two crores) Preference shares of Rs. 10/- each **by creation of 2,00,00,000 (Two crores) Preference shares of Rs. 10/- (Rupees Ten) each.**
4. The shareholders of the Company under the provisions of section 55 and 62 of the Act passed a special resolution at their Extra Ordinary General Meeting held on March 06, 2021 for Issuance of preference shares maximum upto 2,00,00,000 (Two Crores) 0.01% Non- Cumulative, Non- participating, Compulsory convertible preference shares (CCPS) of Rs. 10/- each at par on right issue basis to the existing shareholders.
5. Pursuant to the approval of shareholders of the Company, the Board of Directors at its meeting held on March 26, 2021 allotted 13,639,989, 0.01% Compulsorily Convertible Preference Shares on right basis.
6. M/s. S.R. Batliboi & Associates LLP (Firm Registration No: 101049W/E300004), Chartered Accountants, who were appointed by the shareholders of the Company at their Annual General Meeting held on September 05, 2019 as Statutory Auditors of the Company for a period of 4 (Four) years to hold office till the conclusion of the Annual General Meeting to be held in year 2023 have submitted their resignation with effect from November 12, 2020. To fill the casual vacancy caused due to such resignation, the Board of Directors at its meeting held on December 09, 2020 appointed M/s. J P Chawla & Co. LLP, Chartered Accountants (Firm Registration No. 001875N/N500025) as the Statutory Auditors of the Company to hold office until the conclusion of the 08<sup>th</sup> Annual General Meeting of the Company. The said appointment of M/s. J P Chawla & Co. LLP, Chartered Accountants, to fill the casual vacancy was also approved by the shareholders of the Company by passing resolution at their Extra Ordinary General Meeting held on December 18, 2020.

Sd/-

**Nikita Shukla**

**Practising Company Secretary**

**Membership No: A51403**

**COP No: 22855**

**UIDIN: A051403C000754677**

Date: August 09, 2021

Place: New Delhi

This report is to be read in conjunction with my letter of even date which is marked as '**Annexure A**' and forms an integral part of this report.

## ANNEXURE A

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The Members  
**NEW SARASWATI HOUSE (INDIA) PRIVATE LIMITED**  
CIN: U22110DL2013PTC262320  
A-27, 2<sup>nd</sup> Floor,  
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Sd/-  
**Nikita Shukla**  
Practising Company Secretary  
Membership No: A51403  
COP No: 22855  
UIDIN: A051403C000754677

Date: August 09, 2021  
Place: New Delhi

# Management Discussion and Analysis

## India's Economic Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three global economic powers over the next decade. As per the second advance estimates (SAE) for 2020-21, India's real Gross Domestic Product (GDP) at current prices stood at Rs 195.86 lakh crore (US\$ 2.71 trillion) in FY21. According to McKinsey Global Institute, India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 for productivity and economic growth. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

Numerous foreign companies are setting up facilities in India thanks to various Government initiatives like 'Make in India' and 'Digital India'. Mr. Narendra Modi, Honourable Prime Minister of India, launched the 'Make in India' initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its 'Make in India' initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

As per the Hurun Global Unicorn List, India is now the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion. According to the Nasscom-Zinnov report 'Indian Tech Start-up', it is expected that by 2025, India will have more than 100 unicorns and the sector will create ~1.1 million direct jobs.

According to a Boston Consulting Group report, India is expected to be the third largest consumer economy by 2025 as its consumption may triple to US\$ 4 trillion, owing to changing consumer behavior and expenditure pattern. It is estimated to surpass USA to become the second largest economy in terms of Purchasing Power Parity by 2040 as per a report by Price Waterhouse Coopers.

## Education Sector in India

### Market Size

India has the world's largest population of about 500 million in the age bracket of 5-24 years, which provides a great opportunity for the education sector. The country has one of the largest networks of higher education institutions in the world. However, significant opportunities still exist with more than 26% of India's population in the age group of 0-14 years. The number of colleges in India reached 39,931 in FY19 and the number of universities grew to 967 in FY21 (until December 2020). In 2020-21, there were a total of 9,700 AICTE approved institutes which offered 4,100 undergraduate, 4,951 postgraduate and 4,514 diploma courses.

The education sector in India continues to be a strategic priority for the Government. The Government has allowed 100% Foreign Direct Investment (FDI) in the education sector through the automatic route since 2002. The sector has seen a host of reforms and improved financial outlays in recent years. With human resources gaining increasing significance in the overall development of the country, development of educational infrastructure is expected to remain the key focus in the current decade. India's education sector offers a great opportunity

with 26% of India's population in the age group of 0 to 14 years. India's higher education segment is expected to increase to Rs. 2,44,824 crore (US\$ 35 billion) by 2025. Increasing internet penetration is expected to help in education delivery. Under the National Education Policy 2020, the Government aims to set up regional, national institutes for virology, >15,000 schools, 100 new Sainik schools and 750 Eklavya model residential schools in tribal areas.

Various Government initiatives have been launched to boost the growth of the distance education market besides focusing on new education techniques, such as e-learning and M-Learning. India has become the second largest market for e-learning after the US. In India, the online education market is expected to reach ~US\$ 11.6 billion by 2026. Indian EdTech startups have received a total investment of US\$ 2.22 billion in 2020, up from US\$ 553 million in 2019.

The Cabinet's approval of the National Education Policy 2020, makes way for large scale, transformational reforms in both school and higher education sectors. The policy is built on the foundational pillars of Access, Equity, Quality, Affordability and Accountability, and is aligned with the 2030 Agenda for Sustainable Development.

According to the Union Budget 2021-22, the Government allocated over Rs. 54,000 crores (US\$ 7.53 billion) for the Department of School Education and Literacy. The Government allocated an expense budget of over Rs. 38,000 crores (US\$ 5.28 billion) for higher education and over Rs. 54,000 crores (US\$ 7.56 billion) for school education and literacy. The Government also allocated Rs. 3,000 crore (US\$ 413.12 million) under Rashtriya Uchchar Shiksha Abhiyan (RUSA). In April 2021, the Ministry of Education (MoE) and University Grants Commission (UGC) started a series of online interactions with stakeholders to streamline the forms and processes for reducing the compliance burden in the higher education sector.

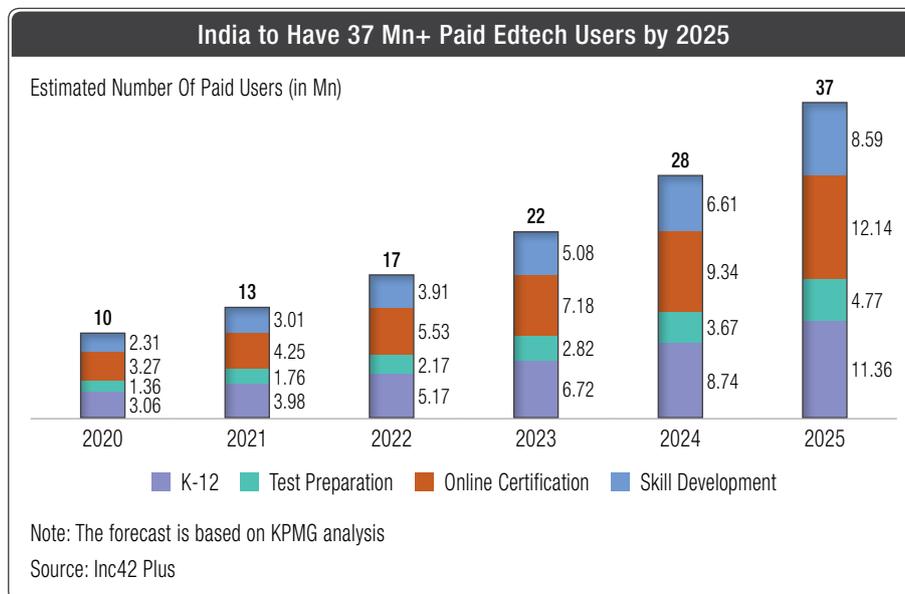
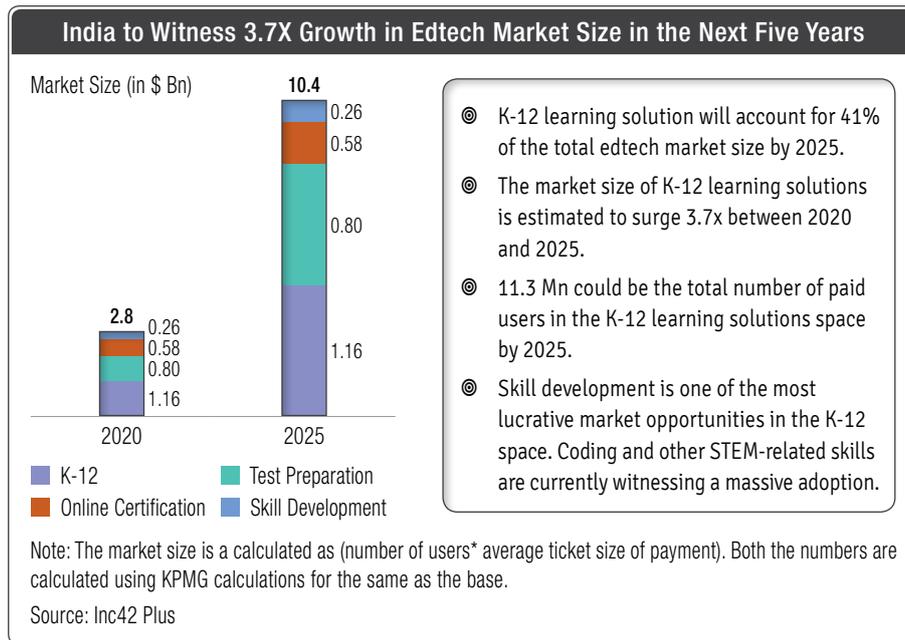
## India Today

The COVID disruption in the Education sector spurred quick responses from school leaders, school administrators, and teachers alike, who adapted themselves remarkably well to the constraints, and innovated and implemented novel approaches and distance learning solutions, to tide over the crisis. Concerted efforts by these educationists resulted in new ways of learning and they managed to keep children and parents motivated and engaged them through the lockdowns. As we look forward, these are the trends that are likely to shape the future of education.

## The digital shift

The focus on education is likely to shift from physical to blended learning assets, which may ease some of the pressure on the already stretched physical infrastructure in India. At the same time, however, this also implies that large parts of rural India, financially and socially marginalized sections and, especially, underprivileged women and children will be at a disadvantage. To overcome this problem, a few state Governments have started exploring the use of low-cost digital platforms for dissemination of learning content to the masses. For example, the Government of Kerala has announced setting up neighborhood study centers for students who do not have access to a television, smartphone or the internet.

Over \$1.8 Bn has been invested into Indian EdTech startups from 2014 to 2019. The test prep segment has the highest capital inflow and the greatest demand in India. India's tech economy growth has pushed the demand for skill development solutions.

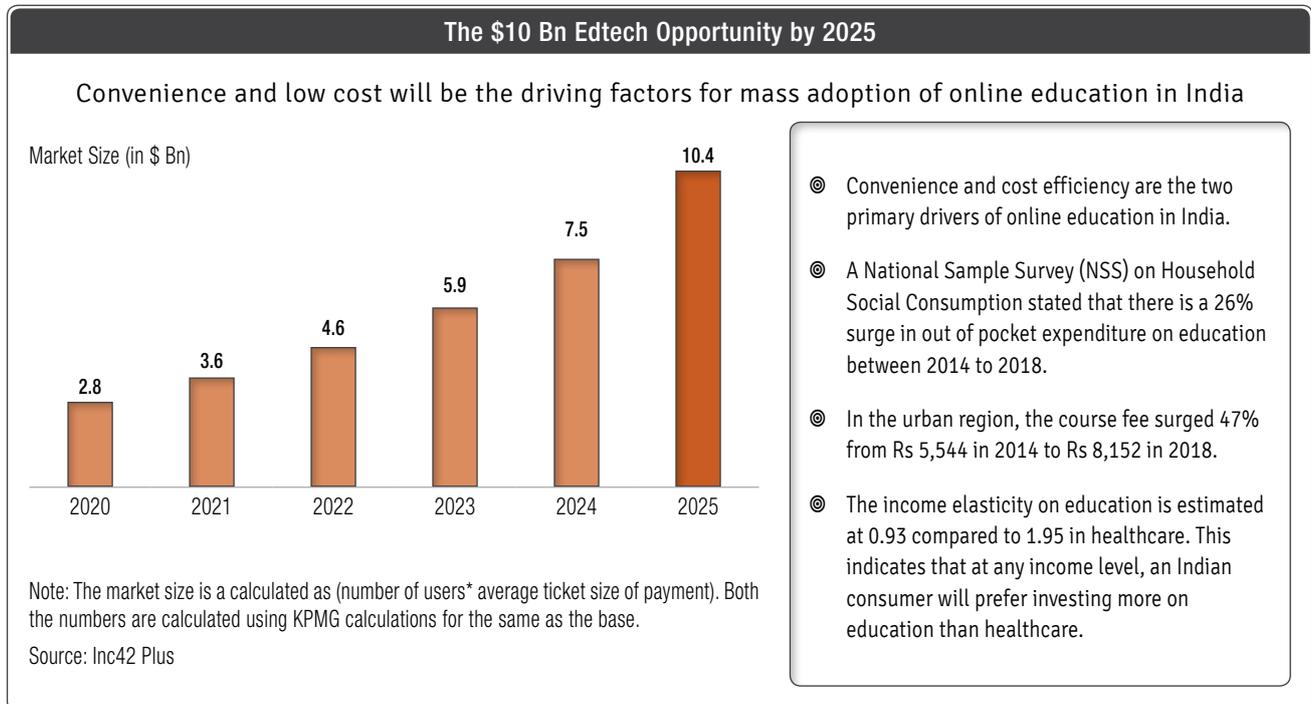


In adopting a new paradigm in education, the following points become noteworthy:

1. **Upskilling of teachers:** Alongside measures for students to ensure continuity of learning, it is important to provide teacher training and upskilling so that they can respond effectively to the blended medium of teaching and learning.
2. **Content:** To ensure efficacy, pedagogy and content should be revised to also suit digital models of learning in a multi-modal environment.
3. **Role of peer groups:** Learning at schools and universities does not only take place within the confines of a classroom but almost equally outside of it from peers and cohorts. Many lifestyle and behavioral lessons

are lost with the switch to digital learning unless there is a concerted attempt to address these issues. It could, for example, be through digital teaming or a mixed mode of combining face-to-face meetings alongside digital lessons to achieve this objective. Inputs from experts in the field of education as well as from teachers, students, parents and psychologists, should be used to incorporate the holistic purpose of learning.

4. **Socialisation:** The risk of social alienation is real with the emergence of digital-learning models. It is important to ensure adequate opportunities for social bonding and invest in the emotional well-being of students, which is largely compromised due to the siloed nature of digital lessons.

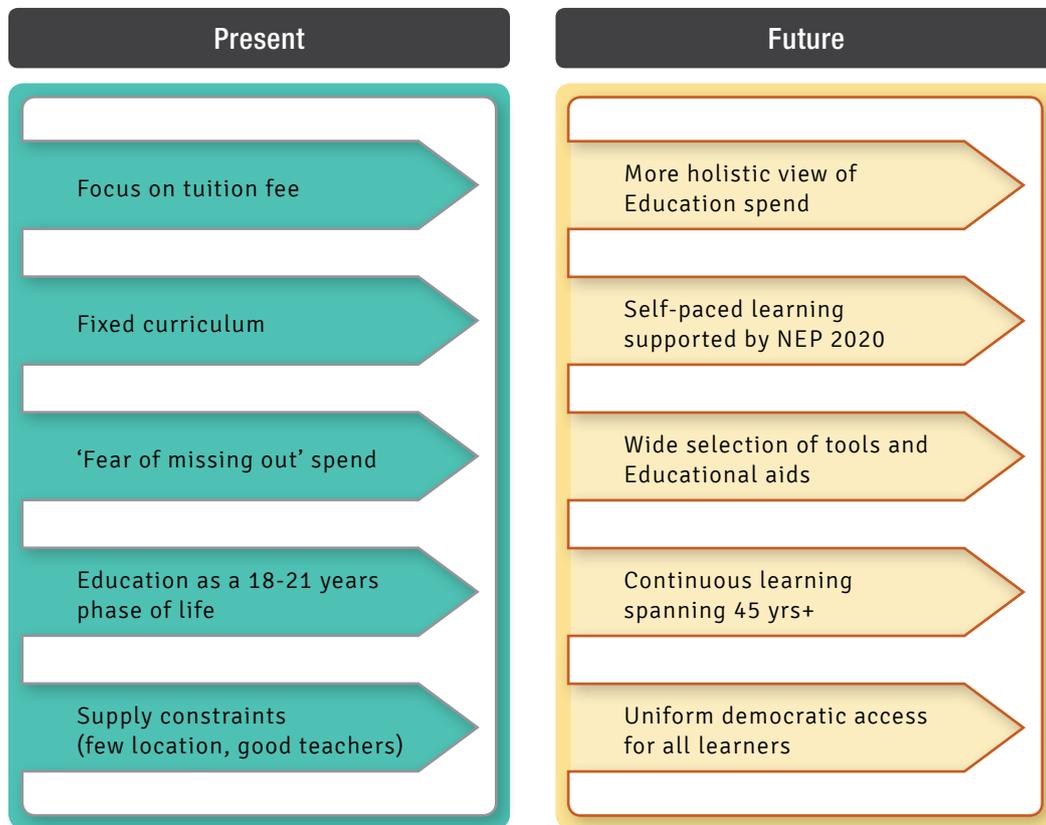


The popularity of tech-enabled learning solutions in the Indian education system will accelerate further as educational institutions, teachers, parents and Governments become increasingly willing to adopt technology in this domain. We are likely to see heightened activity in innovation, new ventures, investments and mergers and acquisitions (M&A) in the Ed-tech sector.

In summary, during this global pandemic, schools and universities across countries switched to digital or online models to allow students to continue their learning. While we embrace this new online model for education, it is crucial to be mindful of the gaps in the digital experience, especially for impressionable young minds that thrive on social learning. The human element in the process of education will, hopefully, continue to play an integral role as we tentatively explore our changed world.

## Emerging Trends in the Edtech Landscape

### Five Consumer Megatrends Re-Shaping Education and EdTech



From classrooms to smart devices, the medium of education and learning in India is going through a paradigm shift. With over 750 Mn wireless internet subscribers (June 2021), India has seen a massive increase in the addressable base for internet services over the years. This rate of adoption has meant great things for startups, and digital products and services and has given rise to personalization and convenience when it comes to the school curriculum and off-classroom learning.

The growing popularity of online learning has provided a major push to two of the top subsectors in the EdTech market- test preparation (from 9-12 to entrance exams) and online certification. To put this into perspective, between 2014 to 2019, startups in test prep and online certification startups absorbed a whopping 88% (\$1.6 Bn) of the total capital inflow in EdTech.

The skewed funding and investor interest for test prep and online certification startups is in line with the prevalence of the 'grades-first' mentality in the Indian market as well as the need for skilled tech labour. These products are highly in demand as they resonate well with the Indian mentality which zeroes in on top grades on the climb up the education ladder, preparation for exams, and begetting the right certification for employment.

Apart from test prep and online certification, another EdTech subsector which is gaining popularity is skill development. Related to online certification, skill development focusses on updating skills of young and also experienced workers from non-digital to digital capability and building the talent pool for new-age startups looking at technology, such as artificial intelligence, blockchain, robotics, and more.

Despite great progress in terms of internet and smartphone penetration, exposure to new ideas and systems of learning and the rising awareness for the value of quality education - beyond simply gaining the most marks - India is still an exam-centric educational market. Outside schools and colleges, the Indian education system is enmeshed within layers of entrance tests and examinations across academic levels and professional courses. Among these, some of the popular ones are the JEE Main, NEET, CAT (Common Admission Test), and UPSC.

To simply say that millions of students turn up for these examinations is to understate the rush. For instance, in the JEE Main 2019 examination, the total number of registrations stood at 1.8 Mn for roughly 15K engineering seats. Limited intake and a growing number of aspirants are making competition fierce across all national level examinations which means that the opportunity for capitalization is growing as well. Previously, coaching institutes were the go-to places to prepare for such examinations but with EdTech platforms getting more prevalent, online test prep is now holding its own. However, Blended Learning is more in use now.

## Company Overview

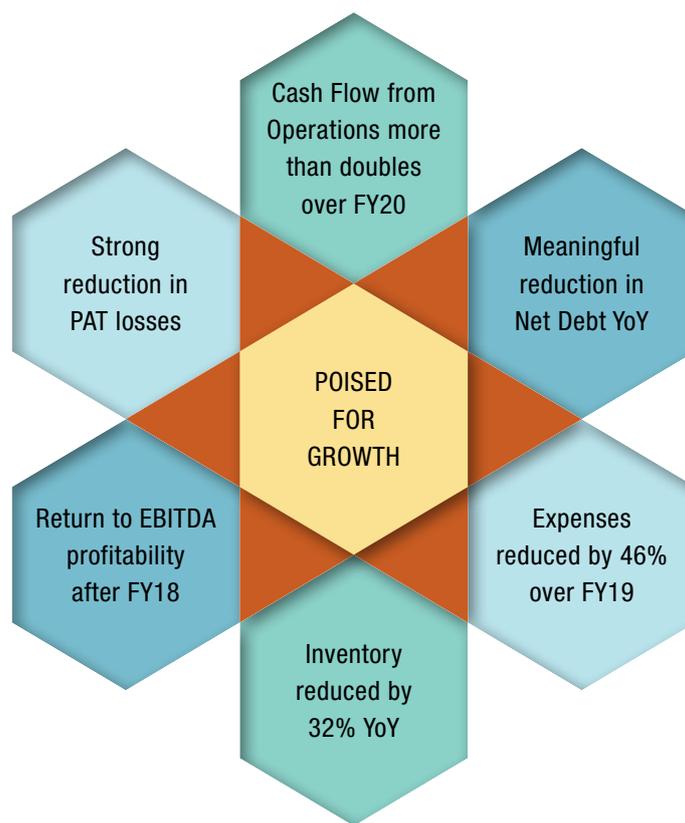
S Chand is an 82-year-old Indian education content company. The group's suite of products and solutions cater to the complete education paradigm across K-12, Higher Education, Competition examinations and digital learning. S Chand's strength derives from its capacity to develop and nurture relationships with customers by developing quality content and educational innovations. In recent years the Company has targeted and invested in the improvement of our digital offerings in each of the business segments. The Company has more than 10,000 book titles and has sold over 50 million copies in a year. The pan India distribution and sales network has resulted in deep market reach, consisting of approximately 3,000 distributors and dealers. S Chand aspires to be the Knowledge Corporation through the twin domains of publishing and digital content to cater to the requirements of schools, higher educational institutions, professional colleges, and vocational training institutes.

## Key Performance Highlights

The on-going lockdowns because of COVID-19 Wave 1 and Wave 2 shuttered schools and slowed orders since March, 2020. The impact was evident across the entire education industry. Although schools and colleges remain physically shut across the country through most of the financial year, Online classes continued. We expect school openings to soon gather steam although the risk of Wave 3 in the country, is very real.

The S Chand 3.0 implementation starting from FY 19 was the breakthrough that helped deliver a strong turnaround, the full benefits of which are now visible in FY21. With a focus on cash flow improvement, the Company launched S Chand 3.0, a strategic plan to right size employee headcount, rationalize the number of offices and warehouse rentals, evaluate and eliminate dispensable internal spends, optimize paper and freight costs, and renegotiate agreements. With strong cost control in these areas, Operating expenses were lowered by 28% in FY21 in comparison to FY20 and 46% lower in comparison to FY19. Inventory days were down by 101 days (YoY) and Receivable days were down by 9 days (YoY). The Net Working capital days were down by 28 days (YoY). Inventory levels were the lowest in 5 years. Another significant outcome is in the print business turned the corner in FY21 and became profitable.

Operating Cash Flows (OCF) have more than doubled on a YoY basis. The strategy of focusing on the cash flows has yielded results with Net cash generated from operations of Rs1,076m in FY21 (vs. Rs484m in FY20 and Rs386m in FY19), despite collections being affected by the onset of COVID-19 Wave 2 in March. For the first time after FY18, the Company has turned Free Cash Flow positive. This represents a Rs828m improvement in cash generated over last year in spite of the pandemic times. The majority of these cost benefits are permanent in nature. The Company will continue to embrace this culture of strong cost controls moving into the future.



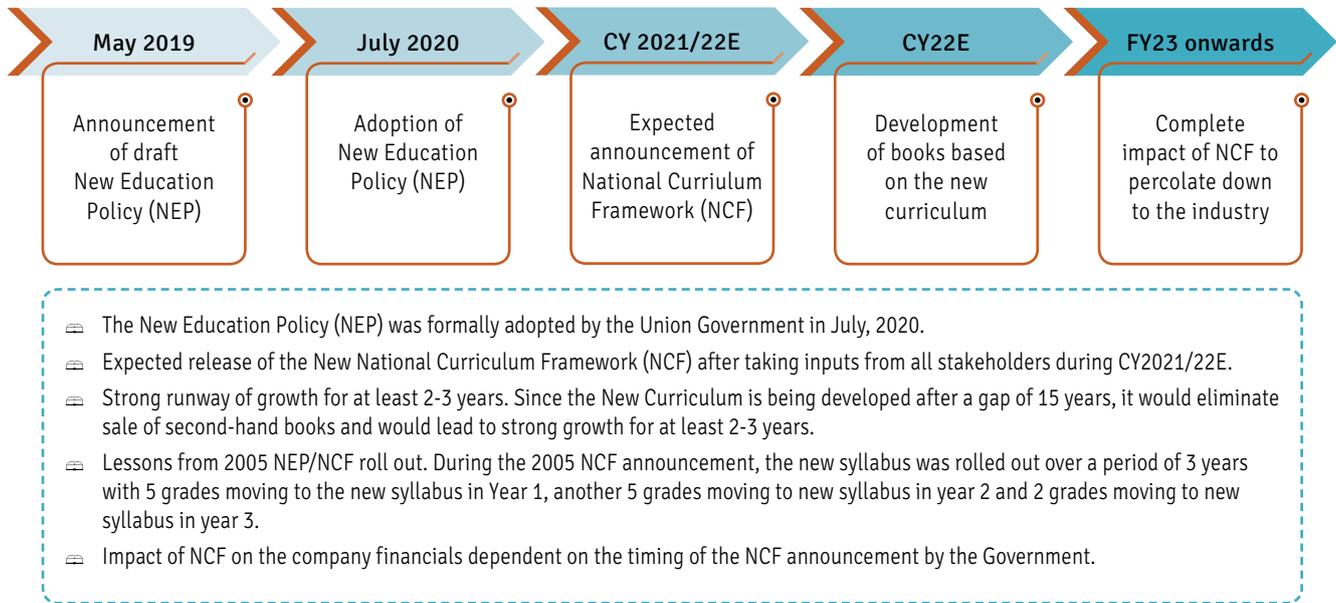
## The New Education Policy

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi approved the National Education Policy 2020 in July 2020, making way for large scale, transformational reforms in both school and higher education sectors. Built on the foundational pillars of Access, Equity, Quality, Affordability and Accountability, this policy is aligned to the 2030 Agenda for Sustainable Development and aims to transform India into a vibrant knowledge society and global knowledge superpower by making both school and college education more holistic, flexible, and multidisciplinary - aimed at bringing out the unique capabilities of each student.

The policy recommends teaching computers in schools from early classes, teaching in mother tongue/local language at least up to Class 5, vocational training from Class 6 to ensure at least 50 per cent of students are exposed to such skills by 2025 and the end of rote learning by truncating the curriculum content. For college and university, the policy proposes a four-year undergraduate multidisciplinary program, with multiple entry and exit options that will offer a student a certificate after the first year, a diploma after second, a bachelor's degree after third, and a degree in research after the fourth. University enrolment will be through a common entrance test. There will be two types of master's - a two-year course for those who had chosen the three-year undergraduate program and one year for those who did four years in college. MPhil has been discontinued and the requirement for PhD is either a master's degree or a four-year bachelor's degree with research.

We expect potential opportunities from the New Education Policy to accrue to our company from FY23 onwards for a period of 2-3 years on back of increased enrolments, new segments of content including regional languages, digital education initiatives which are already in line with the policy and also the redundancy of the pre-used book market. The transition to the new syllabus for all grades, K-12, is expected to take two to three years, giving

S Chand has a strong runway of growth during that period. Since the New Curriculum is being developed after a gap of 15 years, it will eliminate the pre-used book market for a few years and lead to very strong growth for at least 2-3 years.



## Digital Learning

As a fallout of the COVID-19 pandemic, educational institutions have quickly innovated and augmented their digital capabilities to make up for the lost teaching hours. Most private schools in urban India have started offering online classes that support student-teacher interaction on a real-time basis. However, this has not been offered by Government-aided schools and low-fee category educational institutions as they have limited resources and cannot offer the same quality of digital learning options. Current trends indicate that digital formats will be an integral part of educational institutions in the post COVID-19 world.

According to IBEF, open courses and distance learning enrolments are expected to rise to ~10 million in 2021 increasing at a CAGR of 10% between 2017 and 2021. The country is expected to have the world's largest tertiary-age population and second-largest graduate talent pipeline by the end of 2020. However, the existing educational infrastructure is inadequate to meet the requirements. e-learning can supplement the conventional model and help bridge the gap to a great extent. Online education offers services by qualified faculty who can leverage technology to be present anywhere in the world and can cater to a large number of students without the need of physical school infrastructure.

The Government has launched several programs such as 'Digital India' and 'Skill India' to spread digital literacy, create a knowledge-based society and implement the three principles – 'access, equity and quality' of the education policy. According to IBEF report, the number of Internet users is likely to cross 735 million by 2021. The Internet offers huge accessibility to enroll in distance courses for the young demographic (aged 15- 40). This age group is the most active consumer of smartphones and the Internet, and look for online learning modules to fulfil their educational requirements without having to move out of home, or city. In addition, the Internet also makes it easy to avail numerous courses, degrees and certifications worldwide for both urban and rural populations.

## K-12 Segment

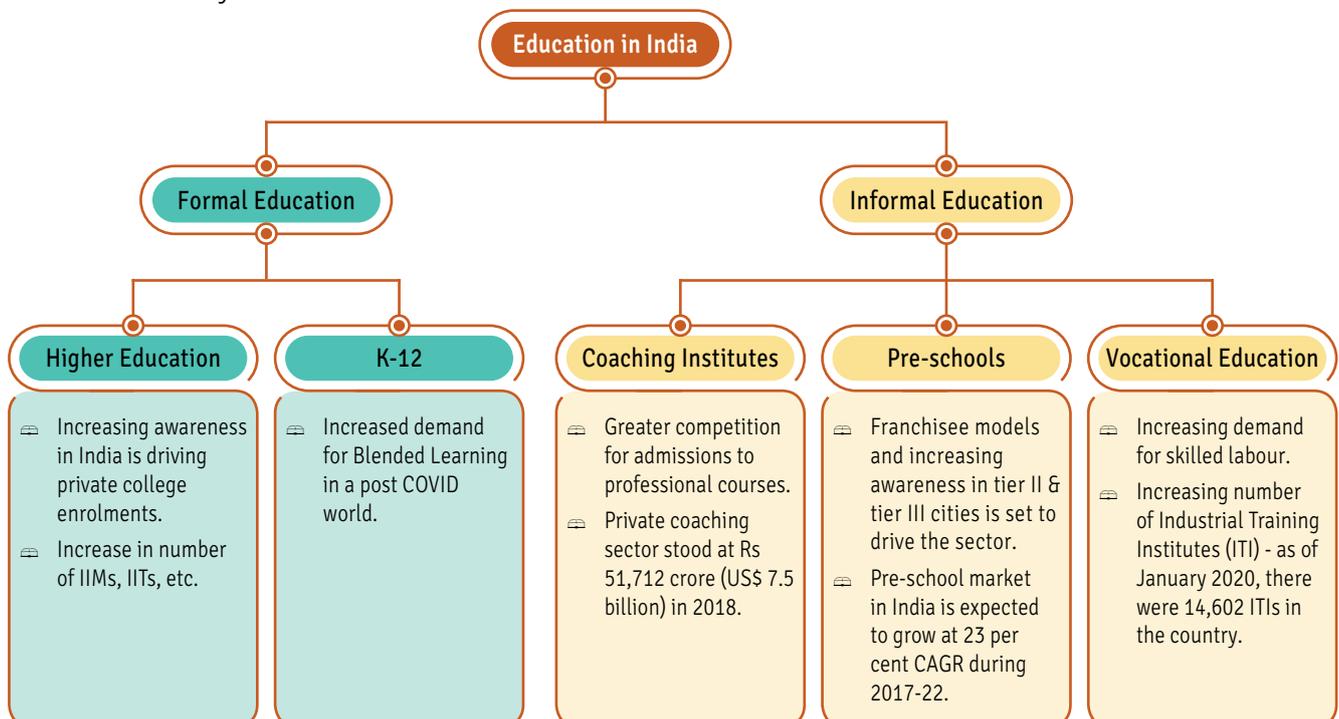
With the current enrolment of >250 million children, the K-12 segment is the largest and most attractive segment for digital learning providers in India. Digital learning in the K-12 space comprises sub-segments such as smart class solutions, online tutoring, online preparation for exams, simulation and virtual reality, STEM (Science, Technology, Engineering and Mathematics) learning, Augmented Reality, robotics and assessment. In India, sub-segments such as simulation, STEM and augmented reality, tablet learning and online tutoring are at an early stage of adoption.

### Notable Trends in the K-12 Segment



## Growth Drivers

Increasing disposable income and willingness of people to spend on education is a key driver for the Indian education industry



## Opportunities

- ☞ 100 per cent FDI (automatic route) is allowed.
- ☞ An estimated investment of US\$ 200 billion is required to achieve the Government's target of 30 per cent GER by 2020.
- ☞ Outstanding education loans in the country reached ₹ 75,450.68 crore (US\$ 10.80 billion) in September 2019, giving financial institutions a big opportunity in the sector.
- ☞ The Government will be setting up 7 IITs, 7 IIMs, 1 NIT, 4 NIDs 14 IIITs and 5,000 Atal Tinkering Labs to improve the standard of education.
- ☞ Under Union Budget 2020-21, the Government proposed apprenticeship embedded degree/diploma courses by March 2021 in about 150 higher educational institutions.

### INVESTMENT IN EDUCATION

- ☞ The Department of School Education and Literacy launched Samagra Shiksha programme with effect from 2018-19 for schools from pre-school to class 12<sup>th</sup>, providing quality education at all levels.
- ☞ The World Bank aided SANKALP and STRIVE schemes were approved in October 2017 to boost Skill India Mission. Skill India program has benefitted more than one crore (10 million) youth annually.
- ☞ Education sector remains a strategic priority for the Government. Skill India Mission 2015 aims at skilling around 400 million youths in the country by 2022.
- ☞ New National Education Policy, is expected to transform India's higher education system to become one of the best global education systems.
- ☞ In October 2019, the NCERT recommended that teaching in pre-schools will be in the mother tongue and without any homework.
- ☞ In May 2020, the Government launched PM eVIDYA, a programme for multi-mode access to digital/online education. Other initiatives include Manodarpan, New National Curriculum and Pedagogical framework, National Foundational Literacy and Numeracy Mission.

### POLICY SUPPORT

- ☞ India has the world's largest population of about 500 million people in the age bracket of 5-24 years and this provides a great opportunity for the education sector.
- ☞ The sector is set for strong growth, buoyed by strong demand for quality education.
- ☞ The sector is estimated to reach US\$ 144 billion by 2020 from US\$ 97.8 billion in 2016.
- ☞ As per Union Budget 2020-21, the Government proposed Ind-SAT under scheme 'Study in India' will be held in Asian and African countries.

### IMMENSE GROWTH POTENTIAL

- ☰ Setting up formal educational institutes under PPP and enlarging the existing ones.
- ☰ In the case of PPP, the Government is considering different models like basic infrastructure model, outsourcing model, equity/hybrid model and reverse outsourcing model.
- ☰ Institutions of national importance like NIDs will be able to establish PPP and collaborate with research labs across the country.

### PUBLIC PRIVATE PARTNERSHIP (PPP)

- ☰ Opportunities through financial partnership with Indian institutions are ripe for private and foreign companies involved in academics.
- ☰ There is a future opportunity in setting up campuses of foreign universities in India.
- ☰ The Michael and Susan Dell Foundation announced an investment of US\$ 100,074 in Shiksha Financial Services India Pvt. Ltd. and provided loans to private schools.
- ☰ A US\$ 10 million Development Impact Bond has been started by the British Asian Trust to provide education to marginalised children in India.

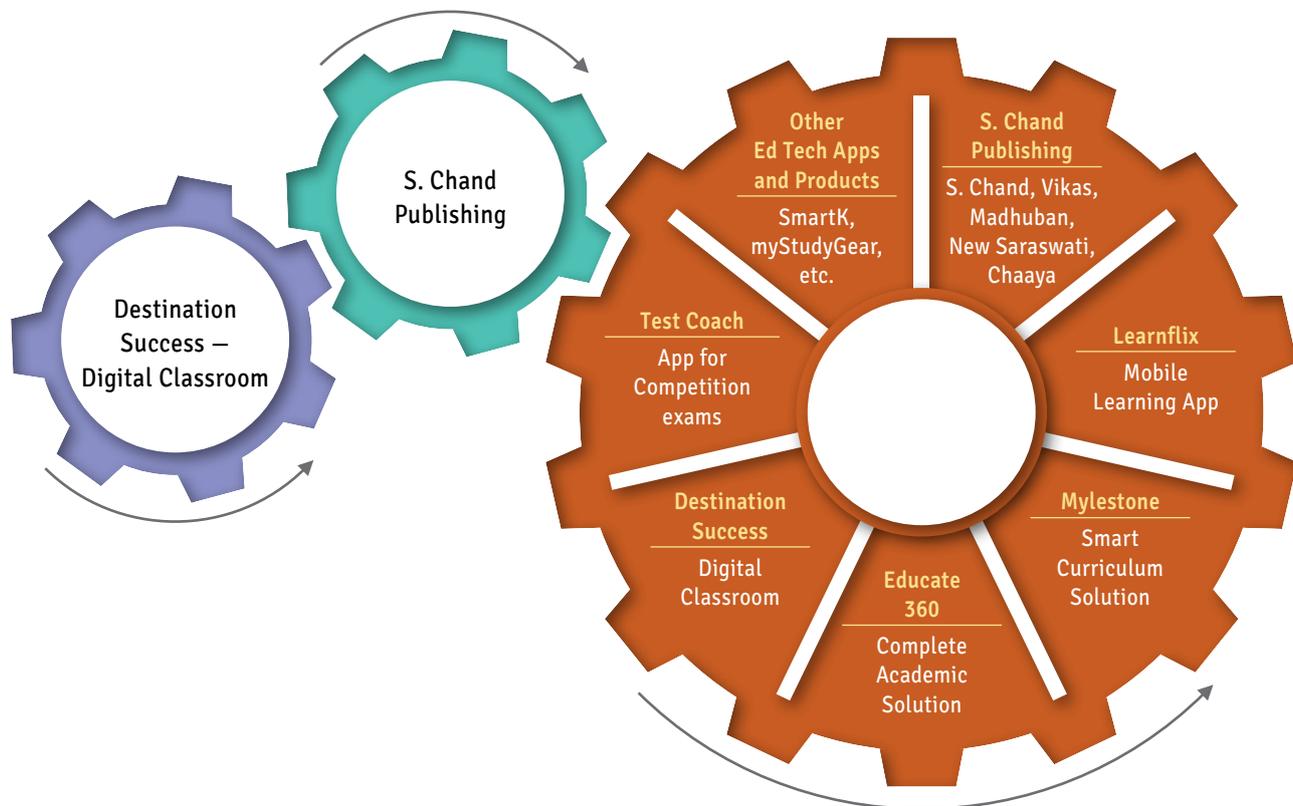
### OPPORTUNITIES FOR FOREIGN INVESTORS

- ☰ With tutoring in schools is expected to grow from US\$ 8 billion in 2011 to US\$ 26 billion in 2020, there lies a huge market for coaching and tutoring services that can be imparted through innovative means, mainly on the internet.
- ☰ RISE INDIA aims at training 100,000 drivers over a period of 3 years and imparting training to 2.5 lakh drivers in the next 7 years.
- ☰ Central Board of Secondary Education (CBSE) introduced Artificial Intelligence as a subject in class 9 from the 2019-20 session.
- ☰ CBSE partners with Google for training 1m teachers in delivering Blended Learning.
- ☰ CBSE partners with Facebook for delivery curriculum on digital safety and AR.
- ☰ CBSE partners with Intel India for launching 'AI for All'

### OPPORTUNITIES FOR INNOVATIVE SERVICES

## SChand's Growth Strategy

### The Journey So Far



The Company's foray into digital offerings, is led by 3 major streams – Learnflix, Mylestone and Educate 360.

**Learnflix** is India's most affordable personalised student App which has got a strong response in the past 16 months. The product in its current avatar covers Maths and Science for classes 6<sup>th</sup> to 10<sup>th</sup>. We are looking to add English and Social studies as subjects in the coming years. Also, we would be launching Learnflix Bangla for the West Bengal market during FY22. As a goodwill gesture, the Company had offered the free use of this App to several schools. It is expected that these schools will become paid users when schools reopen during FY22.

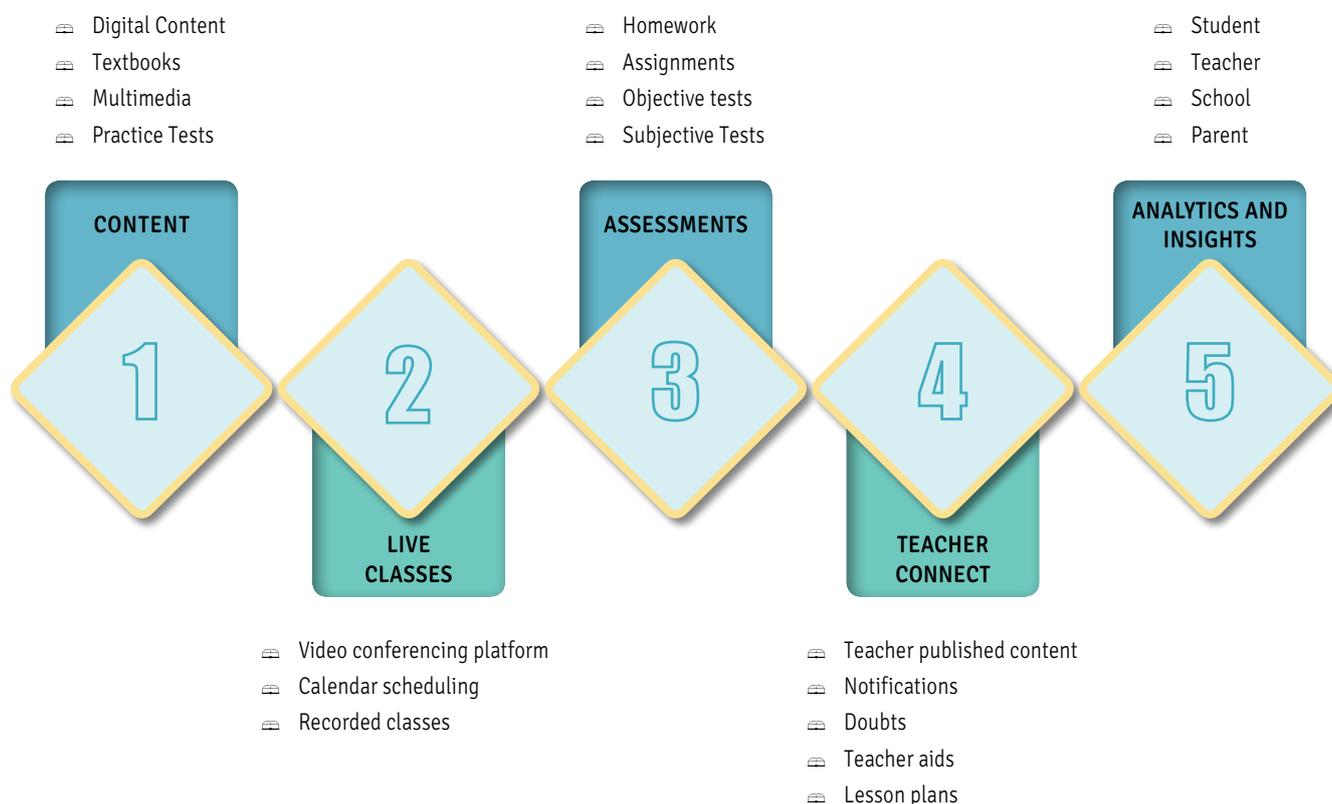
**Mylestone** is a digitally enabled School Curriculum Solution for the K-8 segment. Affordable Private Schools will be enabled with this one stop solution for all their curriculum, content, teacher trainings and assessment needs. Enabling schools with the Mylestone Teacher and Student App is expected to increase the retention. A strong growth is expected in FY22 on the back of school openings and increased adoption of digitally enabled solutions by schools.

**Madhubun Educate360** is the newly conceived K-12 blended learning solution for enabling schools to conduct online classes, student assessments, e-book support, etc. as a response to the Covid-19 crisis. This product is NEP 2020 compliant and supports the recommended pedagogies. The Company has done paid implementations in 21 schools as of now for FY22 post the pilot phase in 50 schools pan India with a reach of over 7,000 students.

The Company has transferred Mylestone and Learnflix, the school and student solution into a Special Purpose Vehicle (SPV) - Convergia Digital Education Private Limited, through a slump sale, with the view of raising capital separately for this business which is expected to grow exponentially.

SChand's investee companies, Testbook and Smartivity are doing well and have also raised capital subsequently at higher valuations.

## The Group's Product Strategy for the Future



## Human Resources

As of March 2021, the Company at a group level has approximately 1800 employees, including the product/services sales and marketing team of over 700 spread across the country and a content development team of subject matter experts, instructional designers, graphic designers of approximately 200 employees.

In addition, the rewards and recognition program and adequate growth opportunities help to ensure that employees are motivated and performance oriented. The Company also offers an incentive program to its sales employees, pursuant to which sales executives and managers receive additional financial remuneration if they achieve a defined percentage of their annual sales targets and budget.

S Chand has established extensive requirements relating to workplace safety. To ensure that the Company adheres to all statutory laws and regulations on environment, health and safety, it has implemented an environmental, health and safety program. In addition, S Chand has implemented programs related to electrical safety, the

handling of equipment and materials, the handling of hazardous chemicals, fire safety, monitoring of the work environment (including air quality, ambient noise and the quality of drinking water), first aid, hazardous waste disposal and housekeeping.

The Company has a system of accident reporting and investigation, pursuant to which all accidents, both fatal and non-fatal are reportable to health and safety authorities. Employees are also encouraged to report on “near miss” accidents.

Post Covid-19, the company has been very careful in implementing all MHA guidelines for safety of its employees and has also offered work from home wherever possible and required.

## Risks and Concerns

S Chand is closely linked to the central curriculum academic cycle of April to March school cycle, which is seasonal in nature. The seasonality in the K-12 market has a direct impact on S Chand’s operating revenues, margins and cash flows on a quarterly basis. The company has also diversified its revenue stream by focusing on digital solutions which are focused both on educational institutions and students. In addition, the company also is present in the Higher Education, Test Preparation, Distance Learning and Skill education segments which have different sales cycles.

The COVID-19 risk is still very strong. If the third wave sweeps the country, schools could go into prolonged closure. This can have a negative impact on FY22 sales. Increasing vaccinations and the digital solutions space where the Company has an impressive foothold, will mitigate the risk and lessen negative impact.

The rapid advancement of EdTech can potentially be a threat for the Company’s print division. But, we believe that the NEP will open up many opportunities give a big fillip to the Company’s print business.

The Company can face other external challenges like circulars from State Governments on reducing bag weight for students, pressure for adoption of NCERT books and reduction of certain non-core subjects in junior classes etc. The Company has mitigated some of these threats by developing monthly/semester books, digital products and value-added services and also focused on workshops and seminars with schools to enhance engagement with schools.

A significant portion of the Company’s revenues are dependent on the titles of a few top authors. To maintain on-going harmonious relationships, the Company ensures that its authors are compensated well. It believes in maintaining mutually beneficial relationships and having a strong feedback mechanism to ensure longevity of the S Chand’s various brands.

In parallel, the Company continues to widen and expand its content and author base on a continuous basis. To protect its content ownership and dissemination, S Chand has a dedicated legal team that strongly manages its Intellectual Property Rights on an ongoing basis. The Company views the advent of disruptive digital technologies and the development of open-source content, more as a business opportunity, rather than a threat.

Piracy (physical and online) continue to be a large risk for all publishing companies. The key titles being pirated across various locations for which the company continues to conduct raids through Government agencies. Further, online piracy in the form of internet based applications, use of content by various education aggregators and individuals on platforms like Youtube etc. without permission and uploading of content through various sharing sites are regularly scanned and action taken to protect copyright of company and its authors from infringement.

## Internal Risk Control

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

1. Key Policies are formulated, circulated, approved and reviewed annually, in addition to being published online.
2. The Authorization Matrix is clearly defined with segregation of duties to ensure internal controls.
3. Internal Control Testing is conducted by Internal Auditors, with low failures under the Risk Control Matrix process.
4. Application authorization are given to employees based on level and work profile
5. An Internal Audit Department independently audits for Branches and production facilities for processes etc.
6. Regular Internal Audit is conducted for the company and subsidiaries throughout the year
7. External Software to track Statutory Compliances.
8. A robust Corporate Governance approach is followed, with Independent Directors in the Company and all material subsidiaries.
9. Related Party Transactions are approved by Audit Committee and Board wherever required
10. An arm's length approach is followed, even between subsidiaries/associates and the holding company

## Cautionary Statement

This document contains statements about expected future events, financial and operating results of S Chand, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of S Chand's Annual Report, FY2021.

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

### 1. Corporate Identity Number

Ans: L22219DL1970PLC005400

### 2. Name of the Company

Ans: S Chand And Company Limited

### 3. Registered office Address

Ans: A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate, New Delhi-110044, Tel. +91 11 49731800 / Fax: +91 11 49731801

### 4. Website

Ans: www.schandgroup.com

### 5. E-mail Id

Ans: investors@schandgroup.com

### 6. Financial Year reported

Ans: 2020-21

### 7. Sector(s) that the Company is engaged in (industrial activity code- wise):

Ans: Sector: Publishing of educational books, NIC Code: 5811

### 8. List of three key products/services that the company manufactures/provides (as in balance Sheet)

Ans: Three key products and services are as follows:

- Printed and digital educational material for K-12 segment
- Printed and digital educational material for Higher Education
- Printed and digital educational material for Test Preparation segment

### 9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5): Nil

(b) Number of National Locations:

Ans: The Company has its registered corporate office in New Delhi and printing presses situated at Sahibabad, Ghaziabad (Uttar Pradesh). In addition, we have over 20 offices spread across India for the whole group.

### 10. Markets served by the Company- Local/State/National/International:

Ans: We primarily serve the Indian Market though our products and services. However, we have limited exports to clients in the Middle East, Africa and South East Asia.

Note: All the figures given in the Business Responsibility Report are on consolidated basis.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

### 1. Paid -up Capital

Ans: Rs. 174.88 Lakhs

### 2. Total Turnover (including other income)

Ans: Rs. 44,534.7 Lakhs

### 3. Total Comprehensive Income After Tax

Ans: Loss of Rs. 478.2 Lakhs

### 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

Ans: The Company has spent Rs. 4.15 millions on Corporate Social Responsibility (CSR) during the year. The Company reported a Loss of Rs. 478.2 Lakhs during the financial year thus CSR spend cannot be calculated as % of profits for the year. Details of CSR activities may be referred in the "Annual Report on CSR activities" which is an annexure to the Board's Report forming a part of this Annual Report.

### 5. List of activities in which expenditure in 4 above has been incurred

Ans: The expenditure has been incurred on activities related to promoting Education. Details of CSR activities may be referred in the "Annual Report on CSR activities" which is an annexure to the Board's Report forming a part of this Annual Report.

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

The details of the subsidiaries are given in Annexure A of the Board's Report forming part of the Annual Report.

### 2. Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent company? If Yes, then indicate the number of such subsidiary company(s).

Ans: No. The Company's BR initiatives has not been extended to its Subsidiaries during the reporting period. However, each of the Company's subsidiaries strives to carry out its business in a responsible and diligent manner.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? if yes, then indicate the percentage of such entity/ entities [(less than 30%,30-60%, More than 60%)]

Ans: No other entities having business with the Company participates in the BR initiatives of the Company, nevertheless, the Company continuously encourages and enables its business partners to implement and adopt sustainable business practices in their business operations.

## SECTION D: BR INFORMATION

### 1. Details of Director/ Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Ans: Name : Mr. Himanshu Gupta  
DIN : 00054015  
Designation : Managing Director

(b) Details of the BR head

Ans: The Company does not have BR head as of now. Mr. Himanshu Gupta - Managing Director is overseeing the BRR implementation.

No.	Particulars	Details
1.	DIN Number (if applicable)	00054015
2.	Name	Himanshu Gupta
3.	Designation	Managing Director
4.	Telephone No.	011-49731800
5.	Email id	investors@schandgroup.com

### 2. Principle-wise (as per NVGs) BR Policy/policies?

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as under:

- P1 – Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 – Businesses should promote the well- being of all employees.
- P4 – Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 – Businesses should respect and promote human rights.
- P6 – Businesses should respect, protect and make efforts to restore the environment.
- P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 – Businesses should support inclusive growth and equitable development.
- P9 – Businesses should engage with and provide value to their customers and consumers in a responsive manner.

## (a) Details in compliance (Reply in Y/N)

Sr No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for?	Y	N	Y	Y	Y	N	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	Y	NA	NA	Y	NA
3	Does the policy confirm to the national/international stakeholders? Ans: These policies have been devised in confirmation to respective regulations/national standards that come into effect from time to time. These policies are revisited on regular basis and are updated as and when required.	Y	NA	Y	Y	Y	NA	NA	Y	NA
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/appropriate Board of Directors? Ans: These policies are signed by the respective owners.	Y	NA	Y	Y	Y	NA	NA	Y	NA
5	Does the Company have specified committee of the Board/Directors Official to oversee the implementation of policy?	Y	NA	Y	Y	Y	NA	NA	Y	NA
6	Indicate the link for the policy to be reviewed on line Ans - Investor Section - <a href="http://schandgroup.com/investors/">http://schandgroup.com/investors/</a>	Code of conduct and Whistler Blower Policy in Investor Section	NA	Available on our intranet	CSR policy in our Investor Section	Policy on Prevention of Sexual Harassment of Women at Workplace ("POSH") and Whistler Blower Policy in Investor Section and intranet	NA	NA	CSR policy in our Investor Section	NA

Sr No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders? Ans: Yes, The policies have been communicated to employees through our intranet and to external stakeholders through the Company's website.	Y	NA	Y	Y	Y	NA	NA	Y	NA
8	Does the Company have an in-house structure to implement the policy/policies?	Y	NA	Y	Y	Y	NA	NA	Y	NA
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? Ans: Yes, In order to ensure honesty and accuracy of business procedures, the Company has established a Whistle Blower Mechanism to enable reporting of any violation or non-conformity to the Company's Code of Conduct.	Y	NA	Y	Y	Y	NA	NA	Y	NA
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Ans: Yes. The Company has an Internal Financial Control mechanism in place to carry out periodic audits by internal teams and external agencies. Policies are also regularly reviewed by Company's Senior Management and amended, as and when required.	Y	NA	Y	Y	Y	NA	NA	Y	NA

**2. If answer to the question at serial number 1 against any principle, is 'No', please explain why (tick up to 2 options):**

Sr No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	Yes	NA	NA	NA	Yes	Yes	NA	Yes
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**3. Governance related to BR:**

**(a) Indicate the frequency with which the Board of Directors Committee of the Board of Directors or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Ans: The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Ans: The BR report is available in the annual report which would be available on the company website.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**1. Does the policy relating to Ethics, bribery and corruption cover only the Company? Yes /No. Does it extend to group/Joint Ventures/ Suppliers/Contractors/ NGOs? Others?**

Ans: The Company has defined code of conduct for Directors and all employees that covers issues related to ethics and bribery. The Company acts with integrity in accordance with values of responsibility, excellence and innovation where the company does business. Compliances and adherence to the law and Company's own internal regulations are integral to the Company. It covers dealing with suppliers, customers and other business partners. However, our policies do not extend to the larger universe of our external partners like suppliers, vendors etc.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Ans: During the year under review, the Company has received 3 (three) investor complaints and the same has been resolved.

### PRINCIPLE 2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Ans: The Company as always continues to believe and incorporate environment friendly initiatives and business practices in its operations as much as possible. The Company's products of books and educational products do not contribute to any environmental concern/risk/opportunities except for some of the materials used in its manufacturing process. Some of the precautions that the company is taking care:

- Proper safety precautions used while storing and consumption of solvent based ink and PVC based adhesive.
- All hazardous wastes are disposed off to the government authorized vendor.

**2. For each such products, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional)**

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Ans: The Company does not have an exclusive tracking system for measuring the resources used for separate processes or per product due to hundreds of types of products involving multiple processes. However, we are cognizant of the responsibility of a good corporate citizen and we do undertake certain procedures to reduce the carbon footprint. Some of the procedures the Company implemented to reduce the resource consumption in general during sourcing/ production/distribution are as follows:

- Reduction of packing material by way of reusing the old ones after adopting various methods.
- Reducing wastages of ink.

- Reducing strapping material.
- Replacing single use materials with multiple times usable material there by vastly reducing the consumption i.e. CTP plates.

These are continuous measures the Company takes to combat the environmental effects of the raw materials it uses. These again depend on the products the Company make as per the market or customer demand. As far as possible it tries to balance between its commercial and environmental concerns

**(b) Reduction during usage by consumption (energy, water) has been achieved since the previous year?**

Ans: Not Applicable

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Ans: The Company's major sourcing is for paper which constitutes majority of its raw materials used. The Company ensures to purchase paper from well known, respected brands. Many of them are ISO 14001 certified ensuring compliance to environmental issues.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Ans: The Company is committed to the improvement of the surrounding localities of its factories. The Company takes measures to uplift the lifestyles of the local people living around its factories. The Company ensures this by following below practices.

- Outsourcing: A large portion of our total outsourced work happens within the local areas surrounding our printing press and offices.
- Procurement: First preference is given to localized procurement in the nearby areas of the factories as always. The Company search for improving the local vendors to make indigenous purchases is a continuous process.
- Employment: Local man-power is preferred for recruitment.

**5. Does the Company have a mechanism to recycle products and waste? If Yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%,>10%) Also provide details thereof, in about 50 words or so.**

Ans: The Company gives utmost importance to scrap management. The Company has reduced its scrap holding area and started daily scrap disposal for all the major items. This ensures proper control on scrap and timely recycling of them.

Majority of the scrap is recyclable. The wastepaper which forms majority of Company's scrap is sold back to paper mills for recycling through scrap dealers. The Company also recycles and reuses its plastic and cardboard wastes.

The Company follows all possible waste reduction practices in the production of its goods. The Company also gives training to all its employees on different techniques of scrap reduction and ensures that they are followed by these employees. This helps in reduction of Company's carbon footprint.

**PRINCIPLE 3 – Businesses should promote the well-being of all employees**

**1. Please indicate total number of employees**

Ans: 1,777

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis**

Ans: 167

**3. Please indicate the number of permanent women employees**

Ans: 210

**4. Please indicate the number of permanent employees with disabilities**

Ans: 0

**5. Do you have an employee association that is recognized by Management?**

Ans: No employee association exists.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Ans: Not Applicable

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment filed in the last financial year and pending as on the date of financial year**

Ans: 0

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

**(a) Permanent Employees**

**(b) Permanent Women Employees**

**(c) Casual/ Temporary/ Contractual Employees**

**(d) Employees with Disabilities**

Ans: The Company has a high focus on development of its people and shaping their career across all functions. We groom and promote home grown talents to take up higher responsibilities. We had undertaken fire and safety trainings last year in our offices across certain locations. Since it was a covid impacted year, it also led to lesser number of such group activities for disease prevention reasons.

Organization level trainings and awareness sessions are also conducted for employees and are available on email and intranet.

**PRINCIPLE 4 – Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

**1. Has the Company mapped its internal and external stakeholders? Yes/ No.?**

Ans: Yes. The Company has mapped its internal and external stakeholders. The Company values its stakeholders and the Company's CSR initiatives are aimed at building trust and mutually rewarding partnerships with internal and external stakeholders who also form an integral part of its journey as a sustainable organization. The Company uses formal as well as informal engagement channels to reach out to its stakeholders. The mapping of stakeholders is as follows:

Internal	External
Employees	Customers
	Suppliers/Vendors
	Shareholders/Investors
	Government
	CSR Beneficiaries
	Regulatory bodies

There are various forums to engage with internal and external stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Ans: Yes, we have identified promoting Education as an area for our CSR engagement which is a step in this direction. We are actively working in this area for achieving inclusive growth under the category.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.?**

Ans: Our CSR activities are a part of returning back to the society.

**PRINCIPLE 5 – Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others? Partially covered?**

Ans: The Company does not have stated Human Rights Policy. However, some of the aspects are covered in the 'Company's Code of Conduct and Ethics of Employees' and 'Sexual Harassment Policy'.

We understand that human rights represent respect for individuals and communities and is committed to safeguarding these rights. Our Code of Conduct enables the Company to uphold this commitment and sets the standards as per which employees of the Company engage with internal stakeholders, as well as external stakeholders like vendors, suppliers and contractors.

There is no discrimination on the basis of gender, caste, creed, etc. in hiring and promoting talent and respects dignity of labour, as well as freedom of association in protecting human rights. The Company maintains a regular check through its Internal Complaints Committee to ensure the prevention of child labour and sexual harassment in its system. The Company's policy on human rights is all-encompassing and extends to its group Companies as well. The Company also extends full support to its suppliers, contractors, NGOs and other business partners in their efforts to act in accordance with internationally recognized Human Rights and business standards.

**2. How many stake holder complaints have been received in the last financial year and what percent was satisfactorily resolved by the management?**

Ans: Under the POSH ACT, we did not receive any complaints in the last financial year.

**PRINCIPLE 6 – Businesses should respect, protect and make efforts to restore the environment.**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/Others.**

Ans: The Company understands that nurturing and safeguarding the Environment for long term sustainability is crucial to the Company's operations. The nature of the businesses of the Company has limited impact on the Environment. However, the Company has in place processes and operating systems under constant checks to ensure environment protection, health management and safety across its business locations with the applicable Environmental Regulations.

The Company continues to show its commitment to the environment sustainability by having and following best practices for environment, water and energy conservation and health and safety policies which works towards providing an environmentally sound and safe work atmosphere. All employees are trained, and awareness is created of their responsibilities towards conservation, health and safety.

Though the policy currently does not apply to external stakeholders (suppliers, contractors, NGOs, etc.), the Company follows zero tolerance on any unsafe activities by its agencies and encourages them to positively work towards creating a better and Sustainable Environment.

**2. Does the company have strategies /initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage etc.?**

Ans: No

**3. Does the Company identify and assess potential environmental risks? Y/N**

Ans: No

**4. Does the Company have any project related to Clean development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Ans: No

**5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.?**

Ans: No

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Ans: Yes. We conduct periodical emission / waste water testing as per norms quarterly and confirm that the parameters are maintained within the levels prescribed by the PCB

**7. Number of Show Cause/ legal notices received from CPCB? SPCB which are pending) i.e. not resolved to satisfaction) as on end of Financial Year.:**

Ans: No Notice received till date

**PRINCIPLE 7 – Businesses when engaged in influencing public and regulatory policy should do so in a responsive manner**

**1. Is your Company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with.**

Ans: The Company is member of:

- The Federation of Educational Publishers in India
- The Federation of Publishers' & Booksellers' Associations in India

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive development Policies, Energy security, water, Food Security, Sustainable Business Principles, Others):**

Ans: Yes, the Company has been active in its involvement with various business associations to support and advocate policies in the Education sector.

**PRINCIPLE 8 – Businesses should support growth and equitable development**

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof**

Ans: The Company has contributed to the development in the field of education during its history of the past 80 years. Our CSR projects undertaken are guided by the CSR Policy which has been formulated in line with the Company's vision for welfare of society. Our CSR policy recognizes that it is our responsibility to enhance value creation in society and in the community in which we operate, through our services, conduct and initiatives, to promote sustained growth for society and the community. Our CSR initiatives have focused on the promotion of education, including special education and employment and the enhancement of vocational skills, particularly among children, women, the elderly and the differently abled.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Ans: The Company works in collaboration with NGO's for promoting the cause of Education in our society.

**3. Have you done any impact assessment of your initiative?**

Ans: All the programs are monitored on regular basis through the year.

**4. What is your company's direct contribution to community development projects-Amount in ₹ and the details of the project undertaken.**

Ans: The Company has spent Rs4.15million on Corporate Social Responsibility (CSR) during the year. The expenditure has been incurred on activities related to promoting Education. Details of CSR activities may be referred in the "Annual Report on CSR activities" which is an annexure to the Board's Report forming a part of this Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

Ans: Not Applicable.

**PRINCIPLE 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customers complaints/consumer cases are pending as on the end of financial year.**

Ans: There is only one consumer case pending against S Chand at the end of the financial year.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No /N.A./Remarks(additional information)**

Ans: All applicable laws are being complied.

**3. Is there any cases filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year, If so, provide details thereof, in about 50 words or so.**

Ans: There is only one consumer case pending against S Chand at the end of the financial year.

**4. Did your company carry out consumer survey/ consumer satisfaction trends?**

Ans: Not applicable.

# **S Chand And Company Limited**

## **Standalone financial statements for the year ended 31 March 2021**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of S Chand And Company Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Qualified Opinion**

1. We have audited the accompanying standalone financial statements of S Chand And Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Qualified Opinion**

3. As explained in the note 51 of the standalone financial statement, due to outbreak of second wave of COVID-19 pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these standalone financial statements. Accordingly, we were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures, and therefore, we were unable to verify the existence/condition of inventories of INR 397.54 million finished goods, INR 18.07 million traded goods and INR 35.73 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the standalone financial statements as at 31 March 2021.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Emphasis of Matter - Impact of Covid 19**

5. We draw attention to note 50 of the standalone financial statements which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and management's evaluation of its impact on the Company's operations and the accompanying standalone financial statements of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>a) Assessment of the realisability of investments made and loans given to a subsidiary company:</b></p> <p>As at 31 March 2021, the Company has investments in New Saraswati House (India) Private Limited (herein referred as “NSH”) amounting to INR 1,482.54 million and has given loans amounting to INR 125.43 million. NSH has incurred losses during the current and previous years.</p> <p>Since, the recoverability of the aforesaid amounts is largely dependent on the operational performance of NSH, therefore, there is a risk that NSH may not achieve the anticipated business performance, leading to an impairment charge that has not been recognized by the management.</p> <p>Management has assessed the realisability of the aforesaid amounts by carrying out a valuation of the subsidiary’s business using the discounted cashflow method (“the Model”). The Model involves estimates pertaining to expected business and earnings forecasts and key assumptions including those related to discount and long-term growth rates. These estimates require high degree of management judgement and is inherently subjective.</p> <p>Considering the materiality of the above matter to the standalone financial statements, complexities and judgement involved, and the significant auditor attention required to test such management’s judgement, we have identified this as a key audit matter for current year audit.</p>	<p><b>Our audit procedures included, but were not limited to, the following procedures:</b></p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Company to determine recoverability of the amounts receivable from its subsidiary companies and associate including design and implementation of controls. We have tested the design and operating effectiveness of these controls;</li> <li>b) Obtained the valuation model from the management and reviewed their conclusions, including reading the report provided by an independent valuation expert for investments engaged by the management where impairment indicators were identified;</li> <li>c) Assessed the professional competence, objectivity and capabilities of the third party expert used by the management for performing the required valuations to estimate the recoverable value of the amounts receivable from the subsidiary;</li> <li>d) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results, including discussions with management relating to these projections;</li> <li>e) Assessed the reasonableness of the key assumptions used and appropriateness of the valuation methodology applied by engaging auditor’s valuation specialists. Tested the discount rate and terminal growth rates used in the forecast including comparison to economic and industry forecasts, where appropriate;</li> <li>f) Evaluated sensitivity analysis performed by the management and performed independent sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management;</li> <li>g) Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in accordance with the applicable accounting standards.</li> </ul>
<p><b>b) Provisions for doubtful debts:</b></p> <p>The Company has reported trade receivables of INR 1,354.09 million as at 31 March 2021 and expected credit losses allowance of INR 184.62 million as detailed in note 5C of the standalone financial statements. Further, refer note 2.14 of the standalone financial statements, which outlines the accounting policy for determining the allowance for doubtful debts</p> <p>Owing to the nature of operations of the Company and related customer profiles, the Company has significant receivable balances that are past the credit period for the products offered by the Company. The Company is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts outstanding beyond the credit terms extended to customers.</p> <p>The provisions for doubtful debts are determined using expected credit loss model under Ind AS 109 Financial Instruments. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Therefore, it is determined to be a key audit matter.</p> <p>Considering the materiality of trade receivables balances to the Company’s standalone financial statements and the significant estimates and judgements involved in the estimation of expected credit losses due to long standing trade balances, this is considered as a key audit matter for the current year audit.</p>	<p><b>Our audit procedures included, but were not limited to, the following procedures:</b></p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Company to determine provision for doubtful debts including design and implementation of controls. We have tested the design and operating effectiveness of these controls;</li> <li>b) Assessed the Company’s accounting policy with respect to provision for doubtful debts, which included assessing appropriateness of the expected credit loss impairment model and checking the mathematical accuracy of the calculations;</li> <li>c) Evaluated management’s assessment of change in risk of default based on enquiry with relevant personnel and corroboration with independently available external information, if any;</li> <li>d) On a sample basis, obtained direct confirmations from the customers of the Company having outstanding receivable balances as at the reporting date;</li> <li>e) Where direct confirmations were not obtained, subsequent realization of the outstanding invoices and/ or customer acknowledgement of goods received or services rendered was assessed;</li> <li>f) Assessed the Company’s disclosures in relation to trade receivables included in the standalone financial statements.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>c) Estimation of sales returns and discounts:</b></p> <p>Refer accounting policies in note 2.5 to the standalone financial statements.</p> <p>The Company is involved in publishing and distribution of educational books. Due to the nature of business, the Company offers an option to the customers to return unsold inventory. Significant amount of sales returns are received in the year subsequent to the year when books are sold. Discount comprises of turnover, cash and additional discount. Turnover discount is offered to the customers in the period subsequent to the reporting date based on parameters for a specified period. Cash discount is offered based on the cash discount schemes applicable to certain months. Further, at the time of annual settlement, which may not coincide with the financial year, with respective debtors additional discounts are offered based on their negotiations agreed with respective customers. Provision for such sales returns and discounts are estimated, deducted from revenue and accounts receivables.</p> <p>Estimates of sales returns and discounts are required to be made at the time of sale. When determining the appropriate allowance, management considers historical trends, present changes in policies for the academic season, as a basis for the estimate as well as all other known factors, which could significantly influence the level of future sales returns and discount claims. Significant judgement is required in assessing the appropriate level of the provision for sales return and discounts.</p> <p>Measuring provisions for sales return and discounts is a key audit matter as it requires significant estimates made by Management. Such judgements include management's expectation of sales returns and discounts and historical estimates of sales returns and discounts vis a vis the sales returns and discounts received during the year.</p>	<p><b>Our audit procedures included, but were not limited to, the following procedures:</b></p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Company to determine provision for doubtful debts including design and implementation of controls. We have tested the design and operating effectiveness of these controls;</li> <li>b) Assessed the Company's accounting policy with respect to provision for doubtful debts, which included assessing appropriateness of the expected credit loss impairment model and checking the mathematical accuracy of the calculations;</li> <li>c) Evaluated management's assessment of change in risk of default based on enquiry with relevant personnel and corroboration with independently available external information, if any;</li> <li>d) On a sample basis, obtained direct confirmations from the customers of the Company having outstanding receivable balances as at the reporting date;</li> <li>e) Where direct confirmations were not obtained, subsequent realization of the outstanding invoices and / or customer acknowledgement of goods received or services rendered was assessed;</li> <li>f) Assessed the Company's disclosures in relation to trade receivables included in the standalone financial statements.</li> </ul>
<p><b>d) Deferred tax assets:</b></p> <p>As on 31 March 2021, the Company has recognized deferred tax assets (net) amounting to INR 284.25 million. The recognition of deferred tax liabilities includes all taxable temporary differences, while deferred tax assets are only recorded to the extent it is probable that sufficient deferred tax liabilities or taxable profit will be available in the future against which the deductible temporary differences can be used.</p> <p>Management has recognized deferred tax asset on the unabsorbed losses basis the reasonable certainty that sufficient taxable profits, based on forecast of business operations, will be available with the Company in future. However, in view of the COVID 19 impact, the realization of deferred tax may take more time than the period estimated by management.</p> <p>Since, the recognition of deferred tax assets relies on the significant application of judgement by the management in respect of assessing the probability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences, it is considered as key audit matter.</p>	<p><b>Our audit procedures included, but were not limited to, the following procedures:</b></p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Company to compute and assess realisability of deferred tax assets including design and implementation of controls. We have tested the design and operating effectiveness of these controls;</li> <li>b) Obtained the management's calculation for the computation of deferred taxes and performed re-computation to test arithmetical accuracy;</li> <li>c) Traced inputs used in the deferred tax calculation from source documents;</li> <li>d) Analyzed the future projections of the Company, as approved by the Board of Directors of the Company and assumptions used as to when it would be certain that Company would earn future taxable income;</li> <li>e) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes;</li> <li>f) Assessed the sensitivity of the outcomes in the above scenario to reasonably possible changes in assumptions and evaluated the realisability of deferred tax asset as to when the Company would earn future taxable profits;</li> <li>g) Assessed the disclosures in respect of deferred tax included in the standalone financial statements.</li> </ul>

## Information other than the Financial Statements and Auditor's Report thereon

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  - The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

17. The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed a qualified opinion on those standalone financial statements vide their audit report dated 30 June 2020.

## Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
20. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the matter described in paragraph 3 under the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;
  - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
  - h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 22 June 2021 as per Annexure B expressed modified opinion; and
  - i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 46 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 21099514AAAADM5890

Place: Gurugram

Date: 22 June 2021

**Annexure A to the Independent Auditor's Report of even date to the members of S Chand And Company Limited, on the standalone financial statements for the year ended 31 March 2021****Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) The Company as part of its policy performs physical verification of inventory bi-annually every year. In our opinion, the frequency of verification is reasonable. The management had carried out physical verification of inventory as at 17 August 2020. No material discrepancies were noticed on such physical verification. However as explained in the note 51, the management could not perform physical verification of inventory as at 31 March 2021, therefore, we are unable to comment on discrepancies, if any, between physical and book records as at 31 March 2021.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
  - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
  - (c) there is no amount which is overdue for more than 90 days in respect of loans granted to such companies.

- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, goods and service tax and value added tax on account of any dispute, are as follows:

#### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	3.34 million	-	AY 2013-14	ITAT	NA
		4.44 million	-	AY 2015-16	CIT (A)	NA
		4.93 million	-	AY 2017-18	CIT (A)	NA

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to the government and no dues payable to debenture holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

#### For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### Neeraj Goel

Partner

Membership No.: 099514

UDIN: 21099514AAAADM5890

Place: Gurugram

Date: 22 June 2021

## **Annexure B to the Independent Auditor's Report of even date to the members of S Chand And Company Limited, on the standalone financial statements for the year ended 31 March 2021**

### **Annexure B**

#### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of S Chand And Company Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

#### **Qualified opinion**

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2021:
  - a) The Company's internal financial control system with respect to physical verification of inventory at the balance sheet date, as explained in note 51 to the standalone financial statements, were not operating effectively, which could lead to a potential material misstatement in the

carrying amount of inventory and its consequential impact on earnings, reserves and related disclosures in the accompanying standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial control with reference to financial statements as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31 March 2021.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 21099514AAAADM5890

Place: Gurugram

Date: 22 June 2021

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. In Mn

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,646.59	1,646.59
	2.	Total Expenditure	1,609.59	1,609.59
	3.	Net Profit/(Loss)	22.24	22.24
	4.	Earnings Per Share	0.64	0.64
	5.	Total Assets	9,622.69	9,622.69
	6.	Total Liabilities	1,765.16	1,765.16
	7.	Net Worth	7,857.53	7,857.53
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a. Details of Audit Qualification:</b>			
	As explained in the note 12 of the standalone financial results, due to outbreak of second wave of COVID-19, pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these standalone financial results. Accordingly, we were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures, and, therefore, we were unable to verify the existence/condition of inventories of INR 397.54 million finished goods, INR 18.07 million traded goods and INR 35.73 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the financial results as at 31 March 2021.			
	<b>b. Type of Audit Qualification:</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	Qualified Opinion			
	<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing			
	Repetitive			
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>			
	The Company as part of its policy performs physical verification of inventory bi-annually in September and March every year. Accordingly, the management, had carried out physical verification of inventory for the period ended 30 <sup>th</sup> September 2020, The management has, therefore, relied upon the inventory count reflected in its books of accounts, which is the balancing figure for the opening, purchases and the inventory consumed / sold during the financial year.  The management intends to complete the physical verification process in the subsequent quarter and doesn't expect any significant impact which could arise on completion of this process			
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>			
	<b>(i) Management's estimation on the impact of audit qualification:</b>			
	Not Applicable			
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>			
	Not Applicable			
	<b>(iii) Auditors' Comments on (i) or (ii) above:</b>			
	Not Applicable			

III.	<b>Signatories</b>
	<b>For S Chand and Company Limited</b> Sd/- Himanshu Gupta <b>Managing Director</b> Place : New Delhi Date : 22 June 2021
	<b>For S Chand and Company Limited</b> Sd/- Saurabh Mittal <b>CFO</b> Place : New Delhi Date : 22 June 2021
	<b>For S Chand and Company Limited</b> Sd/- Archana Capoor <b>Audit Committee Chairperson</b> Place : New Delhi Date : 22 June 2021
	<b>For Walker Chandiook &amp; Co LLP</b> Chartered Accountants Firm Registration No.: 001076N/N500013 Sd/- <b>Neeraj Goel</b> Partner Membership No. 099514 <b>Place:</b> Gurugram <b>Date:</b> 22 June 2021

## S Chand And Company Limited Standalone Balance Sheet as at 31 March 2021

CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	As at 31 March 2021	As at 31 March 2020 (Refer note 49)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	121.84	134.80
Right-of-use assets	4B	198.22	238.88
Capital work-in-progress		1.18	0.69
Goodwill	4A	23.83	23.83
Other intangible assets	4A	123.95	142.95
Intangible assets under development		0.89	-
Financial assets			
- Investments	5A	6,121.54	6,020.84
- Loans	5G	137.86	339.69
- Other financial assets	5F	1.23	10.84
Deferred tax assets (net)	8	284.25	296.87
Other non-current assets	7	32.64	124.24
<b>Total non-current assets</b>		<b>7,047.43</b>	<b>7,333.63</b>
<b>Current assets</b>			
Inventories	6	451.34	663.13
Financial assets			
- Investments	5B	51.21	1.57
- Trade receivables	5C	1,354.09	1,506.74
- Cash and cash equivalents	5D	171.51	10.83
- Bank balances other than cash and cash equivalents	5E	31.18	2.91
- Loans	5G	316.76	144.95
- Other financial assets	5F	165.96	156.80
Other current assets	7	33.21	41.35
<b>Total current assets</b>		<b>2,575.26</b>	<b>2,528.28</b>
<b>Total assets</b>		<b>9,622.69</b>	<b>9,861.91</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9	174.88	174.88
Other equity	10	7,682.65	7,652.61
<b>Total equity</b>		<b>7,857.53</b>	<b>7,827.49</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	11	388.57	453.48
- Lease liabilities	14B	63.06	85.96
Provisions	16	17.34	26.47
<b>Total non-current liabilities</b>		<b>468.97</b>	<b>565.91</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	12	477.61	593.91
- Lease liabilities	14B	39.62	53.91
- Trade payables	13		
Micro enterprises and small enterprises		22.07	4.20
Other than micro enterprises and small enterprises		539.70	614.82
- Other financial liabilities	14A	170.36	152.56
Other current liabilities	15	45.45	48.00
Provisions	16	1.38	1.11
<b>Total current liabilities</b>		<b>1,296.19</b>	<b>1,468.51</b>
<b>Total equity and liabilities</b>		<b>9,622.69</b>	<b>9,861.91</b>
Summary of significant accounting policies	2		

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

As per our report of even date

For **Walker Chandik & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

## S Chand And Company Limited

### Standalone Statement of Profit and Loss for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I</b> Revenue from operations	17	1,430.39	1,510.61
<b>II</b> Other income	18	216.20	156.32
<b>III Total Income</b>		<b>1,646.59</b>	<b>1,666.93</b>
<b>IV Expenses</b>			
Cost of published goods/material consumed	19	399.58	534.40
Purchase of stock-in-trade	20	63.18	26.95
(Increase) / decrease in inventories of finished goods and stock-in-trade	21	143.97	113.56
Publication expense	22	168.36	191.36
Selling and distribution expense	23	91.58	186.48
Employee benefits expense	24	340.67	447.30
Finance costs	27	156.98	154.42
Depreciation and amortization expense	25	88.66	90.94
Other expenses	26	156.61	275.53
<b>Total expenses</b>		<b>1,609.59</b>	<b>2,020.94</b>
<b>V Profit / (loss) before exceptional items and tax</b>		<b>37.00</b>	<b>(354.01)</b>
Exceptional items	28	5.00	102.62
<b>VI Profit / (loss) before tax</b>		<b>32.00</b>	<b>(456.63)</b>
<b>VII Tax expenses:</b>			
Current tax	29	-	-
Deferred tax		9.76	(59.35)
<b>Total tax expenses</b>		<b>9.76</b>	<b>(59.35)</b>
<b>VIII Profit / (loss) for the year</b>		<b>22.24</b>	<b>(397.28)</b>
<b>IX Other comprehensive income</b>			
<b>- Items that will not be reclassified to profit or loss</b>			
Re-measurement (gains)/losses on defined benefit plans		(9.80)	5.75
Income tax effect		2.85	(1.67)
<b>X Total comprehensive income for the year</b>		<b>29.19</b>	<b>(401.36)</b>
<b>XI Earnings per equity share:</b>	30		
(1) Basic		0.64	(11.36)
(2) Diluted		0.64	(11.36)
Summary of significant accounting policies	2		

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

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

## S Chand And Company Limited Standalone Cash Flow Statement for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>			
<b>Profit/ (loss) before tax</b>		<b>32.00</b>	<b>(456.63)</b>
<b>Adjustment to reconcile profit/ (loss) before tax to net cash flows</b>			
Depreciation and amortization expense		88.66	90.94
Unrealised foreign exchange gain (net)		(3.69)	(1.30)
Net gain on sale of investments		(1.00)	(2.49)
Loss/ (gain) on sale of property, plant and equipment (net)		0.90	(0.84)
Provision for expected credit loss, advances and bad debts written-off		(8.09)	71.84
Finance costs		156.98	152.66
Interest income		(70.77)	(68.69)
Fair value gain on financial instruments at fair value through profit or loss		(1.14)	0.76
Interest income on securities measured at amortised cost		(0.80)	(1.99)
Provision for diminution in value of investments		5.00	70.00
Unwinding financial guarantee obligation		(1.88)	(2.26)
Provision for inventory		-	32.62
Rent concession and gain on de-recognition of lease liability		(2.69)	-
Amounts written-back		(2.07)	(9.45)
Interest income on financial liability		(5.73)	-
Reversal of financial liability		(30.00)	-
Employee stock option expense		0.85	0.67
<b>Operating profit/ (loss) before working capital changes</b>		<b>156.53</b>	<b>(124.16)</b>
<b>Movements in working capital:</b>			
Decrease in trade payables		(56.26)	(180.96)
Increase in other assets		(20.30)	(2.38)
Decrease in other liabilities		(29.62)	(55.84)
Increase in provisions		0.94	12.97
Decrease in inventories		211.79	102.97
Decrease in trade receivables		166.00	395.65
Decrease in loans and advances		4.97	35.07
<b>Cash generated from operations</b>		<b>434.05</b>	<b>183.32</b>
Direct taxes paid (net of refunds)		89.15	(21.92)
<b>Net Cash generated/ (used) in operating activities</b>	<b>(A)</b>	<b>523.20</b>	<b>161.40</b>
<b>B. Cash flows from investing activities</b>			
Purchase of property, plant & equipment including capital advances, capital creditors and capital work-in-progress		(16.79)	(89.62)
Purchase of non-current investments		-	(2.26)
Purchase of current investments		(95.05)	31.57
Proceeds from sale of current investments		47.55	2.49
Proceeds from sale of property, plant and equipment		3.88	12.66
Interest received		32.71	59.63
Repayments received of loan to related parties (net)		-	177.57
Loans given to related parties		(27.10)	(154.30)
<b>Net cash flow (used in) / generated from investing activities</b>	<b>(B)</b>	<b>(54.80)</b>	<b>37.74</b>

# S Chand And Company Limited

## Standalone Cash Flow Statement for the year ended 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>C. Cash flows from financing activities</b>			
Interest paid on borrowings		(139.54)	(146.86)
Proceed from non-current borrowings		3.50	-
Repayment of non-current borrowings		(3.18)	(208.90)
Repayment of current borrowings (net)		(116.30)	(25.89)
Payment of lease liabilities		(52.20)	(44.65)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(307.72)</b>	<b>(426.30)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>160.68</b>	<b>(227.16)</b>
Cash and cash equivalents at the beginning of the year		10.83	237.99
<b>Cash and cash equivalents at the end of the year</b>		<b>171.51</b>	<b>10.83</b>
<b>Components of cash and cash equivalents</b>			
Balances with banks:			
- On current accounts		51.77	7.62
- Cheques in hand		118.21	2.98
Cash in hand		1.53	0.23
<b>Total cash and cash equivalents (note 5D)</b>		<b>171.51</b>	<b>10.83</b>

### Notes:

#### 1. Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March 2020	Cash flows	Non cash changes	As at 31 March 2021
Long-term borrowings (including current maturities)	456.34	0.32	1.25	457.91
Short-term borrowings	593.91	(116.30)	-	477.61
Lease liabilities (refer note 33)	139.87	(52.20)	15.01	102.68
	<b>1,190.12</b>	<b>(168.18)</b>	<b>16.26</b>	<b>1,038.20</b>

Particulars	As at 31 March 2019	Cash flows	Non cash changes	As at 31 March 2020
Long-term borrowings (including current maturities)	665.24	(208.90)	-	456.34
Short-term borrowings	619.80	(25.89)	-	593.91
Lease liabilities (refer note 33)	-	(44.65)	184.52	139.87
	<b>1,285.04</b>	<b>(279.44)</b>	<b>184.52</b>	<b>1,190.12</b>

Summary of significant accounting policies

2

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

As per our report of even date

For Walker Chandio &amp; Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjnuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

## S Chand And Company Limited

### Standalone statement of changes in equity for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

#### A. Equity share capital:

Issued, subscribed and fully paid up	No. of shares	₹ in millions
<b>As at 31 March 2019</b>	<b>34,975,287</b>	<b>174.88</b>
Issued during the year	-	-
<b>As at 31 March 2020</b>	<b>34,975,287</b>	<b>174.88</b>
Issued during the year	-	-
<b>As at 31 March 2021</b>	<b>34,975,287</b>	<b>174.88</b>

#### B. Other equity

(₹ in millions)

	Reserves & Surplus					Total
	Capital reserve	Security premium	Retained earnings	Other comprehensive income	Employee stock options outstanding	
<b>As at 31 March 2019</b>	<b>0.51</b>	<b>6,606.35</b>	<b>1,434.83</b>	<b>1.61</b>	<b>10.00</b>	<b>8,053.30</b>
Loss for the year	-	-	(397.28)	-	-	(397.28)
Other comprehensive income for the year (net)	-	-	-	(4.08)	-	(4.08)
Share based payments/ charge during the year	-	-	-	-	0.67	0.67
<b>As at 31 March 2020</b>	<b>0.51</b>	<b>6,606.35</b>	<b>1,037.55</b>	<b>(2.47)</b>	<b>10.67</b>	<b>7,652.61</b>
Profit for the year	-	-	22.24	-	-	22.24
Other comprehensive income for the year (net)	-	-	-	6.95	-	6.95
Share based payments/ charge during the year	-	-	-	-	0.85	0.85
<b>As at 31 March 2021</b>	<b>0.51</b>	<b>6,606.35</b>	<b>1,059.79</b>	<b>4.48</b>	<b>11.52</b>	<b>7,682.65</b>

Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhnuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

# S Chand And Company Limited

## Notes to standalone financial statements for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

(Amount in Indian Rupees, unless otherwise stated)

### 1. Corporate information

S Chand And Company Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The Company has become a Public Limited Company w.e.f. 8 September 2016 and consequently the name of the Company has changed from S Chand And Company Private Limited to S Chand And Company Limited. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate, New Delhi - 110044. These are standalone financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

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

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements (standalone financial statement) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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

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

The financial statements are presented in INR "(Indian Rupees)" or "₹". All values are rounded to the nearest million, and two decimals thereof, except when otherwise indicated.

#### 2.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### 2.3 Foreign currencies

##### *Functional and presentational currency*

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### *Transactions and balances*

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

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

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

#### **2.4 Fair value measurement**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i. Disclosures for significant estimates and assumptions (refer note 2.21)
- ii. Quantitative disclosures of fair value measurement hierarchy (note 38)
- iii. Investment in unquoted equity shares (note 5A and 5B)
- iv. Equity settled employee share based payment plan (note 35)

#### **2.5 Revenue from contract with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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

## **S Chand And Company Limited**

### **Notes to standalone financial statements as at 31 March 2021 (Continued)**

CIN:L22219DL1970PLC005400

#### ***Sale of goods***

Revenue from sale of books is recognised at the point in time when control of the asset is transferred to the customer, i.e. at the time of handing over goods to the carrier for transportation.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of books, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### ***Job work***

Revenue from job work services is recognised at the point in time when control of the asset is transferred to the customer, i.e. at the time of handing over goods to the carrier for transportation or to the customer as per the terms of the contract.

#### **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some of the contracts with customer provide a right to customer of cash rebate/discount if payment is cleared within specified due dates.

- **Rights of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The provision for anticipated returns is made primarily on the basis of historical return rates as this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

- **Volume rebates**

The Company provides volume rebates to certain customers once the value of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

- **Cash rebates**

The Company provides cash rebates to certain customers if customers make the payment within the stipulated time given in the contract. The provision for cash discount is made on estimated basis based on historical trends. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

#### **Contract balances**

##### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

#### *Interest income*

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

#### *Dividends*

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

#### *Cross charges for shared services*

The Company provides various administrative and management services through shared resources to its subsidiary companies to facilitate day to day operations. The Company recognises revenue over time, because the subsidiaries receive and consume the service provided by the Company over that period.

## 2.6 Taxes

#### *Current income tax*

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

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

#### *Deferred tax*

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

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

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

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

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

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

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

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

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 2.7 Property, plant and equipment

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

##### *Depreciation*

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Building	40 -60 years	30 years
Plant and equipment	15 -25 years	15 years
Furniture & fixture	10 years	10 years
Vehicles	10 years	8 years
Office equipment	5 years	5 years
Computer	6 years	3 years

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

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

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

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

#### 2.8 Intangible assets

##### *Recognition and measurement*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit and loss when it is incurred.

##### *Amortisation and useful lives*

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

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

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

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### Research and development costs

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

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

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

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

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

## 2.9 Investment in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

## 2.10 Borrowing costs

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

## 2.11 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

#### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **IND AS 116 adoption:**

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method (alternative II). Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate with equal amount of right to use asset at the date of initial application. Comparatives as at and for the year ended 31 March 2019 were not retrospectively adjusted.

#### **2.12 Inventories**

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

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

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

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

#### **2.13 Impairment of non-financial assets**

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

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

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

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

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

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

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

#### 2.14 Financial instruments

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

##### Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

###### *Subsequent measurement*

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

###### *Financial assets at amortised cost (debt instruments)*

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

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

## **S Chand And Company Limited**

### **Notes to standalone financial statements as at 31 March 2021 (Continued)**

CIN:L22219DL1970PLC005400

#### ***Financial assets at fair value through OCI (FVTOCI) (debt instruments)***

A "financial asset" is classified as at the FVTOCI if both of the following criteria are met:

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

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

#### ***Equity instruments at FVTOCI***

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

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

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

#### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

#### ***De-recognition***

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

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

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

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

#### ***Impairment of financial assets***

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Lease receivables under Ind-AS 116.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

- Contract assets and trade receivables under Ind-AS 115.
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables, and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

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

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

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

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

### Financial liabilities

#### *Initial recognition and measurement*

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

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

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

#### *Subsequent measurement*

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

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

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

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

#### *Loans and borrowings*

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

#### *Financial guarantee contracts*

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

#### *De-recognition*

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

### **Re-classification of financial assets**

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

### **Offsetting of financial instruments**

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

### **2.15 Employee benefits**

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

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

#### ***Compensated absences***

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

#### ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

## 2.16 Share based payments

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

#### ***Equity settled transactions***

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

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

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

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

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

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

## 2.17 Provisions, contingent liabilities and contingent assets

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company, and requires interpretation of laws and past legal rulings.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

#### 2.18 Cash and cash equivalents

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

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

#### 2.19 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share amounts are calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### 2.20 Dividend

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

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

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

#### A. Judgement

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

##### i) Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

#### ii) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of books include cash rebates and volume rebates and a right to return the goods that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

## B. Estimates and assumptions

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

#### i) Deferred tax assets

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

#### ii) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 32.

#### iii) Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

and forecast of economic conditions may also not be representative of customer's actual default in the future. For details of allowance for doubtful debts please refer note 5C.

#### iv) Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

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

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

#### v) Estimating variable consideration for right of return, volume rebates and cash rebates

Certain contracts for the sale of books include a right of return, volume rebates and cash rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company estimates variable considerations to be included in the transaction price for the sale of goods with a right of return, volume rebates and cash rebates.

#### vi) Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis the above analysis, mainly following items would be evaluated for disclosure as exceptional items:

- a) Reassessment / change in life of asset (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
- b) Provision for other than temporary diminution in the value of non-current investment.
- c) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write downs.
- d) In case of other significant item of income or expense, not covered above, the same would be evaluated on a case to case basis for disclosure under exceptional items

## 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director assesses the financial performance and position of the Company, and makes strategic decision and has been identified as the chief operating decision maker. The Company's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., publishing of books. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. The Company primarily operates in India. Refer note 41 for segment reporting.

## 2.23 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 2.24 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

### 3. Property, plant and equipment

(₹ in millions)

	Land	Building	Plant & equipment	Furniture & fixtures	Vehicles**	Office equipment	Leasehold improvement	Computers	Total
<b>Gross block</b>									
<b>As at 31 March 2019</b>	<b>98.72</b>	<b>13.99</b>	<b>15.44</b>	<b>19.36</b>	<b>62.64</b>	<b>16.63</b>	<b>11.23</b>	<b>16.08</b>	<b>254.09</b>
Additions	-	42.55	12.36	0.21	-	5.41	1.20	0.32	62.05
Disposals / adjustments	(98.72)	-	(2.52)	(3.47)	(12.36)	(3.73)	(3.61)	(2.23)	(126.65)
<b>As at 31 March 2020</b>	<b>-</b>	<b>56.54</b>	<b>25.28</b>	<b>16.10</b>	<b>50.28</b>	<b>18.31</b>	<b>8.82</b>	<b>14.17</b>	<b>189.50</b>
Additions	-	-	0.64	0.08	4.25	0.31	-	0.36	5.64
Disposals / adjustments	-	-	(0.73)	(0.52)	(6.04)	(1.81)	(1.83)	(0.90)	(11.83)
<b>As at 31 March 2021</b>	<b>-</b>	<b>56.54</b>	<b>25.19</b>	<b>15.66</b>	<b>48.49</b>	<b>16.81</b>	<b>6.99</b>	<b>13.63</b>	<b>183.31</b>
<b>Accumulated depreciation</b>									
<b>As at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>3.82</b>	<b>8.77</b>	<b>19.99</b>	<b>9.63</b>	<b>5.78</b>	<b>7.71</b>	<b>55.70</b>
Charge for the year	-	0.93	1.15	1.56	4.84	2.65	2.01	1.96	15.10
Disposals	-	-	(0.95)	(2.14)	(5.40)	(2.66)	(3.20)	(1.75)	(16.10)
<b>As at 31 March 2020</b>	<b>-</b>	<b>0.93</b>	<b>4.02</b>	<b>8.19</b>	<b>19.43</b>	<b>9.62</b>	<b>4.59</b>	<b>7.92</b>	<b>54.70</b>
Charge for the year	-	1.92	1.50	1.17	4.24	2.49	1.05	1.46	13.83
Disposals	-	-	(0.17)	(0.37)	(3.15)	(1.41)	(1.33)	(0.63)	(7.06)
<b>As at 31 March 2021</b>	<b>-</b>	<b>2.85</b>	<b>5.35</b>	<b>8.99</b>	<b>20.52</b>	<b>10.70</b>	<b>4.31</b>	<b>8.75</b>	<b>61.47</b>
<b>Net block</b>									
<b>As at 31 March 2020</b>	<b>-</b>	<b>55.61</b>	<b>21.26</b>	<b>7.91</b>	<b>30.85</b>	<b>8.69</b>	<b>4.23</b>	<b>6.25</b>	<b>134.80</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>53.69</b>	<b>19.84</b>	<b>6.67</b>	<b>27.97</b>	<b>6.11</b>	<b>2.68</b>	<b>4.88</b>	<b>121.84</b>

\*\* includes vehicles purchased through borrowings as at 31 March 2021 was ₹ 16.32 millions (31 March 2020: ₹ 15.42 millions). Additions during the year is ₹ 4.25 millions (31 March 2020: Nil). Vehicles are hypothecated as security for the related loan.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 4A. Goodwill and other intangible assets

(₹ in millions)

	Goodwill	Trade mark	Computer software	Copy-right	Content development	Total
<b>Gross block</b>						
<b>As at 31 March 2019</b>	<b>23.83</b>	<b>0.12</b>	<b>54.26</b>	<b>24.90</b>	<b>141.51</b>	<b>244.61</b>
Addition	-	-	0.03	-	20.95	20.98
Disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>23.83</b>	<b>0.12</b>	<b>54.29</b>	<b>24.90</b>	<b>162.46</b>	<b>265.59</b>
Addition	-	-	1.22	1.68	6.86	9.76
Disposals	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>23.83</b>	<b>0.12</b>	<b>55.51</b>	<b>26.58</b>	<b>169.32</b>	<b>275.35</b>
<b>Accumulated amortisation</b>						
<b>As at 31 March 2019</b>	<b>-</b>	<b>0.01</b>	<b>29.41</b>	<b>11.65</b>	<b>21.35</b>	<b>62.40</b>
Amortisation for the year	-	0.01	5.97	4.22	26.21	36.41
Disposals	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>-</b>	<b>0.02</b>	<b>35.38</b>	<b>15.87</b>	<b>47.56</b>	<b>98.81</b>
Amortisation for the year	-	0.01	5.19	4.21	19.35	28.76
Disposals	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>0.03</b>	<b>40.57</b>	<b>20.08</b>	<b>66.91</b>	<b>127.57</b>
<b>Net block</b>						
<b>As at 31 March 2020</b>	<b>23.83</b>	<b>0.10</b>	<b>18.91</b>	<b>9.03</b>	<b>114.90</b>	<b>166.78</b>
<b>As at 31 March 2021</b>	<b>23.83</b>	<b>0.09</b>	<b>14.94</b>	<b>6.50</b>	<b>102.42</b>	<b>147.78</b>

#### Impairment testing of goodwill

The Company performs test for goodwill impairment at least annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows.

During the year, test for goodwill impairment was performed at 31 March 2021 and no impairment indicators were noted and therefore, there has been no change in the carrying value of the goodwill. The management believes that any reasonable possible changes in the key assumptions used would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

#### Impairment of content development

During the year ended 31 March 2021, the impairment loss of ₹ 5.16 million included in ₹ 19.35 million (31 March 2020 ₹ 8.58 million included in ₹ 26.21 million) represented the write-down value of certain content development as a result of title obsolescence. This was recognised in the statement of profit and loss.

#### 4B. Right-of-use assets

(₹ in millions)

	Leasehold land (RoU)*	Building (RoU)	Plant and equipment (RoU)	Total
<b>Gross block</b>				
<b>As at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions on transition to Ind AS 116	98.72	103.39	-	202.11
Additions	13.01	34.43	40.05	87.49
Adjustments	-	(6.76)	-	(6.76)
Disposals	-	(7.77)	-	(7.77)
<b>As at 31 March 2020</b>	<b>111.73</b>	<b>123.29</b>	<b>40.05</b>	<b>275.07</b>
Additions	-	11.55	-	11.55
Disposals	-	(13.01)	-	(13.01)
<b>As at 31 March 2021</b>	<b>111.73</b>	<b>121.83</b>	<b>40.05</b>	<b>273.61</b>
<b>Accumulated amortisation</b>				
<b>As at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation for the year	1.80	32.86	4.77	39.43
Disposals	-	(3.24)	-	(3.24)
<b>As at 31 March 2020</b>	<b>1.80</b>	<b>29.62</b>	<b>4.77</b>	<b>36.19</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 4B. Right-of-use assets (Continued)

(₹ in millions)

	Leasehold land (RoU)*	Building (RoU)	Plant and equipment (RoU)	Total
Amortisation for the year	1.96	36.10	8.01	46.07
Disposals	-	(6.87)	-	(6.87)
<b>As at 31 March 2021</b>	<b>3.76</b>	<b>58.85</b>	<b>12.78</b>	<b>75.39</b>
<b>Net block</b>				
<b>As at 31 March 2020</b>	<b>109.93</b>	<b>93.67</b>	<b>35.28</b>	<b>238.88</b>
<b>As at 31 March 2021</b>	<b>107.97</b>	<b>62.98</b>	<b>27.27</b>	<b>198.22</b>

\* Leasehold industrial property situated at 40/2A, Sahibabad Industrial Area - Site - IV, Sahibabad (U.P.) has been hypothecated with Indian Bank against a loan obtained by its wholly owned subsidiary Vikas Publishing House Private Limited. The loan is repayable in 120 equal monthly installments starting from April 2020.

#### 5. Financial assets

##### 5A. Non-current investments

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>i) Investment in unquoted equity shares, valued at cost</b>		
<b>Investment in subsidiaries</b>		
149 (31 March 2020: 149) shares of ₹ 1,000 each fully paid up in M/s Blackie & Son (Calcutta) Private Limited	62.79	62.79
12,000 (31 March 2020: 12,000) shares of ₹ 10 each fully paid up in M/s Nirja Publishers & Printers Private Limited#	17.04	17.04
26,584,168 (31 March 2020: 26,584,168) shares of ₹ 10 each fully paid up in M/s Safari Digital Education Initiatives Private Limited	268.19	268.19
106 (31 March 2020: 106) shares of ₹ 1,000 each fully paid up in M/s Eurasia Publishing House Private Limited	116.05	116.05
39,339 (31 March 2020: 39,339) shares of ₹ 100 each fully paid up in M/s Vikas Publishing House Private Limited#	1,532.00	1,518.85
22,336 (31 March 2020: 22,336) shares of ₹ 10 each fully paid up in M/s New Saraswati House (India) Private Limited#	1,426.84	1,426.84
17,686,750 (31 March 2020: 17,686,750) shares of ₹ 10 each fully paid up in M/s DS Digital Private Limited#	142.78	142.78
103,102 (31 March 2020: 103,102) shares of ₹ 100 each fully paid up in M/s Chhaya Prakashani Limited	1,657.04	1,657.04
4,758,215 (31 March 2020: 3,995,250) shares of ₹ 10 each fully paid up in M/s S. Chand Edutech Private Limited*	67.04	39.95
Less : Impairment of investment in DS Digital Private Limited (refer note 47)	(55.00)	(50.00)
Less : Impairment of investment in Safari Digital Education Initiatives Private Limited (refer note 47)	(70.00)	(70.00)
	<b>5,164.77</b>	<b>5,129.53</b>
<b>Investment in associate</b>		
50 (31 March 2020: 50) share of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	0.52	0.52
	<b>0.52</b>	<b>0.52</b>
<b>ii) Investment in unquoted preference shares, valued at cost</b>		
<b>Investment in subsidiaries</b>		
16,000,000 (31 March 2020: 16,000,000) shares of ₹ 10 each fully paid up in M/s DS Digital Private Limited	160.00	160.00
5,570,007 (31 March 2020: Nil) 0.01% Non Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up in M/s New Saraswati House (India) Private Limited**	55.70	-
	<b>215.70</b>	<b>160.00</b>
<b>Investment in associate</b>		
5,414 (31 March 2020: 5,414) 0.001% compulsorily convertible cumulative preference shares of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	21.10	21.10
	<b>21.10</b>	<b>21.10</b>
<b>iii) Investments in unquoted debentures, valued at fair value through profit and loss</b>		
<b>Investment in subsidiary</b>		
6,916 (31 March 2020: 6,916) 2% optionally convertible redeemable debentures of ₹ 100,000 each fully paid up in Eurasia Publishing House Private Limited#	719.45	709.69
	<b>719.45</b>	<b>709.69</b>
<b>Total</b>	<b>6,121.54</b>	<b>6,020.84</b>
Aggregate value of unquoted investments	6,121.54	6,020.84
Aggregate value of impairment in value of investments	125.00	120.00

\* During the year, the Company has converted the optionally convertible unsecured loan granted to S. Chand Edutech Private Limited vide agreement dated 17 November 2017 into 762,965 equity shares of ₹ 10 each fully paid up in M/s S. Chand Edutech Private Limited at a premium of ₹ 25.50 each.

\*\* During the year, the Company has converted the optionally convertible unsecured loan granted to New Saraswati House (India) Private Limited vide agreement dated 8 August 2019 into 5,570,007 0.01% non-cumulative, non-participating, compulsorily convertible preference shares of ₹ 10 each.

# Investment in equity shares in subsidiaries include deemed investments of ₹ 41.43 millions (31 March 2020: ₹ 28.27 millions) due to ESOP granted to employees of subsidiary companies and corporate guarantee given by Holding Company on behalf of subsidiary companies. Investment in debentures of Eurasia Publishing House Private Limited includes total deemed investment of ₹ 27.85 (31 March 2020: 18.10 millions).

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 5B. Current investments

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Investment at fair value through profit and loss</b>		
<b>Investment in equity shares (unquoted)</b>		
15,880 (31 March 2020: 15,880) shares of ₹ 10 each fully paid up in M/s Sistema Smart Technologies Limited*	-	-
	-	-
<b>Investment valued at fair value through profit and loss</b>		
<b>Investment in equity instruments (quoted)</b>		
1,000 (31 March 2020: 1,000) shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited	0.08	0.04
42,564 (31 March 2020: 42,564) shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited	0.72	0.49
10,457 (31 March 2020: 10,457) shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited	0.00	0.00
2,000 (31 March 2020: 2,000) shares of ₹ 10 each fully paid up in M/s Vardhman Concrete Limited*	-	-
100 (31 March 2020: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.02	0.01
100 (31 March 2020: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.02	0.01
	<b>0.84</b>	<b>0.55</b>
<b>Investment valued at fair value through profit and loss</b>		
<b>Investment in mutual funds (quoted)</b>		
98,657 (31 March 2020: 94,511) units in Principal Monthly Income Plan - Dividend Reinvestment	1.34	1.02
1,089,348 (31 March 2020: Nil) units in HDFC Liquid Fund - Regular Plan Growth option	49.03	-
	<b>50.37</b>	<b>1.02</b>
<b>Total</b>	<b>51.21</b>	<b>1.57</b>
Aggregate book value of quoted investments	50.07	2.33
Aggregate market value of quoted investments	51.21	1.57
Aggregate value of impairment in value of investments	-	-

\* amounts written off in earlier years.

#### 5C. Trade receivables

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Trade receivables</b>		
<b>Secured, considered good</b>	-	-
Unsecured, considered good	1,354.09	1,506.74
Receivable which have significant increase in credit risk	184.62	230.06
Receivable credit impaired	-	-
	<b>1,538.71</b>	<b>1,736.80</b>
<b>Less: Allowance for expected credit loss</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	(184.62)	(230.06)
Receivable credit impaired	-	-
	<b>(184.62)</b>	<b>(230.06)</b>
Secured, considered good	-	-
Unsecured, considered good	1,354.09	1,506.74
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	<b>1,354.09</b>	<b>1,506.74</b>
<b>Trade receivables from related parties (refer note 34)</b>	66.32	92.67

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 5C. Trade receivables (Continued)

(₹ in millions)

The movement in impairment of trade receivables as follow:

	As at 31 March 2021	As at 31 March 2020
Opening balance	230.06	184.14
Additions/ (write-back) (net)	(9.67)	68.13
Write off (net of recovery) (refer note 26)	(35.77)	(22.21)
<b>Closing balance</b>	<b>184.62</b>	<b>230.06</b>

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

#### 5D. Cash and cash equivalents

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
- On current accounts	51.77	7.62
- Cheques on hand	118.21	2.98
Cash on hand	1.53	0.23
<b>Total</b>	<b>171.51</b>	<b>10.83</b>

#### 5E. Bank balances other than cash and cash equivalents

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity more than 3 months and less than 12 months	31.18	2.91
<b>Total</b>	<b>31.18</b>	<b>2.91</b>

#### 5F. Other financial assets

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-current:</b>		
Deposits with original maturity for more than 12 months	0.72	8.80
Interest accrued but not due on fixed deposits (on long term deposits)	0.40	1.93
Margin money**	0.11	0.11
	<b>1.23</b>	<b>10.84</b>
<b>Current:</b>		
Interest accrued but not due on fixed deposits (on short term deposits)	0.56	0.56
Restricted cash*	0.09	0.09
Receivables from related parties (refer note 34)#	160.96	152.44
Other receivables	4.35	3.71
	<b>165.96</b>	<b>156.80</b>
<b>Total</b>	<b>167.19</b>	<b>167.64</b>
<b>Non-current</b>	<b>1.23</b>	<b>10.84</b>
<b>Current</b>	<b>165.96</b>	<b>156.80</b>

\* Restricted cash represent earmarked balance for unclaimed dividend payouts.

\*\* Margin money deposit with a carrying amount of ₹0.11 million (31 March 2020: ₹ 0.11) has been deposited with sales tax department.

# Receivables from related parties pertains to receivables from group companies for management cross charges, reimbursements and other recoveries.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 5G. Loans

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-current:</b>		
Loans to related parties (refer note 34 and 44)	127.55	329.35
Security deposits	10.31	10.34
	<b>137.86</b>	<b>339.69</b>
<b>Current:</b>		
Loans to related parties (refer note 34 and 44)	312.94	136.99
Security deposits	3.82	7.96
	<b>316.76</b>	<b>144.95</b>
<b>Total loans</b>	<b>454.62</b>	<b>484.64</b>
Considered good, unsecured	454.62	484.64
Recoverable which have significant increase in credit risk	-	-
	<b>454.62</b>	<b>484.64</b>
<b>Non-current</b>	<b>137.86</b>	<b>339.69</b>
<b>Current</b>	<b>316.76</b>	<b>144.95</b>

#### 6. Inventories

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Raw materials (at cost)	35.73	103.55
Finished goods (at lower of cost and net realisable value)	397.54	556.40
Finished goods-traded goods (at lower of cost and net realisable value)	18.07	3.18
<b>Total*</b>	<b>451.34</b>	<b>663.13</b>

\* Inventories have been reduced by ₹ 60.27 millions (31 March 2019: ₹ 32.62 millions) as a result of write-down to net realisable value.

#### 7. Other assets

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Prepaid expenses	4.87	5.46
Unsecured, considered good	1.62	3.48
Tax receivable (net of provision)	26.15	115.30
	<b>32.64</b>	<b>124.24</b>
<b>Current</b>		
Advances to vendors	4.26	3.87
Advances to employee	7.57	14.09
Prepaid expenses	13.84	16.53
Others	7.54	6.86
	<b>33.21</b>	<b>41.35</b>
<b>Total</b>	<b>65.85</b>	<b>165.59</b>
<b>Non-current</b>	<b>32.64</b>	<b>124.24</b>
<b>Current</b>	<b>33.21</b>	<b>41.35</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 8. Deferred taxes

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Items leading to creation of deferred tax assets</b>		
Impact of non deductible expenses	5.67	11.11
Provision for doubtful debt & advances	55.80	66.99
Impact of fair value gain on current Investment	-	0.21
Impact of right of use assets and lease liabilities	3.62	3.19
Impact of provision for inventory	17.55	9.50
Impact of business loss to carry forward in next years	212.15	217.07
<b>Total deferred tax assets</b>	<b>294.79</b>	<b>308.07</b>
<b>Items leading to creation of deferred tax liabilities</b>		
Property, plant and equipment: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	10.20	11.20
Impact of fair value gain on current investment	0.34	-
<b>Total deferred tax liabilities</b>	<b>10.54</b>	<b>11.20</b>
<b>Net deferred tax assets</b>	<b>284.25</b>	<b>296.87</b>

#### Note:

##### Movement of deferred tax assets tax assets/ liabilities presented in balance sheet

	As at 31 March 2020	Recognised in		As at 31 March 2021
		Profit and Loss	OCI	
<b>Items leading to creation of deferred tax assets</b>				
Impact of non deductible expenses	11.11	(2.59)	(2.85)	5.67
Provision for doubtful debt & advances	66.99	(11.19)	-	55.80
Impact of fair value gain on current Investment	0.21	(0.21)	-	-
Impact of right of use assets and lease liabilities	3.19	0.43	-	3.62
Impact of provision for inventory	9.50	8.05	-	17.55
Impact of business loss to carry forward in next years	217.07	(4.92)	-	212.15
<b>Total deferred tax assets</b>	<b>308.07</b>	<b>(10.43)</b>	<b>(2.85)</b>	<b>294.79</b>
<b>Items leading to creation of deferred tax liabilities</b>				
Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	11.20	(1.00)	-	10.20
Impact of fair value gain on current investment	-	0.34	-	0.34
<b>Total deferred tax liabilities</b>	<b>11.20</b>	<b>(0.66)</b>	<b>-</b>	<b>10.54</b>
<b>Net deferred tax assets</b>	<b>296.87</b>	<b>(9.76)</b>	<b>(2.85)</b>	<b>284.25</b>

	As at 31 March 2019	Recognised in		As at 31 March 2020
		Profit and Loss	OCI	
<b>Items leading to creation of deferred tax assets</b>				
Impact of non deductible expenses	7.84	1.60	1.67	11.11
Provision for doubtful debt & advances	65.59	1.40	-	66.99
Provision for diminution in value of investment	17.47	(17.47)	-	-

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 8. Deferred taxes (Continued)

(₹ in millions)

	As at 31 March 2019	Recognised in		As at 31 March 2020
		Profit and Loss	OCI	
Impact of fair value gain on current Investment	-	0.21	-	0.21
Impact of right of use assets and lease liabilities	-	3.19	-	3.19
Impact of provision for inventory	-	9.50	-	9.50
Impact of business loss to carry forward in next years	158.60	58.47	-	217.07
<b>Total deferred tax assets</b>	<b>249.50</b>	<b>56.90</b>	<b>1.67</b>	<b>308.07</b>
<b>Items leading to creation of deferred tax liabilities</b>				
Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	13.51	(2.31)	-	11.20
Others	0.14	(0.14)	-	-
<b>Total deferred tax liabilities</b>	<b>13.65</b>	<b>(2.45)</b>	<b>-</b>	<b>11.20</b>
<b>Net deferred tax assets</b>	<b>235.85</b>	<b>59.35</b>	<b>1.67</b>	<b>296.87</b>

Note: Refer note 29 for effective tax reconciliation.

#### 9. Equity share capital

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
40,000,000 (31 March 2020: 40,000,000) equity shares of ₹ 5/- each	200.00	200.00
<b>Issued, subscribed and fully paid equity capital</b>		
34,975,287 (31 March 2020: 34,975,287) equity shares of ₹ 5/- each	174.88	174.88
	<b>174.88</b>	<b>174.88</b>

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

Authorised share capital	No. of shares	₹ in millions
<b>As at 31 March 2019</b>	40,000,000	200.00
Increase/(decrease) during the year	-	-
<b>As at 31 March 2020</b>	40,000,000	200.00
Increase/(decrease) during the year	-	-
<b>As at 31 March 2021</b>	<b>40,000,000</b>	<b>200.00</b>

Issued equity capital	No. of shares	₹ in millions
<b>Equity share of ₹ 5/- each issued, subscribed and fully paid (31 March 2020: Equity share of ₹ 5 each)</b>		
<b>As at 31 March 2019</b>	<b>34,975,287</b>	<b>174.88</b>
Issued during the year	-	-
<b>As at 31 March 2020</b>	<b>34,975,287</b>	<b>174.88</b>
Issued during the year	-	-
<b>As at 31 March 2021</b>	<b>34,975,287</b>	<b>174.88</b>

##### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2020: ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 9. Equity share capital (Continued)

- c. The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

#### d. Details of shareholders holding more than 5% shares in the company (₹ in millions)

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Himanshu Gupta	5,994,038	17.14%	5,961,238	17.04%
Mrs. Neerja Jhunjhnuwala	4,008,345	11.46%	4,008,345	11.46%
Mr. Dinesh Kumar Jhunjhnuwala	3,846,854	11.00%	3,846,854	10.99%
International Finance Corporation	2,805,784	8.02%	2,805,784	8.02%
Everstone Capital Partners II LLC	-	-	3,323,229	9.50%

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

For details of shares reserved for issue under the employee stock options (ESOPs) plan of the Company, please refer note 35

#### 10. Other equity

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>a. Capital reserve</b>		
Balance as the beginning of reporting year	0.51	0.51
<b>Balance as the end of reporting year</b>	<b>0.51</b>	<b>0.51</b>
<b>b. Securities premium</b>		
Balance as the beginning of reporting year	6,606.35	6,606.35
<b>Balance as the end of reporting year</b>	<b>6,606.35</b>	<b>6,606.35</b>
<b>c. Employee stock options outstanding</b>		
Balance as the beginning of reporting year	10.67	10.00
Add: compensation option granted during the year- charge for the year (refer note 35)	0.85	0.67
<b>Balance as the end of reporting year</b>	<b>11.52</b>	<b>10.67</b>
<b>d. Retained earnings</b>		
Balance as the beginning of reporting year	1,037.55	1,434.83
Add: Profit/(loss) for the year	22.24	(397.28)
<b>Balance as the end of reporting year</b>	<b>1,059.79</b>	<b>1,037.55</b>
<b>e. Other comprehensive Income</b>		
Balance as the beginning of reporting year	(2.47)	1.61
Add: Other comprehensive income for the year (net)	6.95	(4.08)
<b>Balance as the end of reporting year</b>	<b>4.48</b>	<b>(2.47)</b>
<b>Total</b>	<b>7,682.65</b>	<b>7,652.61</b>

#### Nature and Purpose of reserve

##### Capital reserve

During the financial year 2015-16, the Company cancelled its 149,900 forfeited equity shares pursuant to resolution passed at Board Meeting dated September 22, 2015 and the amount was transferred to Capital reserve.

##### Securities premium

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

##### Employee stock options outstanding

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 and subsequent to that various grants were issued. The reserve has been created for the various ESOP grants issued by the Company thereafter.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 10. Other equity (Continued)

##### Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities.

##### Other comprehensive income

Other comprehensive income comprise of re-measurement of defined benefit liability.

#### 11. Non-current borrowings

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Term loans</b>		
Indian rupee loan from financial institutions (refer note a and d)	446.83	445.58
<b>Vehicle loans</b>		
Indian rupee loan from bank (refer note b)	6.85	5.48
Indian rupee loan from financial institutions (refer note c)	4.23	5.28
	<b>457.91</b>	<b>456.34</b>
<b>Less: Current maturity of long term loans</b>		
<b>Term loans</b>		
Indian rupee loan from financial institutions (refer note a)	66.67	-
<b>Vehicle loans</b>		
Indian rupee loan from bank (refer note b)	1.56	1.81
Indian rupee loan from financial institutions (refer note c)	1.11	1.05
	<b>69.34</b>	<b>2.86</b>
<b>Total</b>	<b>388.57</b>	<b>453.48</b>
<b>Secured</b>	<b>388.57</b>	<b>453.48</b>
<b>Unsecured</b>	-	-

	Nature of Security	Terms of repayment
<b>a. Term loan</b>		
	Term loan from Axis Finance Limited had been obtained during the year ended 31 March 2019. The facility had been secured against: (i) Pledge of 64% of unlisted shares of Chhaya Prakashani Limited. (ii) 2nd charge on both present and future current and fixed moveable assets of S Chand And Company Limited; (iii) PDCs for the interest and principal amount. Pursuant to breach of loan covenants during the year ended 31 March 2019, the terms of loan agreement were modified, which resulted into increase of rate of interest to 13% effective 6 June 2019. The Company had prepaid ₹ 200 millions during the year ended 31 March 2020 and the next instalment is due on 31 August 2021.	Repayable in 78 equal monthly installments of ₹ 8.33 millions beginning from August 2019.  Rate of interest at 11.00% to 13 % p.a.
	<b>Vehicle loans from bank/financial institutions</b>	
<b>b. Vehicle loan from banks</b>		
	Vehicle loans have been obtained from HDFC Bank, ICICI Bank, and Yes Bank and the same are secured by hypothecation of respective vehicles. The vehicle loan from HDFC Bank has been repaid during the year.	Repayable in 36 to 60 equal monthly installment of ₹ 0.01 to ₹ 0.07 millions.  Rate of interest at 8.25% to 12.00%
<b>c. Vehicle loans from financial institutions</b>		
	Vehicle loans have been obtained from Daimler Financial Services India Private Limited is secured by hypothecation of respective vehicle.	The loan is repayable in 48 equal monthly instalment of ₹ 0.13 millions.  Rate of interest at 9.81% to 11.00%
	<b>Loan covenants</b>	
<b>d.</b>	The Company is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank. During the current financial year, there has been no covenant breach. During the previous year, there was one instance of breach of financial covenant in case of term loan facility availed from Axis Finance Limited. As per the terms of the sanction letter, the management intimated to the bank as per agreement terms.	

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 12. Current borrowings

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
a. Cash credit from banks (secured) (refer note c)	427.61	323.91
b. Indian rupee working capital demand loan from banks (secured) (refer note a)	-	220.00
c. Indian rupee working capital demand loan from banks (unsecured) (refer b)	50.00	50.00
<b>Total current borrowings</b>	<b>477.61</b>	<b>593.91</b>
<b>Secured</b>	<b>427.61</b>	<b>543.91</b>
<b>Unsecured</b>	<b>50.00</b>	<b>50.00</b>

#### Note :-

- Working capital demand loan from HDFC Bank, Standard Chartered Bank, Kotak Mahindra Bank and DBS Bank has been secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company (excluding assets which are specifically charged to other lenders) and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company. Working capital demand loan from HDFC Bank is also secured by corporate guarantee of Nirja Publishers & Printers Private Limited. These loans carry interest rate of 9.20 % to 10.70% p.a. (31 March 2020: 8.95 % to 13.13 % p.a.).
- Working capital demand loan from Tata Capital Financial Services Limited was taken during the year 2018-19. This loan carries interest rate of 10.50% p.a (31 March 2020: 10.50% p.a). This loan is unsecured.
- Cash credit from IndusInd Bank Limited, Kotak Mahindra Bank, Standard Chartered Bank, DBS Bank and HDFC Bank are secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company (excluding assets which are specifically charged to other lenders) and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company. Cash credit from HDFC Bank is also secured by corporate guarantee of Nirja Publishers & Printers Private Limited. These loans carry interest rate of 8.30% to 16.00% p.a. (31 March 2020: 9.00% to 15% p.a.). Cash credit from IndusInd Bank has been repaid during the year.

#### Loan covenants

- The Company is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank. During year ended 31 March 2020, there is an instance of breach of financial covenant in case of cash credit and working capital demand loan facility availed from DBS Bank Limited and HDFC Bank Limited. As per the terms of the sanction letter, the management has intimated to the bank as per agreement terms.

#### 13. Trade payables

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Trade payables of micro enterprises and small enterprises (refer note 42)	22.07	4.20
Trade payables of related entities (refer note 34)	151.07	100.34
Trade payables other than micro enterprises and small enterprises	388.63	514.48
	<b>561.77</b>	<b>619.02</b>

#### 14A. Other financial liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Current maturity of long term loans (refer note 11)	69.34	2.86
Interest accrued but not due	0.51	0.70
Employee related liabilities	28.10	29.28
Security deposits received	0.92	2.87
Financial liability*	43.36	100.00
Financial guarantee obligation	28.04	16.76
Others	0.09	0.09
	<b>170.36</b>	<b>152.56</b>
<b>Current</b>	<b>170.36</b>	<b>152.56</b>
<b>Non current</b>	<b>-</b>	<b>-</b>

\* In current year financial liability represents an amount of ₹ 43.36 million (31 March 2020, ₹ 100.00 million) for bank guarantee invoked due to breach of conditions by selling share holders of New Saraswati House (India) Pvt. Ltd. relating to non-compete clause.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 14B. Lease liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Lease liability - non-current ( refer note 33)	63.06	85.96
Lease liability - current ( refer note 33)	39.62	53.91
<b>Total</b>	<b>102.68</b>	<b>139.87</b>

#### 15. Other liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Advance from customers	11.95	13.67
Statutory dues payable	33.50	34.33
<b>Total</b>	<b>45.45</b>	<b>48.00</b>

#### 16. Provisions

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Provision for gratuity (refer note 32)	13.59	25.16
Provision for compensated absence	3.75	1.31
	<b>17.34</b>	<b>26.47</b>
<b>Current</b>		
Provision for compensated absence	1.38	1.11
	<b>1.38</b>	<b>1.11</b>
<b>Total</b>	<b>18.72</b>	<b>27.58</b>
<b>Non current</b>	<b>17.34</b>	<b>26.47</b>
<b>Current</b>	<b>1.38</b>	<b>1.11</b>

#### 17. Revenue from contract with customers

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of products</b>		
Finished goods (net of returns)	1,675.70	1,886.13
Traded goods (net of returns)	64.02	46.78
Less: Discount	(341.72)	(451.27)
<b>Sale of services</b>		
Job work	27.22	23.16
<b>Other operating revenue</b>		
Scrap sale	5.17	5.81
<b>Total</b>	<b>1,430.39</b>	<b>1,510.61</b>
India	1,426.98	1,494.24
Outside India	3.41	16.37
<b>Total</b>	<b>1,430.39</b>	<b>1,510.61</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	1,430.39	1,510.61
Services transferred over time	-	-
<b>Total</b>	<b>1,430.39</b>	<b>1,510.61</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 17. Revenue from contract with customers (Continued)

The Company collects Goods and Service Tax (GST) on behalf of the Government and hence, GST is not included in Revenue from operations.

##### Contract balances

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Trade receivables	1,354.09	1,506.74
Contract liabilities	11.95	13.67

Trade receivables are non-interest bearing and are generally on terms of 150 days.

##### Right to return asset and refund liability

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Refund liabilities</b>		
Arising from discounts	142.70	139.38
Arising from rights of return	297.55	268.90
	<b>440.25</b>	<b>408.28</b>

##### Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Revenue as per contracted price	2,384.24	2,463.32
<b>Adjustments</b>		
Sales return	(612.13)	(501.44)
Discount	(341.72)	(451.27)
	<b>1,430.39</b>	<b>1,510.61</b>

##### Performance obligation

Information about the Company's performance obligations are summarised below:

##### Manufactured goods

The performance obligation is satisfied upon delivery of the goods to the transporter designated by the customer or to the customer whichever is earlier.

The customer has a right to return material to an extent as may be agreed upon with each customer or within the limits as may be determined by the Company. The customer is also eligible for discounts based on achievement of revenue targets as may be agreed.

#### 18. Other incomes

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income on:</b>		
– Bank deposits	1.37	0.78
– Income tax refund	5.27	1.31
– Interest income from related parties	69.40	67.91
Foreign exchange fluctuation gain (net)	-	1.30
Reversal of financial liability	30.00	-
Management cross charge (refer note 31)	47.27	68.32
Reversal of allowance for doubtful debts	45.44	-
Others	17.45	16.70
	<b>216.20</b>	<b>156.32</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 19. Cost of published goods/material consumed

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory at the beginning of the year	103.55	92.95
Add: Purchases	331.76	545.00
	<b>435.31</b>	<b>637.95</b>
Less: Inventory at the end of the year	35.73	103.55
<b>Cost of published goods/material consumed</b>	<b>399.58</b>	<b>534.40</b>
<b>Details of raw material purchased</b>		
Paper	175.15	317.50
Printing charges	135.81	191.98
Consumables	20.80	22.31
Others	-	13.20
<b>Total</b>	<b>331.76</b>	<b>545.00</b>
<b>Details of inventories</b>		
Paper	30.22	95.35
Others	5.51	8.20
<b>Total</b>	<b>35.73</b>	<b>103.55</b>

#### 20. Purchase of stock-in-trade

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of stock-in-trade	63.18	26.95
<b>Total</b>	<b>63.18</b>	<b>26.95</b>

#### 21. (Increase)/ decrease in inventories of finished goods and stock-in-trade

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventory at the end of the year</b>		
Finished goods	415.61	559.58
<b>Inventory at the beginning of the year</b>		
Finished goods	(559.58)	(705.76)
Less: Provision for inventory, considered as exceptional item (refer note 28)	-	32.62
<b>Changes in inventories</b>	<b>(143.97)</b>	<b>(113.56)</b>
<b>Details of inventory at the end of the year</b>		
<b>Finished goods</b>		
<b>Manufactured goods</b>		
Books	397.54	556.40
<b>Traded goods</b>		
Books	18.07	3.18
	<b>415.61</b>	<b>559.58</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 22. Publication expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Royalty	139.24	163.48
Factory manpower expenses	11.40	2.87
Other publication expenses	17.72	25.01
<b>Total</b>	<b>168.36</b>	<b>191.36</b>

#### 23. Selling and distribution expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Advertisement, publicity and exhibition	19.39	70.08
Freight and cartage outward	45.79	59.92
Travelling and conveyance	16.55	38.72
Vehicle running and maintenance	3.25	8.21
Packing and dispatch expenses	6.60	9.55
<b>Total</b>	<b>91.58</b>	<b>186.48</b>

#### 24. Employee benefits expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, bonus and allowances	295.62	394.90
Contribution to provident and other funds (refer note 32)	30.68	36.60
Employee stock option expenses	0.85	0.67
Staff welfare expenses	13.52	15.13
<b>Total</b>	<b>340.67</b>	<b>447.30</b>

#### 25. Depreciation and amortization expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment (refer note 3)	13.83	15.10
Amortisation on intangible assets (refer note 4a)	28.76	36.41
Amortisation on right-of-use assets (refer note 4b)	46.07	39.43
<b>Total</b>	<b>88.66</b>	<b>90.94</b>

#### 26. Other expenses

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	13.21	50.60
Repairs and maintenance		
- Plant and equipment	0.39	1.35
- Building	0.05	0.06
- Others	11.60	14.84
Insurance	6.91	3.92

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 26. Other expenses (Continued)

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rates and taxes	6.92	6.51
Communication cost	5.62	7.95
Legal and professional fee	17.26	28.74
Donations	2.88	2.60
Payment to auditor (refer details below)	5.56	6.93
Water and electricity charges	5.98	8.92
Bad debt written off	35.77	22.21
Provision for doubtful receivables	-	45.92
Provision for advances	1.57	2.07
Outsourced employee cost	21.43	40.81
Loss on sale of property, plant and equipment (net)	0.90	-
Office expenses	2.50	3.78
Security charges	7.76	8.98
Corporate social responsibility expenses (refer note 40)	4.15	8.31
Director sitting fees	2.01	1.83
Fair value loss on financial instruments at fair value through profit or loss	-	0.76
Foreign exchange fluctuation gain (net)	0.41	-
Miscellaneous expenses	3.73	8.44
<b>Total other expenses</b>	<b>156.61</b>	<b>275.53</b>

#### Payment to auditors:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As auditor:</b>		
- Audit fee	3.50	3.80
- Limited review*	1.90	2.70
In other capacity	-	-
- Others*	0.16	0.43
<b>Total</b>	<b>5.56</b>	<b>6.93</b>

\* includes paid to predecessor auditor

#### 27. Finance cost

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense		
- On borrowings	124.95	125.27
- On lease liability	12.62	12.13
- On other liabilities	14.89	13.76
Loan processing fee	4.52	3.26
<b>Total</b>	<b>156.98</b>	<b>154.42</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 28. Exceptional Items

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Exceptional items		
Provision for impairment on investment (refer note 47)	5.00	70.00
Provision for inventory	-	32.62
<b>Total</b>	<b>5.00</b>	<b>102.62</b>

#### 29. Income tax

Tax expense recognised in Statement of Profit and Loss

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax:</b>		
Current income tax charge	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	9.76	(59.35)
	<b>9.76</b>	<b>(59.35)</b>

#### 29. Income tax (Continued)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Accounting profit before tax</b>	<b>32.00</b>	<b>(456.63)</b>
<b>Tax at India's statutory income tax rate of 29.12% (31 March 2020: 29.12%)</b>	<b>9.32</b>	<b>(132.97)</b>
Tax impact of non-deductible expenses	1.32	(2.06)
Rate change impact	-	39.31
Other adjustments	(0.88)	36.37
<b>Income tax expense reported in the statement of profit and loss</b>	<b>9.76</b>	<b>(59.35)</b>
<b>At the effective income tax rate of 30.51% (31 March 2020: 13%)</b>	<b>9.76</b>	<b>(59.35)</b>

#### 30. Earnings per share

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

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

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/ loss attributable to equity holders of the Company	22.24	(397.28)
Weighted average number of equity shares used for computing Earning per Share (Basic)	34.98	34.98
Weighted average number of equity shares used for computing Earning per Share (Diluted)	35.00	34.98
<b>Basic EPS</b>	<b>0.64</b>	<b>(11.36)</b>
<b>Diluted DPS</b>	<b>0.64</b>	<b>(11.36)</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

31. The Company renders various administrative and management services to its subsidiaries companies to facilitate its day to day operations. Accordingly, the Company has charged ₹ 47.27 million (31 March 2020 ₹ 68.32 million) towards such services rendered during the year ended 31 March 2021.

### 32. Employee benefits

#### a. Defined contribution plan

An amount of ₹ 20.21 million [31 March 2020 : ₹ 25.87 million] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹ 0.79 million [31 March 2020 : ₹ 0.95 million] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance and an amount of ₹ 1.08 million [31 March 2020 : ₹ 1.57 million] for the year has been recognised as an expense in respect of the Company's contributions towards National Pension Scheme, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

#### b. Gratuity

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of ₹ 2.00 million. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet for Gratuity Plan.

#### Statement of profit & loss account

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	7.06	7.31
Interest cost on defined obligation	3.27	3.55
Expected return on plan assets	(1.72)	(2.65)
	<b>8.61</b>	<b>8.21</b>

##### Amount recognised in Other Comprehensive Income:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gains) / losses on obligation	(4.61)	1.90
Actuarial gains / (losses) on assets	5.19	(3.85)
	<b>(9.80)</b>	<b>5.75</b>

#### Balance sheet

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	50.54	46.66
Current service cost	7.06	7.31
Interest cost	3.27	3.55
Benefits paid from plan assets	(7.00)	(10.97)
Acquisition / Divestiture	-	2.09
Benefits paid directly by employer	(0.14)	-
Actuarial (gains) / losses on obligation	(4.61)	1.90
<b>Closing defined benefit obligation</b>	<b>49.12</b>	<b>50.54</b>
<b>Non - Current</b>	<b>49.12</b>	<b>50.54</b>
<b>Current</b>	<b>-</b>	<b>-</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 32. Employee benefits (Continued)

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening fair value of plan assets	25.38	34.47
Expected return	1.72	2.65
Contributions by employer	10.22	3.08
Benefits paid	(7.00)	(10.97)
Actuarial gain/(loss)	5.19	(3.85)
<b>Closing fair value of plan assets</b>	<b>35.51</b>	<b>25.38</b>
<b>Provision for gratuity (net of plan assets)</b>		
<b>Non-current</b>	<b>13.59</b>	<b>25.16</b>
<b>Current</b>	<b>-</b>	<b>-</b>

The expected contribution to the defined benefit plan in future years ₹ 3.16 millions ( 31 March 2020: ₹ 4.39 millions)

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Investments with insurer	100%	100%

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.92%	6.77%
Expected rate of return on assets	6.92%	6.77%
Expected rate of salary increase	6.00%	6.00%
Retirement age (in years)	60 years	60 years
Employee turnover :-		
- For Service upto 5 years	5.00%	5.00%
- For Service more than 5 years	1.00%	1.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

(₹ in millions)

	Change in assumptions	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	+ 1%	44.27	45.32
	-1%	54.77	56.73
Expected rate of salary increase	+ 1%	54.35	56.40
	- 1%	44.47	45.52

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 32. Employee benefits (Continued)

The following payments are expected contributions to the defined benefit plan in future years:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Year 1	3.16	4.39
Year 2	4.05	1.31
Year 3	4.13	3.96
Year 4	2.83	2.45
Year 5	1.17	3.31
Year 6 to 10	16.75	16.68
Above 10 years	89.20	96.23

#### c. Other long-term employee benefits

An amount of ₹ 2.68 millions [31 March 2020 : ₹ 1.85 millions] pertains to expense towards compensated absences and included in "employee benefit expense".

#### 33. Leases

The Company has adopted Ind AS 116 "Leases" from 01 April 2019, which resulted in changes in accounting policies in the standalone financial statements.

##### Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective (alternative II) approach. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 103.39 million (excluding leasehold land of ₹ 98.72 million) with a corresponding lease liability. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 10% with maturity between 2021-2026.

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Balance at the beginning of reporting year</b>	238.88	-
Additions on transition to Ind AS 116 (note 4B)	-	202.11
Additions (note 4B)	11.55	87.49
Adjustments (note 4B)	-	(6.76)
Deletions	(6.14)	(4.53)
Depreciation expense (note 25)	(46.07)	(39.43)
<b>Balance at the end of reporting year</b>	<b>198.22</b>	<b>238.88</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 33. Leases (Continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Balance as at the beginning of reporting year</b>	139.87	0.00
Additions on transition to Ind AS 116 (note 4B)	-	103.39
Additions	11.55	74.48
Accretion of interest	12.62	12.13
Deletion during the year	(6.47)	(5.49)
Lease rent concession*	(2.69)	-
Payments	(52.20)	(44.64)
<b>Balance as at the end of reporting year</b>	<b>102.68</b>	<b>139.87</b>
<b>Non-current</b>	<b>63.06</b>	<b>85.96</b>
<b>Current</b>	<b>39.62</b>	<b>53.91</b>

\* During the year ended 31 March 2021, the Company has received lease rent concession of ₹ 2.69 millions and the same has been recorded under the head other income in the Statement of Profit and Loss by using the practical expedient available as per para 46A of IND AS 116.

#### Contractual maturities of lease liabilities

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
- Within one year	39.62	53.91
- 1-5 years	54.20	66.90
- More than 5 years	8.86	19.06
	<b>102.68</b>	<b>139.87</b>

#### The following are the amounts recognised in Statement of Profit or Loss:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation expense of right-of-use assets	46.07	39.43
Interest expense on lease liabilities	12.62	12.13
Expense relating to other than long-term leases (included in other expenses)	13.21	50.60
<b>Total amount recognised in Statement of Profit or Loss</b>	<b>71.90</b>	<b>102.16</b>

The Company has several lease contracts for offices and plant and equipment that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure

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

###### Related parties where control exists

<b>Subsidiary company</b>	:	Nirja Publishers & Printers Private Limited
	:	Safari Digital Education Initiatives Private Limited
	:	Eurasia Publishing House Private Limited
	:	Blackie & Son (Calcutta) Private Limited
	:	BPI (India) Private Limited
	:	Vikas Publishing House Private Limited
	:	DS Digital Private Limited
	:	New Saraswati House (India) Private Limited
	:	S. Chand Edutech Private Limited
	:	Chhaya Prakashani Limited
	:	Indian Progressive Publishing Co. Private Limited
	:	Eduator Technologies India Private Limited (with effect from 31 August 2020)

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

Enterprises over which Key Management Personnel or their relatives exercise significant influence	:	Hotel Tourist (Partnership firm)
	:	SC Hotel Tourist Deluxe Private Limited
	:	Shaara Hospitalities Private Limited
	:	S Chand Properties Private Limited
	:	Shyam Lal Charitable Trust
	:	RKG Hospitalities Private Limited
<b>Associate</b>	:	Smartivity Labs Private Limited
	:	Eduator Technologies India Private Limited (upto 31 August 2020)

###### Key Management Personnel (KMP) & their relatives

Ms. Savita Gupta	:	Non-Executive Director
Mr. Himanshu Gupta	:	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	:	Whole-time Director
Mr. Gaurav Jhunjhnuwala	:	Non-Executive Director
Mr. Desh Raj Dogra	:	Non-Executive, Independent Director
Ms. Archana Capoor	:	Non-Executive, Independent Director
Mr. Sanjay Vijay Bhandarkar	:	Non-Executive, Independent Director
Mr. Rajagopalan Chandrashekar	:	Non-Executive, Independent Director
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary

###### Relatives of KMP

	:	Mr. Ravindra Kumar Gupta (father of Mr. Himanshu Gupta)
	:	Mrs. Neerja Jhunjhnuwala (wife of Mr. Dinesh Kumar Jhunjhnuwala)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
<b>Revenue from operations</b>					
<b>Sale of trading products</b>					
BPI (India) Private Limited (books)	31 March 2021	0.62	-	-	0.62
	31 March 2020	(0.43)	-	-	(0.43)
DS Digital Private Limited (E books)	31 March 2021	-	-	-	-
	31 March 2020	(10.95)	-	-	(10.95)
Safari Digital Education Initiatives Private Limited (E books)	31 March 2021	4.78	-	-	4.78
	31 March 2020	(3.79)	-	-	(3.79)
S. Chand Edutech Private Limited (E books)	31 March 2021	0.50	-	-	0.50
	31 March 2020	(3.28)	-	-	(3.28)
<b>Sale of services</b>					
Vikas Publishing House Private Limited	31 March 2021	4.33	-	-	4.33
	31 March 2020	(1.92)	-	-	(1.92)
Chhaya Prakashani Limited	31 March 2021	3.99	-	-	3.99
	31 March 2020	(1.22)	-	-	(1.22)
New Saraswati House (India) Private Limited	31 March 2021	18.46	-	-	18.46
	31 March 2020	(20.01)	-	-	(20.01)
Indian Progressive Publishing Co. Private Limited	31 March 2021	0.44	-	-	0.44
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>33.12</b>	<b>-</b>	<b>-</b>	<b>33.12</b>
	<b>31 March 2020</b>	<b>(41.60)</b>	<b>-</b>	<b>-</b>	<b>(41.60)</b>
<b>Other income</b>					
<b>Rent income</b>					
Vikas Publishing House Private Limited (warehouse)	31 March 2021	0.10	-	-	0.10
	31 March 2020	(0.15)	-	-	(0.15)
<b>Management cross charge</b>					
Vikas Publishing House Private Limited	31 March 2021	10.19	-	-	10.19
	31 March 2020	(13.28)	-	-	(13.28)
New Saraswati House (India) Private Limited	31 March 2021	12.53	-	-	12.53
	31 March 2020	(18.04)	-	-	(18.04)
Safari Digital Education Initiatives Private Limited	31 March 2021	4.95	-	-	4.95
	31 March 2020	(6.27)	-	-	(6.27)
DS Digital Private Limited	31 March 2021	6.10	-	-	6.10
	31 March 2020	(6.38)	-	-	(6.38)
S. Chand Edutech Private Limited	31 March 2021	3.31	-	-	3.31
	31 March 2020	(9.77)	-	-	(9.77)
Chhaya Prakashani Limited	31 March 2021	7.71	-	-	7.71
	31 March 2020	(11.36)	-	-	(11.36)
<b>Interest income</b>					
Eurasia Publishing House Private Limited	31 March 2021	13.83	-	-	13.83
	31 March 2020	(13.87)	-	-	(13.87)
New Saraswati House (India) Private Limited	31 March 2021	15.29	-	-	15.29
	31 March 2020	(4.75)	-	-	(4.75)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Vikas Publishing House Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(12.30)	-	-	(12.30)
Safari Digital Education Initiatives Private Limited	31 March 2021	17.13	-	-	17.13
	31 March 2020	(17.22)	-	-	(17.22)
DS Digital Private Limited	31 March 2021	11.00	-	-	11.00
	31 March 2020	(8.50)	-	-	(8.50)
S. Chand Edutech Private Limited	31 March 2021	2.39	-	-	2.39
	31 March 2020	(2.45)	-	-	(2.45)
<b>Miscellaneous income</b>					
Vikas Publishing House Private Limited	31 March 2021	0.18	-	-	0.18
	31 March 2020	(0.29)	-	-	(0.29)
Chhaya Prakashani Limited	31 March 2021	-	-	-	-
	31 March 2020	(0.02)	-	-	(0.02)
S. Chand Edutech Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(0.03)	-	-	(0.03)
<b>Loans repayment received</b>					
Vikas Publishing House Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(266.00)	-	-	(266.00)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>104.73</b>	<b>-</b>	<b>-</b>	<b>104.73</b>
	<b>31 March 2020</b>	<b>(390.67)</b>	<b>-</b>	<b>-</b>	<b>(390.67)</b>
<b>Expenses</b>					
<b>Purchase of stock-in-trade</b>					
Nirja Publishers & Printers Private Limited (books)	31 March 2021	-	-	-	-
	31 March 2020	(0.08)	-	-	(0.08)
Vikas Publishing House Private Limited (books)	31 March 2021	25.86	-	-	25.86
	31 March 2020	(32.26)	-	-	(32.26)
BPI (India) Private Limited (books)	31 March 2021	35.83	-	-	35.83
	31 March 2020	(1.71)	-	-	(1.71)
S. Chand Edutech Private Limited	31 March 2021	0.01	-	-	0.01
	31 March 2020	-	-	-	-
Smartivity Labs Private Limited (VRX Sets)	31 March 2021	-	-	-	-
	31 March 2020	(0.59)	-	-	(0.59)
<b>Printing charges</b>					
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(9.81)	-	-	(9.81)
Vikas Publishing House Private Limited	31 March 2021	121.48	-	-	121.48
	31 March 2020	(162.59)	-	-	(162.59)
<b>Royalty expense</b>					
Eurasia Publishing House Private Limited	31 March 2021	6.04	-	-	6.04
	31 March 2020	(8.05)	-	-	(8.05)
Blackie & Son (Calcutta) Private Limited	31 March 2021	0.69	-	-	0.69
	31 March 2020	(0.67)	-	-	(0.67)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Vikas Publishing House Private Limited	31 March 2021	0.25	-	-	0.25
	31 March 2020	(0.48)	-	-	(0.48)
BPI (India) Private Limited	31 March 2021	0.24	-	-	0.24
	31 March 2020	(0.24)	-	-	(0.24)
<b>Purchase – (Other)</b>					
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	0.06	-	0.06
	31 March 2020	-	(0.27)	-	(0.27)
Hotel Tourist	31 March 2021	-	0.03	-	0.03
	31 March 2020	-	(0.16)	-	(0.16)
Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	-	(0.01)	(0.01)
S. Chand Edutech Private Limited	31 March 2021	1.81	-	-	1.81
	31 March 2020	(1.86)	-	-	(1.86)
Safari Digital Education Initiatives Private Limited	31 March 2021	4.90	-	-	4.90
	31 March 2020	(3.74)	-	-	(3.74)
Chhaya Prakashani Limited	31 March 2021	1.33	-	-	1.33
	31 March 2020	-	-	-	-
Nirja Publishers & Printers Private Limited (consumables)	31 March 2021	-	-	-	-
	31 March 2020	(3.69)	-	-	(3.69)
New Saraswati House (India) Private Limited (paper)	31 March 2021	8.23	-	-	8.23
	31 March 2020	-	-	-	-
BPI (India) Private Limited (consumables)	31 March 2021	0.23	-	-	0.23
	31 March 2020	-	-	-	-
S Chand Properties Private Limited	31 March 2021	-	0.02	-	0.02
	31 March 2020	-	-	-	-
Eduator Technologies India Private Limited	31 March 2021	0.94	-	-	0.94
	31 March 2020	-	-	-	-
<b>Rent paid (including lease liabilities payment)</b>					
Safari Digital Education Initiatives Private Limited	31 March 2021	13.73	-	-	13.73
	31 March 2020	(14.98)	-	-	(14.98)
S Chand Properties Private Limited	31 March 2021	-	1.21	-	1.21
	31 March 2020	-	(14.84)	-	(14.84)
Mrs.Savita Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	-	(1.16)	(1.16)
Mrs.Neerja Jhunjhnuwala	31 March 2021	-	-	-	-
	31 March 2020	-	-	(0.67)	(0.67)
Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	-	(0.23)	(0.23)
Nirja Publishers & Printers Private Limited (plant and machinery)	31 March 2021	7.86	-	-	7.86
	31 March 2020	(4.59)	-	-	(4.59)
Vikas Publishing House Private Limited (plant and machinery)	31 March 2021	1.38	-	-	1.38
	31 March 2020	(0.92)	-	-	(0.92)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
<b>Remuneration to KMP</b>					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2021	-	-	10.82	10.82
	31 March 2020	-	-	(14.48)	(14.48)
Mr. Himanshu Gupta	31 March 2021	-	-	10.18	10.18
	31 March 2020	-	-	(14.54)	(14.54)
Mr. Desh Raj Dogra	31 March 2021	-	-	0.56	0.56
	31 March 2020	-	-	(0.53)	(0.53)
Ms. Archana Capoor	31 March 2021	-	-	0.53	0.53
	31 March 2020	-	-	(0.50)	(0.50)
Mr. Sanjay Vijay Bhandarkar	31 March 2021	-	-	0.50	0.50
	31 March 2020	-	-	(0.41)	(0.41)
Mr. Rajagopalan Chandrashekar	31 March 2021	-	-	0.41	0.41
	31 March 2020	-	-	(0.38)	(0.38)
Mr. Saurabh Mittal	31 March 2021	-	-	6.87	6.87
	31 March 2020	-	-	(9.90)	(9.90)
Mr. Jagdeep Singh	31 March 2021	-	-	3.60	3.60
	31 March 2020	-	-	(5.52)	(5.52)
<b>Other expenses</b>					
S. Chand Edutech Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(0.12)	-	-	(0.12)
Vikas Publishing House Private Limited	31 March 2021	0.54	-	-	0.54
	31 March 2020	(0.98)	-	-	(0.98)
Safari Digital Education Initiatives Private Limited	31 March 2021	1.51	-	-	1.51
	31 March 2020	(0.58)	-	-	(0.58)
DS Digital Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(0.83)	-	-	(0.83)
Shyam Lal Charitable Trust	31 March 2021	-	0.00	-	0.00
	31 March 2020	-	(0.04)	-	(0.04)
New Saraswati House (India) Private Limited	31 March 2021	1.03	-	-	1.03
	31 March 2020	(0.85)	-	-	(0.85)
Chhaya Prakashani Limited	31 March 2021	-	-	-	-
	31 March 2020	(0.13)	-	-	(0.13)
S Chand Properties Private Limited	31 March 2021	-	0.80	-	0.80
	31 March 2020	-	(0.71)	-	(0.71)
Hotel Tourist	31 March 2021	-	0.04	-	0.04
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>233.89</b>	<b>2.16</b>	<b>33.48</b>	<b>269.53</b>
	<b>31 March 2020</b>	<b>(249.67)</b>	<b>(16.02)</b>	<b>(48.35)</b>	<b>(314.04)</b>
<b>Purchase of property, plant and equipments</b>					
Vikas Publishing House Private Limited (property, plant and equipments)	31 March 2021	-	-	-	-
	31 March 2020	(0.28)	-	-	(0.28)
Nirja Publishers & Printers Private Limited (property, plant and equipments)	31 March 2021	-	-	-	-
	31 March 2020	(0.13)	-	-	(0.13)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Safari Digital Education Initiatives Private Limited (property, plant and equipments)	31 March 2021	1.49	-	-	1.49
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>1.49</b>	<b>-</b>	<b>-</b>	<b>1.49</b>
	<b>31 March 2020</b>	<b>(0.40)</b>	<b>-</b>	<b>-</b>	<b>(0.40)</b>
<b>Sale of property, plant and equipments</b>					
Chhaya Prakashani Limited (books and property, plant and equipments)	31 March 2021	1.17	-	-	1.17
	31 March 2020	(0.11)	-	-	(0.11)
New Saraswati House (India) Private Limited (property, plant and equipments)	31 March 2021	0.01	-	-	0.01
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>1.18</b>	<b>-</b>	<b>-</b>	<b>1.18</b>
	<b>31 March 2020</b>	<b>(0.11)</b>	<b>-</b>	<b>-</b>	<b>(0.11)</b>
<b>Loans given</b>					
New Saraswati House (India) Private Limited	31 March 2021	25.00	-	-	25.00
	31 March 2020	(125.00)	-	-	(125.00)
DS Digital Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(29.30)	-	-	(29.30)
S. Chand Edutech Private Limited	31 March 2021	2.10	-	-	2.10
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>27.10</b>	<b>-</b>	<b>-</b>	<b>27.10</b>
	<b>31 March 2020</b>	<b>(154.30)</b>	<b>-</b>	<b>-</b>	<b>(154.30)</b>
<b>Investment made during the period (by conversion of loans)</b>					
S. Chand Edutech Private Limited (equity shares)	31 March 2021	27.09	-	-	27.09
	31 March 2020	-	-	-	-
New Saraswati House (India) Private Limited (Preference shares)	31 March 2021	55.70	-	-	55.70
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>82.79</b>	<b>-</b>	<b>-</b>	<b>82.79</b>
	<b>31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance outstanding</b>					
<b>Assets</b>					
<b>Investments</b>					
<b>Investment in unquoted equity shares, valued at cost</b>					
Blackie & Son (Calcutta) Private Limited	31 March 2021	62.79	-	-	62.79
	31 March 2020	(62.79)	-	-	(62.79)
Nirja Publishers & Printers Private Limited	31 March 2021	17.04	-	-	17.04
	31 March 2020	(17.04)	-	-	(17.04)
Safari Digital Education Initiatives Private Limited	31 March 2021	198.19	-	-	198.19
	31 March 2020	(198.19)	-	-	(198.19)
Eurasia Publishing House Private Limited	31 March 2021	116.05	-	-	116.05
	31 March 2020	(116.05)	-	-	(116.05)
Vikas Publishing House Private Limited	31 March 2021	1,532.00	-	-	1,532.00
	31 March 2020	(1,518.85)	-	-	(1,518.85)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
New Saraswati House (India) Private Limited	31 March 2021	1,426.84	-	-	1,426.84
	31 March 2020	(1,426.84)	-	-	(1,426.84)
DS Digital Private Limited	31 March 2021	87.78	-	-	87.78
	31 March 2020	(92.78)	-	-	(92.78)
Chhaya Prakashani Limited	31 March 2021	1,657.04	-	-	1,657.04
	31 March 2020	(1,657.04)	-	-	(1,657.04)
S. Chand Edutech Private Limited	31 March 2021	67.04	-	-	67.04
	31 March 2020	(39.95)	-	-	(39.95)
Smartivity Labs Private Limited	31 March 2021	0.52	-	-	0.52
	31 March 2020	(0.52)	-	-	(0.52)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>5,165.29</b>	<b>-</b>	<b>-</b>	<b>5,165.29</b>
	<b>31 March 2020</b>	<b>(5,130.06)</b>	<b>-</b>	<b>-</b>	<b>(5,130.06)</b>
<b>Investment in unquoted preference shares</b>					
DS Digital Private Limited	31 March 2021	160.00	-	-	160.00
	31 March 2020	(160.00)	-	-	(160.00)
New Saraswati House (India) Private Limited	31 March 2021	55.70	-	-	55.70
	31 March 2020	-	-	-	-
Smartivity Labs Private Limited	31 March 2021	21.10	-	-	21.10
	31 March 2020	(21.10)	-	-	(21.10)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>236.80</b>	<b>-</b>	<b>-</b>	<b>236.80</b>
	<b>31 March 2020</b>	<b>(181.10)</b>	<b>-</b>	<b>-</b>	<b>(181.10)</b>
<b>Investment in unquoted debentures</b>					
Eurasia Publishing House Private Limited	31 March 2021	719.45	-	-	719.45
	31 March 2020	709.69	-	-	709.69
<b>Subtotal</b>	<b>31 March 2021</b>	<b>719.45</b>	<b>-</b>	<b>-</b>	<b>719.45</b>
	<b>31 March 2020</b>	<b>709.69</b>	<b>-</b>	<b>-</b>	<b>709.69</b>
<b>Security deposit</b>					
Safari Digital Education Initiatives Private Limited	31 March 2021	4.80	-	-	4.80
	31 March 2020	(4.80)	-	-	(4.80)
S Chand Properties Private Limited	31 March 2021	-	0.24	-	0.24
	31 March 2020	-	(0.58)	-	(0.58)
Mrs.Savita Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	-	(0.39)	(0.39)
Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	-	(0.41)	(0.41)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>4.80</b>	<b>0.24</b>	<b>-</b>	<b>5.04</b>
	<b>31 March 2020</b>	<b>(4.80)</b>	<b>(0.58)</b>	<b>(0.80)</b>	<b>(6.18)</b>
<b>Loans</b>					
Safari Digital Education Initiatives Private Limited	31 March 2021	190.86	-	-	190.86
	31 March 2020	(175.05)	-	-	(175.05)
DS Digital Private Limited	31 March 2021	122.08	-	-	122.08
	31 March 2020	(111.93)	-	-	(111.93)
S. Chand Edutech Private Limited	31 March 2021	2.12	-	-	2.12
	31 March 2020	(24.90)	-	-	(24.90)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
New Saraswati House (India) Private Limited	31 March 2021	125.43	-	-	125.43
	31 March 2020	(154.47)	-	-	(154.47)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>440.49</b>	<b>-</b>	<b>-</b>	<b>440.49</b>
	<b>31 March 2020</b>	<b>(466.34)</b>	<b>-</b>	<b>-</b>	<b>(466.34)</b>
<b>Receivables from related parties</b>					
Eurasia Publishing House Private Limited	31 March 2021	7.65	-	-	7.65
	31 March 2020	(12.10)	-	-	(12.10)
Safari Digital Education Initiatives Private Limited	31 March 2021	17.44	-	-	17.44
	31 March 2020	(13.59)	-	-	(13.59)
DS Digital Private Limited	31 March 2021	25.16	-	-	25.16
	31 March 2020	(18.42)	-	-	(18.42)
S. Chand Edutech Private Limited	31 March 2021	43.96	-	-	43.96
	31 March 2020	(42.47)	-	-	(42.47)
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	-	-
	31 March 2020	-	(0.95)	-	(0.95)
Hotel Tourist	31 March 2021	-	0.31	-	0.31
	31 March 2020	-	(0.43)	-	(0.43)
New Saraswati House (India) Private Limited	31 March 2021	55.24	-	-	55.24
	31 March 2020	(42.04)	-	-	(42.04)
BPI (India) Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(2.03)	-	-	(2.03)
RKG Hospitalities Private Limited	31 March 2021	-	0.34	-	0.34
	31 March 2020	-	(0.34)	-	(0.34)
S Chand Properties Private Limited	31 March 2021	-	1.20	-	1.20
	31 March 2020	-	(8.62)	-	(8.62)
Chhaya Prakashani Limited	31 March 2021	8.52	-	-	8.52
	31 March 2020	(11.45)	-	-	(11.45)
Shyam Lal Charitable Trust	31 March 2021	-	-	-	-
	31 March 2020	-	(0.01)	-	(0.01)
Ravindra Kumar Gupta	31 March 2021	-	-	0.18	0.18
	31 March 2020	-	-	-	-
Edutor Technologies India Private Limited	31 March 2021	0.94	-	-	0.94
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>158.92</b>	<b>1.86</b>	<b>0.18</b>	<b>160.96</b>
	<b>31 March 2020</b>	<b>(142.10)</b>	<b>(10.35)</b>	<b>-</b>	<b>(152.44)</b>
<b>Advance to employees</b>					
Mr. Saurabh Mittal	31 March 2021	-	-	2.75	2.75
	31 March 2020	-	-	(3.14)	(3.14)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>-</b>	<b>-</b>	<b>2.75</b>	<b>2.75</b>
	<b>31 March 2020</b>	<b>-</b>	<b>-</b>	<b>(3.14)</b>	<b>(3.14)</b>
<b>Trade receivable</b>					
BPI (India) Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(16.42)	-	-	(16.42)
New Saraswati House (India) Private Limited	31 March 2021	13.46	-	-	13.46
	31 March 2020	(26.84)	-	-	(26.84)

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34. Related party disclosure (Continued)

Nature of Transactions	Year Ended	Subsidiaries / Associates	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Safari Digital Education Initiatives Private Limited	31 March 2021	17.96	-	-	17.96
	31 March 2020	(12.93)	-	-	(12.93)
Vikas Publishing House Private Limited	31 March 2021	-	-	-	-
	31 March 2020	(2.02)	-	-	(2.02)
DS Digital Private Limited	31 March 2021	29.76	-	-	29.76
	31 March 2020	(29.76)	-	-	(29.76)
S. Chand Edutech Private Limited	31 March 2021	3.97	-	-	3.97
	31 March 2020	(3.44)	-	-	(3.44)
Chhaya Prakashani Limited	31 March 2021	1.17	-	-	1.17
	31 March 2020	(1.26)	-	-	(1.26)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>66.32</b>	<b>-</b>	<b>-</b>	<b>66.32</b>
	<b>31 March 2020</b>	<b>(92.67)</b>	<b>-</b>	<b>-</b>	<b>(92.67)</b>
<b>Liabilities</b>					
<b>Trade payables</b>					
Nirja Publishers & Printers Private Limited	31 March 2021	2.37	-	-	2.37
	31 March 2020	(8.53)	-	-	(8.53)
Vikas Publishing House Private Limited	31 March 2021	132.14	-	-	132.14
	31 March 2020	(79.85)	-	-	(79.85)
Eurasia Publishing House Private Limited	31 March 2021	5.63	-	-	5.63
	31 March 2020	(8.22)	-	-	(8.22)
Blackie & Son (Calcutta) Private Limited	31 March 2021	2.26	-	-	2.26
	31 March 2020	(3.51)	-	-	(3.51)
BPI (India) Private Limited	31 March 2021	8.66	-	-	8.66
	31 March 2020	-	-	-	-
Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	-	(0.23)	(0.23)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>151.07</b>	<b>-</b>	<b>-</b>	<b>151.07</b>
	<b>31 March 2020</b>	<b>(100.11)</b>	<b>-</b>	<b>-</b>	<b>(100.34)</b>
<b>Employee related liabilities</b>					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2021	-	-	0.14	0.14
	31 March 2020	-	-	(0.43)	(0.43)
Mr. Himanshu Gupta	31 March 2021	-	-	0.35	0.35
	31 March 2020	-	-	(0.40)	(0.40)
Mr. Saurabh Mittal	31 March 2021	-	-	0.42	0.42
	31 March 2020	-	-	(0.27)	(0.27)
Mr. Jagdeep Singh	31 March 2021	-	-	0.17	0.17
	31 March 2020	-	-	(0.20)	(0.20)
<b>Subtotal</b>	<b>31 March 2021</b>	<b>-</b>	<b>-</b>	<b>1.08</b>	<b>1.08</b>
	<b>31 March 2020</b>	<b>-</b>	<b>-</b>	<b>(1.31)</b>	<b>(1.31)</b>

(Figures in brackets represents previous year figures.)

Note: Refer note 46 for guarantees given to banks on behalf of subsidiaries.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 35. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2021 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 30 June 2012, the board of directors approved the Equity Settled ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the eligible employees. According to the Scheme 2012, two types of options are granted by the Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,194 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the Company. However in case of growth options, in addition to this the board may also specify the certain corporate, individual or a combination performance parameters subject to which the option would vest. The other relevant terms of the grants outstanding as on 31 March 2021 (previous year 31 March 2020) are below:

	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant VI	Grant VII	Grant VIII
Date of grant	27 August 2015	27 August 2015	30 September 2015	28 March 2016	16 August 2016	30 November 2016	11 November 2020
Date of Board approval	27 August 2015	27 August 2015	27 August 2015	28 March 2016	05 August 2016	19 September 2016 & 30 November 2016	11 November 2020
Date of Shareholder's approval	30 September 2015	30 September 2015	30 September 2015	28 March 2016	05 August 2016	10 November 2016	28 February 2021
Number of options granted	441	185	248	40	51,060	12,506	68,409
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	Year 1- 50% Year 2- 50%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 25% Year 3- 25% Year 4- 25%	Year 1- 50% Year 2- 50%	Year 1- 100%
Exercise period							
Exercise price	36,870.00	45,000.00	45,000.00	45,000.00	304.00	392.00	54.00
Fair value of shares at the time of grant (in INR)	25,227.01	20,943.84	20,593.68	20,404.22	138.97	60.40	26.11
Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till 31 March 2018 is as below:							
Exercise period							
Exercise price	304.05	304.05	304.05	304.05	304.00	304.00	54.00
Fair value of shares at the time of grant (in INR)	141.51	139.15	137.87	0.76	138.97	60.40	26.11

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 35. Employee stock option plans (Continued)

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

(₹ in millions)

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	25,456	304	40,034	304
Granted during the year	-	-	-	-
Forfeited/ expired during the year	25,456	-	14,578	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	25,456	304
Exercisable at the end of the year	-	-	25,456	304

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

(₹ in millions)

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	25,530	304	38,295	304
Granted during the year	-	-	-	-
Forfeited/ expired during the year	12,765	-	12,765	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	12,765	304	25,530	304
Exercisable at the end of the year	12,765	304	25,530	304

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2021 is 1.38 years.

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

(₹ in millions)

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	4,701	392	6,451	392
Granted during the year	-	-	-	-
Forfeited/ expired during the year	4,701	-	1,750	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	4,701	392
Exercisable at the end of the year	-	-	4,701	392

The Company had granted 68,049 option during the year ended 31 March 2021. The details of activities under Grant VIII are summarized below:

(₹ in millions)

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	68,049	54	-	-
Forfeited/ expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	68,049	54	-	-
Exercisable at the end of the year	68,049	54	-	-

The weighted average remaining contractual life for option outstanding under Grant VIII as at March 31, 2021 is 2.62 year.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 35. Employee stock option plans (Continued)

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

	(₹ in millions)						
	Grant IVa	Grant IVb	Grant IVc	Grant IVd	Grant VI	Grant VII	Grant VIII
	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2016	2016	2016	2016	2017	2017	2021
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
Expected volatility	17.05%	16.46%	16.20%	16.57%	16.41%	17.06%	64.83%
Risk-free interest rate	7.67%	7.71%	7.46%	7.36%	6.86%	5.99%	4.13%
Weighted average fair market price (₹)	377	377	377	377	376	376	62
Exercise price (₹)	249	304	304	304	304	392	54
Expected life of options granted in years	2.43	3.22	3.20	3.15	3.50	2.50	1.00
Weighted average fair value of option at the time of grant (₹)	170.45	141.51	139.15	137.87	138.97	60.40	26.11

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.

The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Company's stock price on NSE over these years has been considered.

#### 36. Financial Instruments:- Financial risk management objectives and policies

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

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

##### A. Market Risk

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

The Company is exposed to following type of market risk:-

- a.) interest rate risk,
- b.) foreign currency risk and

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of employee benefits provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

##### a. Interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 36. Financial Instruments:- Financial risk management objectives and policies (Continued)

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

(₹ in millions)

	Increase/ decrease in basis points	Effect on profit before tax
<b>As at 31 March 2021</b>		
INR Borrowings	+0.50%	4.33
	-0.50%	(4.33)
<b>As at 31 March 2020</b>		
INR Borrowings	+0.50%	5.25
	-0.50%	(5.25)

#### b. Foreign currency risk

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

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

(₹ in millions)

	Changes in foreign currency rates	Effect on profit before tax
<b>For the year ended 31 March 2021</b>		
USD	+5%	1.14
	-5%	(1.14)
<b>For the year ended 31 March 2020</b>		
USD	+5%	1.30
	-5%	(1.30)

#### B. Credit Risk

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

The ageing analysis of trade receivables (net) before adjustment of ECL provision of ₹ 184.62 millions (31 Mar 2020 ₹ 230.06 million) as of the reporting date is as follows:

(₹ in millions)

Age Bracket	Not Due	0-215 Days	216-365 Days	365-730 Days	More than 730 Days	Total
As at 31 March 2020	1,175.39	91.96	295.51	112.12	61.82	<b>1,736.80</b>
As at 31 March 2021	1,037.39	170.73	131.67	62.88	136.04	<b>1,538.71</b>

The movement in the allowance for expected credit loss in respect of trade receivables is as follows:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	230.06	184.14
Expected credit loss during the year [net of reversal]	(45.44)	45.92
<b>Balance at the end of the year</b>	<b>184.62</b>	<b>230.06</b>

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 36. Financial Instruments:- Financial risk management objectives and policies (Continued)

##### C. Liquidity Risk

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

	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>On demand</b>		
- Borrowings	477.61	593.91
	<b>477.61</b>	<b>593.91</b>
<b>Less than 1 year</b>		
- Borrowings (current maturities of long term borrowings)	69.34	2.86
- Trade payables	561.77	619.02
- Other financial liabilities (excluding current maturities of long term borrowings)	101.02	149.70
	<b>732.13</b>	<b>771.58</b>
<b>More than 1 year</b>		
- Borrowings	388.57	453.48
	<b>388.57</b>	<b>453.48</b>

#### 37. Capital management

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

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

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

Company's adjusted net debt to equity ratio as at 31 March 2021 is as follow:

	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Gearing Ratio</b>		
Borrowings (note 11 & 12) (including current maturities)	935.52	1,050.25
Less: cash and cash equivalents (note 5D)	(171.51)	(10.83)
<b>Adjusted net debt (A)</b>	<b>764.01</b>	<b>1,039.42</b>
Equity	7,857.53	7,827.49
<b>Total equity (B)</b>	<b>7,857.53</b>	<b>7,827.49</b>
<b>Total equity and net debt [C = (A+B)]</b>	<b>8,621.54</b>	<b>8,866.92</b>
<b>Gearing ratio (A/C)</b>	9%	12%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 38. Fair Values

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

(₹ in millions)

Particulars	31 March 2021			31 March 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Assets</b>						
<b>Non-current financial assets</b>						
- Investments*	-	719.45	-	-	709.69	-
- Loans	137.86	-	-	339.69	-	-
- Other financial assets	1.23	-	-	10.84	-	-
<b>Financial assets</b>						
- Investments	-	51.21	-	-	1.57	-
- Trade receivables	1,354.09	-	-	1,506.74	-	-
- Cash and Cash equivalents	171.51	-	-	10.83	-	-
- Bank balances other than cash and cash equivalents	31.18	-	-	2.91	-	-
- Loans	316.76	-	-	144.95	-	-
- Other financial assets	165.96	-	-	156.80	-	-
<b>Non-current financial liabilities</b>						
- Borrowings	388.57	-	-	453.48	-	-
- Lease liabilities	63.06	-	-	85.96	-	-
<b>Current financial liabilities</b>						
- Borrowings	477.61	-	-	593.91	-	-
- Lease liabilities	39.62	-	-	53.91	-	-
- Trade payables	561.77	-	-	619.03	-	-
- Other financial liabilities	170.36	-	-	152.56	-	-

\* excludes investments in subsidiaries and associates, valued at cost

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

- The fair values of trade receivables, cash and cash equivalents, other current financial assets, trade payable and other current financial liabilities are considered to be same as their carrying values due to their short term nature.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the quoted notes and bonds are based on price quotations at the reporting date.

Fair value measurement hierarchy for assets as at 31 March 2021:

(₹ in Million)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>			
Investments	51.21	-	719.45

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020:

(₹ in Million)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>			
Investments	1.57	-	709.69

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

39. The Company had filed Draft Composite Scheme of Arrangement on 9 January 2018, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("SEBI Circular"). The Scheme inter alia includes amalgamation of Blackie & Nirja with and into S Chand, demerger of the education business of DS Digital & Safari with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari. The Company had filed the Scheme with NCLT. NCLT vide its order dated 10 February 2020 had directed to convene meetings of shareholders, secured & unsecured creditors of S Chand and meeting of secured & unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. However, due to Covid19 pandemic and nationwide lockdown the meetings were deferred. NCLT vide its order dated 29 May 2020 has directed to convene these meetings through video conferencing in the month of July 2020. These meetings were convened through video conferencing on 17 July 2020 and 18 July 2020. Respective creditors and shareholders have approved the Composite Scheme and thereafter Company has filed a second motion application with NCLT for approval of the Composite Scheme. The approval of NCLT is awaited.

#### 40. Corporate Social Responsibility

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
a) Gross amount required to be spent by the Company during the year	0.02	4.84
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	4.15	8.31
	<b>4.15</b>	<b>8.31</b>

#### 41. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director assesses the financial performance and position of the Company, and makes strategic decision and has been identified as the chief operating decision maker. The Company's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., publishing of books. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. The Company primarily operates in India.

##### Information about major customers

Revenue from one major customer amounted to ₹ 298.78 million (31 March 2020 ₹ 211.45 which aggregating to 11.29%) which aggregating to 16.91% of total revenue.

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

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	22.07	4.20
- Interest due on above	-	-
	<b>22.07</b>	<b>4.20</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 42. Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006 (Continued) (₹ in millions)

	As at 31 March 2021	As at 31 March 2020
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

43. The Government of India announced the New Education Policy (NEP) 2020 on 31 July 2020, to bring in various changes to the Education system. The National Curriculum Framework (NCF) that defines the curriculum to be taught in schools is yet to be formulated based on NEP, which is expected to be developed over the period. The management is monitoring the implementation of the policy and the revised curriculum and detailed assessment shall be made, once curriculum gets formulated.

#### 44. Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

(₹ in millions)

Purpose	Rate of Interest	Tenure	Secured/ unsecured	31 March 2021	31 March 2020
Safari Digital Education Initiatives Private Limited	9.70%-10.10% p.a	1 years	Unsecured	190.86	175.05
D S Digital Private Limited				122.08	111.93
New Saraswati House (India) Private Limited		3 years		125.43	154.46
S Chand Edutech Private Limited				2.12	24.90
				<b>440.49</b>	<b>466.34</b>

45. During the year-ended 31 March 2020, due to COVID 19, the Company has performed a detailed assessment of its existing inventory and as a result, the Company has further reduced the valuation of certain titles to their current realizable value and recorded additional provision of ₹ 32.61 million as exceptional cost.

#### 46. Contingent liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Corporate guarantee (refer note 'a' below)	942.39	1,098.89
Stamp duty (refer note 'b' below)	95.01	95.01
Registration fee (refer note 'b' below)	9.15	9.15
Income Tax demand (refer note 'c', 'd' & 'e' below)	0.79	0.72

a Corporate guarantee includes guarantees given by the Company to banks and financial institutions against loans taken by the subsidiaries.

b During the year 2015-16, the Company received notice under Indian Stamp Act, 1899 for non-payment of stamp duty on transfer of property on amalgamation and demerger held in the financial year 2011-12. The district registrar contented that order of Hon'ble High Court for amalgamation and demerger does not grants exemption in respect of payment of stamp duty.

During the year 2017-18, the Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9,154,800 (31 March 2020: 9,154,800)

As per the legal opinion obtained, management is of the view that no liability would accrue on the Company on account of such case. Accordingly, no provision has been made in the books of account for the same.

c In respect of Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter has been dismissed by Delhi High Court. The amount involved is ₹ nil million (31 March 2020: ₹ 0.67 million).

d In respect of Assessment Year 2015-16, a disallowance under section 36(1)(va) read with section 2(24)(x) of the Income Tax Act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filing return and disallowance of unexplained expenditure u/s 69 C of the Income Tax Act. The matter is pending with CIT (A). The amount involved is ₹ 0.72 million (31 March 2020: ₹ 0.72 million).

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 46. Contingent liabilities (Continued)

- e In respect of Assessment Year 2013-14, a disallowance under section 36(1)(va) read with section 2(24)(x) of the Income Tax Act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filing return. The matter is pending with ITAT. The amount involved is ₹ 0.07 million (31 March 2020: ₹ nil million).
- f Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Company.
- g The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company. The Company does not expect any reimbursements in respect of the above contingent liabilities.
47. During the year ended 31 March 2021, diminution in the carrying value of investment in respect of DS Digital Private Limited amounting to ₹ 5 million (previous year ₹ 50 million) (represented by Investment in Equity Shares) has been made to recognise a decline in the value of its investments in resultant business, other than temporary in the value of the investment. (refer note 39 above)

During the year ended 31 March 2020, diminution in the carrying value of investment in respect of Safari Digital Education Initiatives Private Limited amounting to ₹ 70 million (represented by Investment in Equity Shares) had been made to recognise a decline in the value of its investments in resultant business, other than temporary in the value of the investment. (refer note 39 above)

#### 48. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2021 and 31 March 2020 are as under:

	Foreign currency	Amount in foreign currency		Amount in INR	
		March 31, 2021	March 31, 2020	March 31, 2021*	March 31, 2020**
Trade receivables	USD	0.32	0.29	23.34	22.16
Trade payables	USD	0.01	-	0.46	-

\* Exchange Rate for 31 March 2021, 1 USD = Rs. 73.20

\*\* Exchange Rate for 31 March 2020, 1 USD = Rs. 75.32

#### 49. Note for reclassifications:

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2021 and 31 March 2020 are as under:

##### Reclassification of financial information of previous year ended 31 March 2020

Details	Nature of reclassification	Amount
Provision of gratuity and compensated absences	Reclassified from 'Other financial liability' disclosed under note 14A to 'Provisions' disclosed under Note 16	2.42
Unclaimed dividend	Reclassified from 'Provisions' disclosed under Note 16 to 'Other financial liability' disclosed under note 14A	0.09
Deposits with original maturity for more than 3 months but less than 12 months	Reclassified from 'Other financial asset' disclosed under note 5F to 'Bank balances other than cash and cash equivalents' disclosed under Note 5E	2.91
Other receivable from related party	Reclassified from 'Loan to related party' disclosed under note 5G to 'Other financial assets' disclosed under Note 5F	146.45
Goodwill	"Reclassified from 'Intangible assets' disclosed under note 4A to 'Goodwill' disclosed under Note 4A	23.83

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

## S Chand And Company Limited

### Notes to standalone financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 50. COVID Disclosure

In view of COVID-19 pandemic, while developing the assumptions relating to possible uncertainties in the business conditions because of the pandemic, the Company, as on the date of approval of these standalone financial statements have used variable information as available and considered the possible effects that may result from COVID-19 on the carrying amount of its assets i.e. assessing counterparty credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments in mutual funds) and subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and advances to vendors. The Company expects to recover the carrying amount of the assets and investment. The Company while assessing Right of Use Asset and Investment in subsidiaries, has considered past trend, future business projections, performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of other assets will be recovered and does not foresee either significant down-sizing in the operations or any changes in lease terms.

As at the balance sheet date, the Company has evaluated the impact of COVID 19 on its standalone financial statements. The impact of COVID 19 may differ from the estimates as at the date of approval of these standalone financial statements. There have been no material changes in the controls or processes followed in the standalone financial statements closing process of the Company. The Company will continue to monitor any future changes to the business and standalone financial statements due to COVID-19.

The management, based on its current and future business plans, after considering COVID 19 impact, has assessed that the Company's ability to meet its contractual obligations and liabilities that fall due in near future including repayment of the debts taken from banks / financial institutions and their related covenants, is dependent upon timely realization of debtors collections and subsequent sale of inventory. The management has assessed that it will be able to realize the collections on timely basis despite COVID 19 challenges and would be able to arrange sufficient working capital facilities from banks/ financial intuitions, if required, to ensure continuity of operations. The management has availed moratorium offered by one financial institution during the month of Apr-May 2020 to manage cash flows, the same was paid in June 2020.

**51.** The amount of inventory recorded as at 31 March 2021, comprises of inventory lying physically at the Company's warehouse. The Company as part of its policy performs physical verification of inventory bi-annually every year. However, due to the impact of the second wave of COVID-19 on the Company, the management was not able to perform inventory count as at 31 March 2021 till the date of approval of these standalone financial statements. The management, based on its assessment, is of the opinion that consequential adjustments, if any, due to physical verification of inventory items lying at its warehouse, is not expected to be material and further intends to complete the physical verification process in the subsequent quarter.

**52.** The standalone financial statements were approved for issue by the board of directors on 22 June 2021.

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

As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

# S Chand And Company Limited

## Consolidated financial statements for the year ended 31 March 2021

### Independent Auditor's Report

To the Members of S Chand And Company Limited

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

1. We have audited the accompanying consolidated financial statements of S Chand And Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, and associate except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group and its associate, as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

3. As explained in the note 57 of the consolidated financial statement, due to outbreak of second wave of COVID-19 pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these consolidated financial statements. Accordingly, we and other auditor of 3 subsidiary companies included in the Group were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures, and therefore, we were unable to verify the existence/condition of inventories of INR 703.77 million finished goods, INR 91.01 million traded goods, INR 0.22 million work in progress and INR 75.72 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the consolidated financial statements as at 31 March 2021.

The inventory balances of the Group were also qualified by the previous auditor vide their audit report dated 30 June 2020 on the consolidated financial statements of the Company for the year ended 31 March 2020 in absence of physical count of such inventory as on that date for similar reasons.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matter - Impact of Covid 19

5. We draw attention to note 53 of the consolidated financial statements which describes the effects of uncertainties relating to the outbreak of Covid-19 pandemic and management's evaluation of its impact on the Group's operations and the accompanying consolidated financial statements of the Group as at the balance sheet date, the extent of which is significantly dependent on future developments.

The above matter has also been reported as emphasis of matter in the audit reports issued by us and other firms of chartered accountants on the standalone financial statements of the Holding Company and 2 subsidiary companies for the year ended 31 March 2021.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
7. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>a) Impairment of goodwill:</b></p> <p>The Group's balance sheet includes INR 3,381.00 million of goodwill, representing significant composition of total group assets. In accordance with Ind AS-36 "Impairment of assets", goodwill is allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow approach of each CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment.</p> <p>The impairment test includes sensitivity testing of key assumptions, including revenue growth, operating margin and discount rate. The management has concluded that the recoverable value of all CGUs are higher than their respective carrying amounts and accordingly, no impairment provision has been recognised as at 31 March 2021.</p> <p>The annual impairment testing is considered a significant accounting judgement and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain.</p>	<p>With respect to goodwill relating to material subsidiaries, our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Group to ascertain impairment of goodwill including design and implementation of controls. We have tested the design and operating effectiveness of these controls.</li> <li>b) Assessing the valuation methodology used by the Group and testing the mathematical accuracy of the impairment models.</li> <li>c) Assessing the Group's methodology applied in determining the CGUs to which goodwill is allocated.</li> <li>d) Assessing the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used, including engaging valuation specialists in certain cases.</li> <li>e) Performing sensitivity analysis of key assumptions, future revenue growth rates, costs and the discount rates used in the valuation models.</li> <li>f) Evaluating the adequacy of the disclosure made in the consolidated financial statements.</li> </ul>
<p><b>b) Provisions for doubtful debts:</b></p> <p>The Group has reported trade receivables of INR 3,220.88 million as at 31 March 2021 and expected credit losses allowance of INR 481.87 million as detailed in note 6D of the consolidated financial statements. Further, refer note 2.16 of the consolidated financial statements, which outlines the accounting policy for determining the allowance for doubtful debts.</p> <p>Owing to the nature of operations of the Group and related customer profiles, the Group has significant receivable balances that are past the credit period for the products offered by the Group. The Group is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts outstanding beyond the credit terms extended to customers.</p> <p>The provisions for doubtful debts are determined using expected credit loss model under Ind AS 109 Financial Instruments. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Therefore, it is determined to be a key audit matter.</p> <p>Considering the materiality of trade receivables balances to the Group's consolidated financial statements and the significant estimates and judgements involved in the estimation of expected credit losses due to long standing trade balances, this is considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Group to determine provision for doubtful debts including design and implementation of controls. We have tested the design and operating effectiveness of these controls;</li> <li>b) Assessed the Group's accounting policy with respect to provision for doubtful debts, which included assessing appropriateness of the expected credit loss impairment model and checking the mathematical accuracy of the calculations;</li> <li>c) Evaluated management's assessment of change in risk of default based on enquiry with relevant personnel and corroboration with independently available external information, if any;</li> <li>d) On a sample basis, obtained direct confirmations from the customers of the Group having outstanding receivable balances as at the reporting date;</li> <li>e) Where direct confirmations were not obtained, subsequent realization of the outstanding invoices and/ or customer acknowledgement of goods received or services rendered was assessed;</li> <li>f) Assessed the Group's disclosures in relation to trade receivables included in the consolidated financial statements.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>c) Estimation of sales returns and discounts:</b></p> <p>Refer accounting policies in note 2.7 to the consolidated financial statements.</p> <p>The Group is involved in publishing and distribution of educational books. Due to the nature of business, the Group offers an option to the customers to return unsold inventory. Significant amount of sales returns are received in the year subsequent to the year when books are sold. Discount comprises of turnover, cash and additional discount. Turnover discount is offered to the customers in the period subsequent to the reporting date based on parameters for a specified period. Cash discount is offered based on the cash discount schemes applicable to certain months. Further, at the time of annual settlement, which may not coincide with the financial year, with respective debtors additional discounts are offered based on their negotiations agreed with respective customers. Provision for such sales returns and discounts are estimated, deducted from revenue and accounts receivables.</p> <p>Estimates of sales returns and discounts are required to be made at the time of sale. When determining the appropriate allowance, management considers historical trends, present changes in policies for the academic season, as a basis for the estimate as well as all other known factors, which could significantly influence the level of future sales returns and discount claims. Significant judgement is required in assessing the appropriate level of the provision for sales return and discounts.</p> <p>Measuring provisions for sales return and discounts is a key audit matter as it requires significant estimates made by Management. Such judgements include management's expectation of sales returns and discounts and historical estimates of sales returns and discounts vis a vis the sales returns and discounts received during the year.</p>	<p>Our audit procedures included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Group to determine provision for sales return and discount including design and implementation of controls. We have tested the design and operating effectiveness of these controls.</li> <li>b) Obtained management's calculations for provision for sales returns and discounts, recalculated the amounts for mathematical accuracy and evaluated the assumptions used by reference to internal sources (i.e. management budgets and schemes offered to customers).</li> <li>c) Considered the accuracy of management's estimates in previous years by comparing historical provisions to the actual amounts to assess the management ability to accurately estimate their sales returns and discounts.</li> <li>d) Tested the actual sales return and discounts passed to customers after the balance sheet date and upto 10 days prior to approval of financials to determine whether the revenue has been recognized in the appropriate period.</li> <li>e) Assessed the disclosures in respect of sales returns and discounts included in the consolidated financial statements.</li> </ul>
<p><b>d) Deferred tax assets:</b></p> <p>As on 31 March 2021, the Group has recognized deferred tax assets (net) amounting to INR 674.08 million. The recognition of deferred tax liabilities includes all taxable temporary differences, while deferred tax assets are only recorded to the extent it is probable that sufficient deferred tax liabilities or taxable profit will be available in the future against which the deductible temporary differences can be used.</p> <p>Management has recognized deferred tax asset on the unabsorbed losses basis the reasonable certainty that sufficient taxable profits, based on forecast of business operations, will be available with the Company in future. However, in view of the COVID 19 impact, the realization of deferred tax may take more time than the period estimated by management.</p> <p>Since, the recognition of deferred tax assets relies on the significant application of judgement by the management in respect of assessing the probability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences, it is considered as key audit matter.</p>	<p>Our audit procedures included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>a) Obtained an understanding from the management with respect to process and controls followed by the Group to compute and assess realisability of deferred tax assets including design and implementation of controls. We have tested the design and operating effectiveness of these controls.</li> <li>b) Obtained the management's calculation for the computation of deferred taxes and performed re-computation to test arithmetical accuracy.</li> <li>c) Traced inputs used in the deferred tax calculation from source documents</li> <li>d) Analyzed the future projections of the group companies, as approved by the Board of Directors of the respective companies and assumptions used as to when it would be certain that company would earn future taxable income.</li> <li>e) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes.</li> <li>f) Assessed the sensitivity of the outcomes in the above scenario to reasonably possible changes in assumptions and evaluated the realisability of deferred tax asset as to when the company would earn future taxable profits.</li> <li>g) Assessed the disclosures in respect of deferred tax included in the consolidated financial statements.</li> </ul>

## Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

## Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

17. We did not audit the financial statements of 11 subsidiaries, whose financial statements reflect total assets of INR 6,757.83 million and net assets of INR 3,036.81 million as at 31 March 2021, total revenues of INR 1,923.88 million and net cash inflows amounting to INR 60.93 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR 0.91 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

18. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR 5.74 million for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements has not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

19. The consolidated financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed a qualified opinion on those consolidated financial statements vide their audit report dated 30 June 2020.

## Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries and associate, we report that the Holding Company, 5 subsidiary companies and 1 associate company covered under the Act paid remuneration to their respective directors during the year in accordance

with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 7 subsidiary companies, companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

21. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associate, we report, to the extent applicable, that:
- a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company, Vikas Publishing House Private Limited, a subsidiary of the Holding Company, Safari Digital Education Initiatives Private Limited, a subsidiary of the Holding Company, DS Digital Private Limited, a subsidiary of the Holding Company and S. Chand Edutech Private Limited, a subsidiary of the Holding Company respectively;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) the matter described in paragraph 3 of the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Holding Company, Vikas Publishing House Private Limited, a subsidiary of the Holding Company, Safari Digital Education Initiatives Private Limited, a subsidiary of the Holding Company, DS Digital Private Limited, a subsidiary of the Holding Company and S. Chand Edutech Private Limited, a subsidiary of the Holding Company;
  - f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section with respect to the Holding Company, Vikas Publishing House Private Limited, a subsidiary of the Holding Company, Safari Digital Education Initiatives Private Limited a subsidiary of the Holding Company, DS Digital Private Limited a subsidiary of the Holding Company and S. Chand Edutech Private Limited a subsidiary of the Holding Company;
  - h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
  - i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in note 40 to the consolidated financial statements;
    - ii. the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company covered under the Act, during the year ended 31 March 2021; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 21099514AAAADM5890

Place: Gurugram

Date: 22 June 2021

## Annexure 1

### List of entities included in the Statement

<b>S.No</b>	<b>Name of Holding Company</b>	
1.	S Chand And Company Limited	8. Edutor Technologies India Private Limited (w.e.f. 1 September 2020)
	<b>Name of subsidiaries</b>	9. Nirja Publishers & Printers Private Limited
1.	Vikas Publishing House Private Limited	10. S. Chand Edutech Private Limited
2.	Chhaya Prakashani Limited	11. Indian Progressive Publishing Co Private Limited
3.	New Saraswati House (India) Private Limited	12. Eurasia Publishing House Private Limited
4.	DS Digital Private Limited	
5.	Safari Digital Education Initiatives Private Limited	<b>Name of associate</b>
6.	Blackie & Son (Calcutta) Private Limited	1. Smartivity Labs Private Limited
7.	BPI (India) Private Limited	2. Edutor Technologies India Private Limited (upto 31 August 2020)

## Annexure A

### Independent Auditor's report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

- In conjunction with our audit of the consolidated financial statements of S Chand And Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

- The audit of internal financial controls with reference to financial statements of one associate, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

- A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to

the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

### **Qualified Opinion**

8. According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls with reference to financial statements in case of its subsidiary companies which are companies incorporated in India, the following material weakness has been identified as at 31 March 2021:
  - a) The Group's internal financial control system with respect to physical verification of inventory at the balance sheet date, as explained in note 57 to the consolidated financial statements, was not operating effectively, which could lead to a potential material misstatement in the carrying amount of inventory and its consequential impact on earnings, reserves and related disclosures in the accompanying financial statements.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.
10. In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company and subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls reference to these consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2021, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at and for the year ended 31 March 2021, and the material weakness has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

### **Other Matter**

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 11 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of INR 6,757.83 million and net assets of INR 3,036.81 million as at 31 March 2021, total revenues of INR 1,923.88 million and net cash inflows amounting to INR 60.93 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of INR 0.91 million for the year ended 31 March 2021, in respect of 1 associate company, which is a company covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies company is based solely on the reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

### **For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

### **Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 21099514AAAADO7576

Place: Gurugram

Date: 22 June 2021

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs. In Mn

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	4,453.48	4,453.48
	2.	Total Expenditure	4,444.62	4,444.62
	3.	Net Profit/(Loss)	-64.93	-64.93
	4.	Earnings Per Share	-1.86	-1.86
	5.	Total Assets	12,358.84	12,358.84
	6.	Total Liabilities	3,987.38	3,987.38
	7.	Net Worth	8,371.46	8,371.46
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a. Details of Audit Qualification:</b>			
	<p>As explained in the note 13 of the consolidated financial statement, due to outbreak of second wave of COVID-19 pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these financial statements. Accordingly, we and other auditor of 3 subsidiary companies included in the group were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures, and therefore, we were unable to verify the existence/condition of inventories of INR 703.77 million finished goods, INR 91.01 million traded goods, INR 0.22 million work in progress and INR 75.72 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the financial statements as at 31<sup>st</sup> March 2021.</p> <p>The inventory balances of the group were also qualified by the previous auditor vide their audit report dated 30 June 2020 on the consolidated financial statements of the Company for the year ended 31 March 2020 in absence of physical count of such inventory as on that date for similar reasons.</p>			
	<b>b. Type of Audit Qualification:</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	Qualified Opinion			
	<b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing			
	Repetitive			
	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>			
	<p>The Group as part of its policy performs physical verification of inventory bi-annually in September and March every year. Accordingly, the management, had carried out physical verification of inventory for the period ended 30 September 2020, The management has, therefore, relied upon the inventory count reflected in its books of accounts, which is the balancing figure for the opening, purchases and the inventory consumed / sold during the financial year.</p> <p>The management intends to complete the physical verification process in the subsequent quarter and does not expect any significant impact which could arise on completion of this process</p>			
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>			
	<b>(i) Management's estimation on the impact of audit qualification:</b>			
	Not Applicable			
	<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>			
	Not Applicable			

	(iii) Auditors' Comments on (i) or (ii) above:
	Not Applicable
<b>III. Signatories</b>	
	<b>For S Chand and Company Limited</b> Sd/- Himanshu Gupta <b>Managing Director</b> Place : New Delhi Date : 22 June 2021
	<b>For S Chand and Company Limited</b> Sd/- Saurabh Mittal <b>CFO</b> Place : New Delhi Date : 22 June 2021
	<b>For S Chand and Company Limited</b> Sd/- Archana Capoor <b>Audit Committee Chairperson</b> Place : New Delhi Date : 22 June 2021
	<b>For Walker Chandiook &amp; Co LLP</b> Chartered Accountants Firm Registration No.: 001076N/N500013 Sd/- <b>Neeraj Goel</b> Partner Membership No. 099514 <b>Place:</b> Gurugram <b>Date:</b> 22 June 2021

## S Chand And Company Limited

### Consolidated Balance Sheet as at 31 March 2021

CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	869.33	959.48
Right-of-use assets	5	480.52	623.09
Capital work-in-progress		2.70	1.25
Goodwill	4	3,381.00	3,383.36
Other intangible assets	4	1,248.71	917.88
Intangible assets under development		22.09	24.65
Investments accounted for using the equity method	6A	22.03	183.51
Financial assets			
- Investments	6B	37.50	39.85
- Loans	6G	44.79	55.85
- Other financial assets	6H	13.36	14.06
Deferred tax assets (net)	9	674.08	613.92
Other non-current assets	8	76.38	229.84
<b>Total non-current assets</b>		<b>6,872.49</b>	<b>7,046.74</b>
<b>Current assets</b>			
Inventories	7	1,377.44	2,013.56
Financial assets			
- Investments	6C	258.41	167.02
- Trade receivables	6D	3,220.88	3,348.65
- Cash and cash equivalents	6E	419.17	98.10
- Bank balances other than cash and cash equivalents	6F	65.68	7.22
- Loans	6G	41.44	59.67
- Other financial assets	6H	4.16	13.09
Other current assets	8	99.17	154.00
<b>Total current assets</b>		<b>5,486.35</b>	<b>5,861.31</b>
<b>Total assets</b>		<b>12,358.84</b>	<b>12,908.05</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10	174.88	174.88
Other equity	11	8,008.00	8,009.64
Non-controlling interests		188.58	28.48
<b>Total equity</b>		<b>8,371.46</b>	<b>8,213.00</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	12A	760.49	608.17
- Lease liabilities	13	248.73	365.92
Provisions	17	64.57	69.80
<b>Total non-current liabilities</b>		<b>1,073.79</b>	<b>1,043.89</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	12B	1,056.78	1,114.39
- Lease liabilities	13	102.49	125.93
- Trade payables	13		
Micro enterprises and small enterprises	14	223.27	172.59
Other than micro enterprises and small enterprises	14	955.59	1,409.88
- Other financial liabilities	15	368.98	638.02
Other current liabilities	16	116.61	147.26
Provisions	17	89.87	43.09
<b>Total current liabilities</b>		<b>2,913.59</b>	<b>3,651.16</b>
<b>Total equity and liabilities</b>		<b>12,358.84</b>	<b>12,908.05</b>

**Summary of significant accounting policies**

2

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

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

# S Chand And Company Limited

## Consolidated Statement of Profit and Loss for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I</b> Revenue from operations	18	4,252.23	4,293.71
<b>II</b> Other income	19	201.25	94.38
<b>III Total Income</b>		<b>4,453.48</b>	<b>4,388.09</b>
<b>IV Expenses</b>			
Cost of published goods/material consumed	20	999.90	1,460.31
Purchase of stock-in-trade	21	85.57	88.53
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	22	485.64	49.42
Publication expense	23	357.97	431.68
Selling and distribution expense	24	295.93	592.29
Employee benefits expense	25	992.66	1,259.65
Finance costs	26	323.14	347.93
Depreciation and amortization expense	27	416.21	407.69
Other expenses	28	487.60	631.72
<b>Total expenses</b>		<b>4,444.62</b>	<b>5,269.22</b>
<b>V Profit / (loss) before exceptional item and share of loss of an associate</b>		<b>8.86</b>	<b>(881.13)</b>
<b>VI</b> Share of loss in associates	34	(6.65)	(4.03)
<b>VII Profit / (loss) before exceptional items and tax</b>		<b>2.21</b>	<b>(885.16)</b>
<b>VIII</b> Exceptional items	29	(2.43)	(101.67)
<b>IX Loss before tax</b>		<b>(0.22)</b>	<b>(986.83)</b>
<b>Tax expense:</b>	<b>30</b>		
Current tax		122.51	74.25
Deferred tax		(57.80)	53.60
<b>X Loss for the year</b>		<b>(64.93)</b>	<b>(1,114.68)</b>
<b>XI Other comprehensive income</b>			
<b>- Items that will not be reclassified to profit or loss</b>			
Re-measurement (gains) / losses on defined benefit plans		21.55	(7.70)
Income tax effect		(4.44)	1.69
<b>XII Total comprehensive income for the year</b>		<b>(47.82)</b>	<b>(1,120.69)</b>
<b>XIII Loss for the year</b>			
Attributable to:			
- Equity holders of the parent		(41.05)	(1,120.09)
- Non- controlling interests		(6.77)	(0.60)
<b>XIV Earnings per equity share</b>	<b>31</b>		
Basic		(1.86)	(31.87)
Diluted		(1.86)	(31.87)

### Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**  
Partner  
Membership No.: 099514

**Himanshu Gupta**  
Managing Director  
DIN: 00054015

**Dinesh Kumar Jhunjhnuwala**  
Whole-time director  
DIN: 00282988

**Saurabh Mittal**  
Chief Financial  
Officer

**Jagdeep Singh**  
Company  
Secretary

Place: Gurugram  
Date: 22 June 2021

Place: New Delhi  
Date: 22 June 2021

## S Chand And Company Limited

### Consolidated cash flow statement for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Loss before tax	(0.22)	(986.83)
<b>Adjustment to reconcile loss before tax to net cash flows</b>		
Depreciation and amortisation expenses	416.21	407.69
Loss/ (gain) on sale of property, plant and equipment (net)	1.99	(0.61)
Interest income	(10.04)	(3.62)
Amounts written-back	(37.04)	(40.59)
Interest income on financial liability	(5.73)	-
Reversal of financial liability	(30.00)	-
Net income on deemed disposal of associate	(7.85)	-
Fair value gain on financial instruments at fair value through profit or loss	(3.91)	-
Interest income on securities measured at amortised cost	(2.51)	(5.01)
Rent concession and gain on de-recognition of lease liability	(11.09)	-
Net gain on sale of current investments	(8.23)	(15.56)
Share of loss in associate	6.65	4.03
Interest paid on borrowings	312.50	337.55
Unrealised foreign exchange gain (net)	(3.69)	(1.48)
Employee stock option expense	0.85	0.67
Provision for slow moving titles	-	87.15
Provision for impairment on investment	2.43	14.51
Provision for expected credit loss, advances and bad debts written off	71.00	115.78
Provision for advances	1.57	-
Bad debt written off	48.66	53.49
<b>Operating profit/(loss) before working capital changes</b>	<b>741.55</b>	<b>(32.83)</b>
<b>Movement in working capital:</b>		
Decrease/ increase in inventories	636.79	(52.87)
Decrease in trade receivable	27.75	928.11
Decrease in loans and advances	27.46	46.60
Increase/ decrease in other assets	(12.02)	88.39
Increase in provisions	10.11	8.96
Decrease in trade payable	(373.92)	(320.66)
Increase in other liabilities	(79.98)	(52.00)
<b>Cash generated from operations</b>	<b>977.74</b>	<b>613.70</b>
Direct taxes paid (net of refunds)	98.75	(129.31)
<b>Net cash generated from operating activities</b>	<b>1,076.49</b>	<b>484.39</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment including intangible assets, capital work-in-progress, capital advances and capital creditors	(117.42)	(280.69)
Acquisition of subsidiary, net of cash acquired	0.91	-
(Purchase)/sale of non current investments (including investments acquired on acquisition)	(1.50)	0.08
Purchase of current investments	(126.80)	(124.65)
Proceed from sale of current investments	47.55	188.77
Proceed from sale of property, plant and equipment	9.60	21.70
Interest received	11.54	17.63
<b>Net cash used in investing activities</b>	<b>(176.12)</b>	<b>(177.16)</b>

## S Chand And Company Limited

### Consolidated Cash Flow Statement for the year ended 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>C. Cash flows from financing activities</b>		
Interest paid on borrowings	(265.99)	(347.07)
Amortization of ancillary borrowing cost	0.14	6.44
Proceeds from non-current borrowing	72.70	30.23
Repayment of non-current borrowings	(137.44)	(62.62)
Repayment of current borrowings (net)	(91.48)	(294.48)
Payment of lease liabilities	(157.23)	(147.07)
<b>Net cash used in financing activities</b>	<b>(579.30)</b>	<b>(814.57)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>321.07</b>	<b>(507.34)</b>
Foreign exchange difference	-	1.48
Cash and cash equivalents at the beginning of the year	98.10	603.96
<b>Cash and cash equivalents at the end of the year</b>	<b>419.17</b>	<b>98.10</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
- On current accounts	282.21	54.73
- Cheques in hand	118.21	2.98
- Deposits with original maturity of less than three months	15.65	35.83
Cash on hand	3.10	4.56
<b>Total cash and cash equivalents (note 6E)</b>	<b>419.17</b>	<b>98.10</b>

#### Notes:

#### 1. Reconciliation of liabilities arising from financing activities

(₹ in millions)

Particulars	As at 31 March 2020	Cash flows	Non cash changes	As at 31 March 2021
Long term borrowings (including current maturity)	1,037.93	(64.74)	1.25	974.44
Short term borrowings	1,114.39	(91.48)	33.87	1,056.78
Lease liabilities (refer note 37)	491.85	(157.23)	16.60	351.22
	<b>2,644.17</b>	<b>(313.45)</b>	<b>51.72</b>	<b>2,382.44</b>

Particulars	As at 31 March 2019	Cash flows	Non cash changes	As at 31 March 2020
Long term borrowings (including current maturity)	1,070.32	(32.39)	-	1,037.93
Short term borrowings	1,408.87	(294.48)	-	1,114.39
Lease liabilities (refer note 37)	-	(147.07)	638.92	491.85
	<b>2,479.19</b>	<b>(473.94)</b>	<b>638.92</b>	<b>2,644.17</b>

#### Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**  
Partner  
Membership No.: 099514

**Himanshu Gupta**  
Managing Director  
DIN: 00054015

**Dinesh Kumar Jhunjhnuwala**  
Whole-time director  
DIN: 00282988

**Saurabh Mittal**  
Chief Financial  
Officer

**Jagdeep Singh**  
Company  
Secretary

Place: Gurugram  
Date: 22 June 2021

Place: New Delhi  
Date: 22 June 2021

## S Chand And Company Limited

### Consolidated statement of changes in equity for the year ended 31 March 2021

CIN:L22219DL1970PLC005400

#### A. Equity share capital

Issued, subscribed and fully paid up	No. of shares	₹ in millions
<b>At 31 March 2019</b>	<b>34,975,287</b>	<b>174.88</b>
Issued during the year	-	-
<b>At 31 March 2020</b>	<b>34,975,287</b>	<b>174.88</b>
Issued during the year	-	-
<b>At 31 March 2021</b>	<b>34,975,287</b>	<b>174.88</b>

#### B. Other equity

(₹ in millions)

	Reserves & Surplus					Other comprehensive income	Employee stock options outstanding	Total	Non-controlling interests	Total other equity
	Capital reserve	Security premium	General reserve	Debenture redemption reserve	Retained earnings					
<b>As at 31 March 2019</b>	<b>(530.41)</b>	<b>6,606.35</b>	<b>404.19</b>	<b>-</b>	<b>2,611.13</b>	<b>27.81</b>	<b>9.99</b>	<b>9,129.06</b>	<b>29.08</b>	<b>9,158.14</b>
Loss for the period	-	-	-	-	(1,114.21)	-	-	(1,114.21)	(0.47)	(1,114.68)
Other comprehensive income for the year (net)	-	-	-	-	-	(5.88)	-	(5.88)	(0.13)	(6.01)
Share based payments/ charge during the year	-	-	-	-	-	-	0.67	0.67	-	0.67
<b>As at 31 March 2020</b>	<b>(530.41)</b>	<b>6,606.35</b>	<b>404.19</b>	<b>-</b>	<b>1,496.92</b>	<b>21.93</b>	<b>10.66</b>	<b>8,009.64</b>	<b>28.48</b>	<b>8,038.12</b>
Loss for the period	-	-	-	-	(57.66)	-	-	(57.66)	(7.27)	(64.93)
Acquisition of subsidiary (refer note 52)	38.56	-	-	-	-	-	-	38.56	166.87	205.43
Other comprehensive income for the year (net)	-	-	-	-	-	16.61	-	16.61	0.51	17.11
Share based payments/ charge during the year	-	-	-	-	-	-	0.85	0.85	-	0.85
Transfer to/ from debenture redemption reserve	-	-	-	22.96	(22.96)	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>(491.85)</b>	<b>6,606.35</b>	<b>404.19</b>	<b>22.96</b>	<b>1,416.30</b>	<b>38.54</b>	<b>11.51</b>	<b>8,008.00</b>	<b>188.58</b>	<b>8,196.58</b>

#### Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhnuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

# S Chand And Company Limited

## Notes to the consolidated financial statements for the year ended 31 March 2021

CIN:L22219DL1970PLC005400 (Amount in Indian Rupees, unless otherwise stated)

### 1. Corporate information

S Chand And Company Limited ('the Company' or 'the Holding Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The Company has become a Public Limited Company w.e.f. 8 September 2016 and consequently the name of the Company has changed from S Chand And Company Private Limited to S Chand And Company Limited. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate, New Delhi - 110044. S Chand And Company Limited, its subsidiary companies are collectively referred to as 'the Group'. These are consolidated financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Group.

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

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements (consolidated financial statement) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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

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

The financial statements are presented in INR "(Indian Rupees)" or "₹". All values are rounded to the nearest million, and two decimals thereof, except when otherwise indicated.

#### 2.2 Principles of consolidation

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

- i. The financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances/ transactions and resulting profits in full. Unrealized profit / losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.
- ii. Investment in associates (entity over which the Group exercises significant influence, which is neither a subsidiary nor joint venture) are accounted for using the equity method as per Ind AS 28 (Investment in Associates and Joint ventures) in Consolidated Financial Statements. The Consolidated Financial Statement include the share of loss of associate companies, which are accounted under the 'Equity method' as per which the share of loss of the associate company has been adjusted to the carrying amount of investment. Further, for the purpose of consolidation, the proportionate share of loss of associates companies to the extent of investment in equity share has been considered.
- iii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group entities separate financial statements.
- iv. The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date.
- v. Minorities' interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.
- vi. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group i.e. year ended 31 March 2021.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

Name of the Company	Country of Incorporation	Relationship as at 31 March 2021	Percentage of effective ownership interest held (directly or indirectly)	
			31 March 2021	31 March 2020
Nirja Publishers and Printers Private Limited	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
Eurasia Publishing House Private Limited	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
Blackie & Son (Calcutta) Private Limited	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
Vikas Publishing House Private Limited*	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
Safari Digital Education Initiatives Private Limited**	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
BPI (India) Private Limited	India	Subsidiary of Blackie & Son (Calcutta) Private Limited	51.00%	51.00%
S Chand Edutech Private Limited	India	Subsidiary of Safari Digital Education Initiatives Private Limited	100.00%	100.00%
D S Digital Private Limited***	India	Subsidiary of S Chand And Company Limited	99.93%	99.93%
New Saraswati House (India) Private Limited****	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
Chhaya Prakashani Limited*****	India	Subsidiary of S Chand And Company Limited	100.00%	100.00%
Indian Progressive Publishing Co. Private Limited	India	Wholly owned subsidiary of Chhaya Prakashani Limited	100.00%	100.00%
Eduator Technologies India Private Limited (refer note 52)	India	Subsidiary of Safari Digital Education Initiatives Private Limited	54.86%	44.66%
Smartivity Labs Private Limited	India	Associate of S Chand And Company Limited	18.31%	19.70%

\* 2% held by Nirja Publishers and Printers Private Limited

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

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

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

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

## 2.3 Business combinations and goodwill

### a. Business combinations and goodwill

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share - based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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

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

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

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

#### 2.4 Current versus non-current classification

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

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

All other assets are classified as non-current.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

#### A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

## 2.5 Foreign currencies

### *Functional and presentational currency*

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

### *Transactions and balances*

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

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

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

## 2.6 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

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

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

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

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

- i. Disclosures for significant estimates and assumptions (refer note 2.23)
- ii. Quantitative disclosures of fair value measurement hierarchy (note 44)
- iii. Investment in unquoted equity shares (note 6A and 6B)
- iv. Equity settled employee share based payment plan (note 36)

## 2.7 Revenue from operations

Revenue from operations is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

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

### ***Sale of goods***

Revenue from sale of books is recognised at the point in time when control of the asset is transferred to the customer, i.e. at the time of handing over goods to the carrier for transportation.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of books, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

### **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some of the contracts with customer provide a right to customer of cash rebate/discount if payment is cleared within specified due dates.

- **Rights of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The provision for anticipated returns is made primarily on the basis of historical return rates as this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

- **Volume rebates**

The Group provides volume rebates to certain customers once the value of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

- **Cash rebates**

The Group provides cash rebates to certain customers if customers make the payment within the stipulated time given in the contract. The provision for cash discount is made on estimated basis based on historical trends. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

##### *Interest income*

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

##### *Dividends*

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

## 2.8 Taxes

##### *Current income tax*

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

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

##### *Deferred tax*

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

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

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

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

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

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

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

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

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

## 2.9 Property, plant and equipment

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

### Depreciation

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Building	40 - 60 years	30 years
Plant and equipments	15 - 25 years	15 years
Furniture and fixtures	10 years	10 years
Vehicles	8 - 10 years	8 years
Office equipments	5 - 15 years	5 years
Electrical installations	10 years	10 years
Computers	3 - 6 years	3 years

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

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

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

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 2.10 Intangible assets

##### Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit and loss when it is incurred.

##### Amortisation and useful lives

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

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

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

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

##### Research and development costs

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

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

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

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

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

#### 2.11 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate is initially recognised in the consolidated financial statement at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated statement of profit and loss in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate. The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### 2.12 Borrowing costs

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

#### 2.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

##### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **IND AS 116 adoption:**

Effective 1 April 2019, the Group adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method (alternative II). Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate with equal amount of right to use asset at the date of initial application. Comparatives as at and for the year ended 31 March 2019 were not retrospectively adjusted.

#### **Group as a lessor:**

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

### **2.14 Inventories**

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

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

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

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

### **2.15 Impairment of non-financial assets**

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

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

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

## 2.16 Financial instruments

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

### Financial assets

#### *Initial recognition and measurement*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from operations.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

#### *Subsequent measurement*

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### *Financial assets at amortised cost (debt instruments)*

A "financial asset" is measured at the amortised cost if both the following conditions are met:

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

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

#### **Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A “financial asset” is classified as at the FVTOCI if both of the following criteria are met:

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

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

#### **Equity instruments at FVTOCI**

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

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

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

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

#### **De-recognition**

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

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

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

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

#### **Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Lease receivables under Ind-AS 116.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

- Contract assets and trade receivables under Ind-AS 115.
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables, and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

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

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

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

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

## Financial liabilities

### *Initial recognition and measurement*

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

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

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

### *Subsequent measurement*

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

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

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

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

#### **Loans and borrowings**

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

#### **Financial guarantee contracts**

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

#### **De-recognition**

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

#### **Re-classification of financial assets**

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

#### **Offsetting of financial instruments**

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

### **2.17 Employee benefits**

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

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

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (*Continued*)

CIN:L22219DL1970PLC005400

immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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

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

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

#### ***Compensated absences***

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

#### ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

## 2.18 Share based payments

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

#### ***Equity settled transactions***

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

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

## 2.19 Provisions, contingent liabilities and contingent assets

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group, and requires interpretation of laws and past legal rulings.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

#### 2.20 Cash and cash equivalents

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

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

#### 2.21 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share amounts are calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

#### 2.22 Dividend

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

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

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

### A. Judgement

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

#### i) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

#### ii) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

##### Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of books include cash rebates and volume rebates and a right to return the goods that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

## B. Estimates and assumptions

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

#### i) Deferred tax assets

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

#### ii) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 35.

#### iii) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

and forecast of economic conditions may also not be representative of customer's actual default in the future. For details of allowance for doubtful debts please refer note 6D.

#### iv) Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

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

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("CGU").

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

#### v) Estimating variable consideration for right of return, volume rebates and cash rebates

Certain contracts for the sale of books include a right of return, volume rebates and cash rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group estimates variable considerations to be included in the transaction price for the sale of goods with a right of return, volume rebates and cash rebates.

#### vi) Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis the above analysis, mainly following items would be evaluated for disclosure as exceptional items:

- a) Reassessment / change in life of asset (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
- b) Provision for other than temporary diminution in the value of non-current investment.
- c) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write downs.
- d) In case of other significant item of income or expense, not covered above, the same would be evaluated on a case to case basis for disclosure under exceptional items

## 2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Managing Director assesses the financial performance and position of the Group, and makes strategic decision and has been identified as the chief operating decision maker. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., publishing of books. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. The Group primarily operates in India. Refer note 51 for segment reporting.

## 2.25 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 2.26 Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.
- The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Group, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

### 3. Property, plant and equipment

(₹ in millions)

	Land	Building*	Plant and equip-ments	Furniture and fixtures	Vehicles**	Office equip-ments	Leasehold improve-ment	Electrical installa-tions	Computers	Total
<b>Gross block</b>										
<b>As at 31 March 2019</b>	<b>163.95</b>	<b>232.82</b>	<b>562.26</b>	<b>71.29</b>	<b>112.55</b>	<b>74.92</b>	<b>25.05</b>	<b>15.16</b>	<b>219.63</b>	<b>1,477.63</b>
Additions	-	42.55	13.00	2.26	10.24	5.88	1.20	0.07	6.30	81.50
Disposals/ adjustments	(163.95)	-	(3.20)	(4.16)	(14.66)	(4.74)	(3.61)	(0.32)	(8.18)	(202.82)
<b>As at 31 March 2020</b>	<b>-</b>	<b>275.37</b>	<b>572.06</b>	<b>69.39</b>	<b>108.13</b>	<b>76.06</b>	<b>22.64</b>	<b>14.91</b>	<b>217.75</b>	<b>1,356.31</b>
Acquisition of a subsidiary (refer note 52)	-	-	-	0.09	1.39	0.97	-	-	4.23	6.68
Additions	-	-	1.97	2.49	4.66	0.90	-	0.29	3.33	13.64
Disposals/ adjustments	-	-	(1.43)	(0.63)	(15.51)	(1.81)	(1.83)	-	(36.44)	(57.65)
<b>As at 31 March 2021</b>	<b>-</b>	<b>275.37</b>	<b>572.60</b>	<b>71.34</b>	<b>98.67</b>	<b>76.12</b>	<b>20.81</b>	<b>15.20</b>	<b>188.87</b>	<b>1,318.98</b>
<b>Accumulated depreciation</b>										
<b>As at 31 March 2019</b>	<b>3.42</b>	<b>18.05</b>	<b>93.24</b>	<b>25.91</b>	<b>30.25</b>	<b>39.46</b>	<b>12.47</b>	<b>6.49</b>	<b>96.76</b>	<b>326.05</b>
Charge for the year	-	4.50	25.08	6.72	10.20	11.26	4.04	1.34	34.88	98.02
Disposals/ adjustments	(3.42)	-	(1.13)	(2.45)	(6.46)	(3.39)	(3.20)	(0.15)	(7.04)	(27.24)
<b>As at 31 March 2020</b>	<b>-</b>	<b>22.55</b>	<b>117.19</b>	<b>30.18</b>	<b>33.99</b>	<b>47.33</b>	<b>13.31</b>	<b>7.68</b>	<b>124.60</b>	<b>396.83</b>
Acquisition of a subsidiary (refer note 52)	-	-	-	0.06	0.85	0.94	-	-	3.74	5.60
Charge for the year	-	5.48	25.35	6.27	10.27	9.27	2.33	1.35	33.51	93.83
Disposals	-	-	(0.81)	(0.42)	(8.32)	(1.41)	(1.33)	-	(34.32)	(46.61)
<b>As at 31 March 2021</b>	<b>-</b>	<b>28.03</b>	<b>141.73</b>	<b>36.09</b>	<b>36.79</b>	<b>56.13</b>	<b>14.31</b>	<b>9.03</b>	<b>127.53</b>	<b>449.65</b>
<b>Net block</b>										
<b>As at 31 March 2020</b>	<b>-</b>	<b>252.82</b>	<b>454.87</b>	<b>39.21</b>	<b>74.14</b>	<b>28.73</b>	<b>9.33</b>	<b>7.23</b>	<b>93.15</b>	<b>959.48</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>247.34</b>	<b>430.87</b>	<b>35.25</b>	<b>61.88</b>	<b>19.99</b>	<b>6.50</b>	<b>6.17</b>	<b>61.34</b>	<b>869.33</b>

\* Building at 20/4, Site - IV, Sahibabad Industrial Area, Sahibabad with a carrying amount of ₹228.50 million (31 March 2020: ₹232.75 million) is subject to a first charge to secure Tata Capital Financial services Limited term loan.

Buildings at Bengaluru with a carrying amount of ₹0.33 million (31 March 2020: ₹0.34 million) is subject to a first charge to secure Indusind bank cash credit facility granted to its fellow subsidiary BPI (India) Private Limited.

Building at E-28, Sector 8, Noida with a carrying amount of ₹24.70 million (31 March 2020: ₹24.80 million) is subject to a first charge to secure Duestche bank term loan.

\*\* Vehicles purchased through borrowings at 31 March 2021 was ₹29.77 million (31 March 2020: ₹37.35 million). Additions during the year include ₹4.25 million (31 March 2020: ₹4.88 million) purchased through loans. Vehicles are hypothecated as security for the related loan.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 4. Goodwill and other intangible assets

(₹ in millions)

	Other intangible assets									Total
	Goodwill	Software	Trade-mark	Copy-right	Website	Technical knowhow	Content development	Mobile application	License fees	
<b>Gross block</b>										
As at 31 March 2019	3,373.12	84.87	0.48	151.37	0.28	3.21	920.02	2.53	0.81	4,536.69
Addition	10.24	0.66	-	-	0.43	-	225.87	45.22	-	282.42
As at 31 March 2020	3,383.36	85.53	0.48	151.37	0.71	3.21	1,145.89	47.75	0.81	4,819.11
Acquisition of a subsidiary (refer note 52)	-	417.90	-	-	-	-	-	-	-	417.90
Addition	-	34.80	-	1.68	-	-	75.61	19.75	-	131.84
Disposals/ adjustments	(2.36)	-	-	-	-	-	(12.35)	-	-	(14.71)
As at 31 March 2021	3,381.00	538.23	0.48	153.05	0.71	3.21	1,209.15	67.50	0.81	5,354.14
<b>Accumulated amortisation</b>										
As at 31 March 2019	-	48.91	0.15	63.47	0.07	1.83	217.97	0.59	0.81	333.80
Amortisation for the year	-	11.00	0.08	19.76	0.04	0.63	149.06	3.50	-	184.08
As at 31 March 2020	-	59.91	0.23	83.23	0.11	2.46	367.03	4.09	0.81	517.88
Acquisition of a subsidiary (refer note 52)	-	26.14	-	-	-	-	-	-	-	26.14
Amortisation for the year	-	34.45	0.08	19.73	0.07	0.63	130.25	7.55	-	192.75
Disposals	-	-	-	-	-	-	(12.34)	-	-	(12.34)
As at 31 March 2021	-	120.50	0.31	102.96	0.18	3.09	484.94	11.64	0.81	724.43
<b>Net block</b>										
As at 31 March 2020	3,383.36	25.62	0.25	68.14	0.60	0.75	778.86	43.66	-	4,301.24
As at 31 March 2021	3,381.00	417.73	0.17	50.09	0.53	0.12	724.21	55.86	-	4,629.71

##### a) Impairment testing of goodwill

The Group performs test for goodwill impairment at least annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows.

During the year, the management has reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available. Basis that, management has recorded an impairment of ₹2.36 million in the Statement of Profit and Loss during the year. The management believes that any reasonable possible changes in the key assumptions used would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

##### Changes in the net carrying amount of goodwill is summarized as below:

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Opening balance	3,383.36	3,373.12
Additions	-	10.24
Impairment for the year*	(2.36)	-
<b>Closing balance</b>	<b>3,381.00</b>	<b>3,383.36</b>

\* Impairment loss was recognised in separate financial statements of Vikas Publishing House Private Limited, one of the subsidiary of the Holding Company.

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level with the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment.

##### The carrying amount of goodwill was allocated to the cash generating units as follows:

	As at 31 March 2021
Chhaya Prakashini Limited	1,572.73
Vikas Publishing House Private Limited	1,017.30
New Saraswati House Private Limited	653.92
Others	137.05
	<b>3,381.00</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### Impairment

An impairment test was carried out as on 31 March 2021, details of the test are as outlined below:

	Goodwill
Discount rate	14.34% to 17.78%
Growth rate	5.00% to 5.50%
Number of years for which cash flows were considered	4 to 5
Test result	No impairment

#### Growth rates

The growth rates used are in line with the growth rate of the industry in which the entities operates and are consistent with internal / external sources of information.

#### Discount rates

The discount rates takes into consideration market risk and specific risk factors of the cash generating unit. The cash flow projections are based on the forecasts made by the management.

#### Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

#### b) Impairment of content development

During the year ended 31 March 2021, the impairment loss of ₹5.16 million included in ₹130.25 million (31 March 2020 ₹8.58 million included in ₹149.06 million) represented the write-down value of certain content development as a result of title obsolescence. This was recognised in the statement of profit and loss.

## 5. Right-of-use assets (ROU)

(₹ in millions)

	Leasehold land (RoU)*	Building (RoU)	Plant and equipment (RoU)	Total
<b>Gross block</b>				
<b>As at 31 March 2019</b>	-	-	-	-
Additions on transition to Ind AS 116	163.95	201.79	-	365.74
Additions	13.01	346.11	40.05	399.17
Disposals	-	(9.27)	-	(9.27)
Adjustment	-	(6.76)	-	(6.76)
<b>As at 31 March 2020</b>	<b>176.96</b>	<b>531.87</b>	<b>40.05</b>	<b>748.87</b>
Additions	-	27.33	-	27.33
Disposals	-	(49.74)	-	(49.74)
<b>As at 31 March 2021</b>	<b>176.96</b>	<b>509.46</b>	<b>40.05</b>	<b>726.46</b>
<b>Accumulated amortisation</b>				
<b>As at 1 April 2019</b>	-	-	-	-
Additions on transition to Ind AS 116	3.42	-	-	3.42
Amortisation for the year	2.94	117.88	4.77	125.59
Disposals	-	(3.23)	-	(3.23)
<b>As at 31 March 2020</b>	<b>6.36</b>	<b>114.65</b>	<b>4.77</b>	<b>125.78</b>
Amortisation for the year	3.11	118.52	8.01	129.63
Disposals	-	(9.48)	-	(9.48)
<b>As at 31 March 2021</b>	<b>9.47</b>	<b>223.69</b>	<b>12.78</b>	<b>245.94</b>
<b>Net block</b>				
<b>As at 31 March 2020</b>	<b>170.60</b>	<b>417.22</b>	<b>35.28</b>	<b>623.09</b>
<b>As at 31 March 2021</b>	<b>167.49</b>	<b>285.77</b>	<b>27.27</b>	<b>480.52</b>

\* Leasehold industrial property situated at 40/2A, Sahibabad Industrial Area - Site - IV, Sahibabad (U.P.) has been hypothecated with Indian Bank against a loan obtained by its wholly owned subsidiary, Vikas Publishing House Private Limited. The loan is repayable in 120 equal monthly installments starting from April 2020.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 6. Financial assets

##### 6A. Investments accounted for using the equity method (refer note 34)

	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Investment in unquoted equity shares</b>		
50 (31 March 2020: 50) Equity Shares of ₹10 each fully paid up in M/s Smartivity Labs Private Limited	0.52	0.52
2,488,221 (31 March 2020: 2,025,766) Equity Shares of ₹2/- each fully paid up in Edutor Technologies India Private Limited*	-	165.10
	<b>0.52</b>	<b>165.62</b>
<b>Investment in unquoted preference shares</b>		
5,490 (31 March 2020: 5,414) 0.001% compulsorily convertible cumulative shares of ₹10 each fully paid up in M/s Smartivity Labs Private Limited	21.51	17.89
	<b>21.51</b>	<b>17.89</b>
	<b>22.03</b>	<b>183.51</b>

\* refer note 52

##### 6B. Non-current investments

	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>i) Investment in unquoted equity shares</b>		
100 (31 March 2020: 100) Equity Shares of ₹10/- each of Testbook Edu Solutions Private Limited	0.83	0.83
	<b>0.83</b>	<b>0.83</b>
<b>ii) Investment in unquoted preference shares</b>		
319,900 (31 March 2020: 319,900) Compulsory Convertible Cumulative Preference Shares of ₹10/- each of Gyankosh Solutions Private Limited	24.15	24.15
Less: Impairment in Gyankosh Solutions Private Limited	(12.08)	(12.08)
2,690 (31 March 2020: 2,690) Compulsory Convertible Cumulative Preference Shares of ₹500/- each of Testbook Edu Solutions Private Limited	22.23	22.23
353 (31 March 2020: 353) Compulsory Convertible Cumulative Preference Shares of ₹10/- each of Next Door Learning Solutions Private Limited	4.87	4.87
Less: Impairment in Next Door Learning Solutions Private Limited	(4.87)	(2.43)
	<b>34.30</b>	<b>36.74</b>
<b>iii) Investments in Government and trust securities (unquoted), valued at fair value through profit and loss</b>		
Investment in Tax Free Bonds of Power Finance Corporation	2.14	2.14
National savings certificates	0.03	0.03
	<b>2.17</b>	<b>2.17</b>
<b>iv) Investments in quoted equity shares, valued at fair value through profit and loss</b>		
500 (31 March 2020: 500) Equity Shares of ₹10 each fully paid up in State Bank of India	0.19	0.10
200 (31 March 2020: 200) Equity Shares of ₹10 each fully paid up in Oriental Bank of Commerce	0.01	0.01
	<b>0.20</b>	<b>0.11</b>
<b>Total</b>	<b>37.50</b>	<b>39.85</b>
Aggregate book value of quoted investment	0.19	0.11
Aggregate market value of quoted investment	0.20	0.11
Aggregate book value of unquoted investment	37.31	39.74
Aggregate value of impairment in value of investments	16.95	14.52

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 6C. Investments - Current

	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Investments at fair value through profit and loss</b>		
<b>Investment in equity shares (unquoted)</b>		
15,880 (31 March 2020: 15,880) shares of ₹ 10 each fully paid up in M/s Sistema Smart Technologies Limited*	-	-
	-	-
<b>Investments at fair value through profit and loss</b>		
<b>i) Investments in equity instruments (quoted)</b>		
1,000 (31 March 2020: 1,000) Equity Shares of ₹10 each fully paid up in M/s Freshtop Fruits Limited	0.08	0.04
400 (31 March 2020: 400) Equity Shares of ₹10 each fully paid up in M/s EIH Associated Hotel Limited	0.09	0.08
40 (31 March 2020: 40) Equity Shares of ₹10 each fully paid up in M/s Reliance Industries Limited	0.08	0.04
21,600 (31 March 2020: 21,600) Equity Shares of ₹10 each fully paid up in M/s Winsome Breweries Limited	0.08	0.06
500 (31 March 2020: 500) Equity Shares of ₹10 each fully paid up in State Bank of India	0.18	0.10
42,564 (31 March 2020: 42,564) Equity Shares of ₹10 each fully paid up in M/s Mahaan Foods Limited	0.73	0.49
10,457 (31 March 2020: 10,457) Equity Shares of ₹1 each fully paid up in M/s Pentamedia Graphics Limited	0.00	0.00
2,000 (31 March 2020: 2,000) Equity Shares of ₹10 each fully paid up in M/s Vardhman Concrete Limited*	-	-
100 (31 March 2020: 100) Equity Shares of ₹10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.02	0.01
100 (31 March 2020: 100) Equity Shares of ₹10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.02	0.01
230 (31 March 2020: 200 shares of Rs. 10 each fully paid up in M/s Oriental Bank of Commerce) shares of Rs. 10 each fully paid up in M/s Punjab National Bank (200 equity shares of M/s Oriental Bank of Commerce swap to 230 equity shares of M/s Punjab National Bank)	0.01	0.01
	<b>1.29</b>	<b>0.84</b>
<b>ii) Investments in mutual fund (quoted)</b>		
Nil (31 March 2020: 12,67,918 units) units of Rs.10 each SBI Savings Fund - Regular Plan - Growth	-	39.30
51,221 (31 March 2020: 44,629) units of Rs.10 each SBI Magnum Low Duration Fund - Regular - Growth	140.88	116.16
43,334 (31 March 2020: 57,906) units of Templeton India Corporate Bond Opportunities Growth Fund	0.90	1.08
48,145 (31 March 2020: 95,388) units of Franklin India Ultra Short Bond Fund - Super Institutional Plan	1.43	2.62
98,657 (31 March 2020: 94,511) units in Principal Monthly Income Plan - Dividend Reinvestment	1.34	1.02
3,12,480 (31 March 2020: 2,22,648) units of ICICI Prudential Mutual Fund	8.92	4.53
Nil (31 March 2020: 71,871.88) units in ICICI Prudential Ultra Short Term Fund Growth	-	1.47
100,796.87 (31 March 2020: Nil) units in ICICI Prudential Short Term Fund - Growth	4.62	-
15,610.86 units (31 March 2020: Nil) in SBI liquid fund	50.00	-
1,089,348 (31 March 2020: Nil) units in HDFC Liquid Fund - Regular Plan Growth option	49.03	-
	<b>257.12</b>	<b>166.18</b>
<b>Total current investments</b>	<b>258.41</b>	<b>167.02</b>
Aggregate book value of quoted investments	254.50	168.27
Aggregate market value of quoted investments	258.41	167.02
Aggregate value of impairment in value of investments	-	-

\* amounts written off in earlier years

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 6D. Trade receivables

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	3,220.88	3,348.65
Receivables which have significant increase in credit risk	481.87	433.52
Receivable credit impaired	-	-
	<b>3,702.75</b>	<b>3,782.17</b>
<b>Less: Allowance for expected credit Loss</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivables which have significant increase in credit risk	481.87	433.52
Receivable credit impaired	-	-
	<b>481.87</b>	<b>433.52</b>
Secured, considered good	-	-
Unsecured, considered good	3,220.88	3,348.65
Receivables which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	<b>3,220.88</b>	<b>3,348.65</b>
<b>Trade receivables from related parties (refer note 38)</b>	-	-

#### The movement in impairment of trade receivables as follow:

	As at 31 March 2021	As at 31 March 2020
Opening balance	433.52	365.33
Additions/ (write back) (net)	71.00	113.28
Write off (net of recovery)	(22.65)	(45.09)
<b>Closing balance</b>	<b>481.87</b>	<b>433.52</b>

Notes:

- (i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.  
(ii) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

#### 6E. Cash and cash equivalents

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	282.21	54.73
- Deposits with original maturity of less than three months	15.65	35.83
Cheques on hand	118.21	2.98
Cash on hand	3.10	4.56
<b>Total</b>	<b>419.17</b>	<b>98.10</b>

Notes:

- (i) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

#### 6F. Bank balances other than cash and cash equivalents

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity more than 3 months and less than 12 months*	65.68	7.22
<b>Total</b>	<b>65.68</b>	<b>7.22</b>

\* includes margin money deposits with a carrying amount of ₹3.90 million (31 March 2020: ₹4.48 million) are subject to first charges to secure the Group's bank guarantees.

Notes:

- (i) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 6G. Loans

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Unsecured, considered good</b>		
<b>Non- current:</b>		
Security deposits	41.41	40.13
Others	3.38	15.72
	<b>44.79</b>	<b>55.85</b>
<b>Current:</b>		
Security deposits	16.49	21.06
Others	24.95	38.61
	<b>41.44</b>	<b>59.67</b>
<b>Total</b>	<b>86.23</b>	<b>115.52</b>
<b>Non-current</b>	<b>44.79</b>	<b>55.85</b>
<b>Current</b>	<b>41.44</b>	<b>59.67</b>
Considered good, unsecured	86.23	115.52
Recoverable which have significant increase in credit risk	-	-

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

#### 6H. Other financial assets

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Deposits with original maturity for more than 12 months	2.51	9.76
Interest accrued but not due on fixed deposits	2.63	4.19
Margin money (refer note i)	0.11	0.11
Other receivables	8.11	-
	<b>13.36</b>	<b>14.06</b>
<b>Current</b>		
Interest accrued but not due on fixed deposits	0.97	0.93
Advance to employees	1.57	2.36
Restricted cash (refer note ii)	0.09	0.09
Other receivables	1.53	9.71
	<b>4.16</b>	<b>13.09</b>
<b>Total</b>	<b>17.52</b>	<b>27.15</b>
<b>Non-current</b>	<b>13.36</b>	<b>14.06</b>
<b>Current</b>	<b>4.16</b>	<b>13.09</b>

i. Margin money deposit with a carrying amount of ₹0.11 million (31 March 2020: ₹0.11) has been deposited with sales tax department.

ii. Restricted cash represent earmarked balance for unclaimed dividend payouts.

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 7. Inventories

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Raw materials (at cost)	132.90	295.65
Raw materials others (at cost)	-	0.25
Stores and spares (at cost)	4.75	4.75
Printing material (at cost)	25.53	25.39
Work in progress (at cost)	1.44	11.73
Finished goods (at lower of cost or net realisable value)		
- Manufactured goods	1,090.62	1,552.53
- Imported goods	-	4.45
- Traded goods	122.20	118.81
<b>Total*</b>	<b>1,377.44</b>	<b>2,013.56</b>

\* Inventories have been reduced by ₹114.80 millions (31 March 2020: ₹87.15 millions) as a result of write-down to net realisable value.

#### 8. Other assets

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-Current</b>		
Capital advances, unsecured, considered good	-	1.08
Tax receivable (net of provision)	65.03	214.60
Prepaid expenses	7.87	9.53
Balance with statutory / government authorities	3.41	4.58
Others	0.07	0.05
	<b>76.38</b>	<b>229.84</b>
<b>Current</b>		
Balance with statutory / government authorities	25.38	40.68
Tax receivable (net of provision)	8.69	35.50
Prepaid expenses	33.01	48.47
Other advances, unsecured, considered good	32.09	29.35
	<b>99.17</b>	<b>154.00</b>
<b>Total</b>	<b>175.55</b>	<b>383.84</b>
<b>Non-current</b>	<b>76.38</b>	<b>229.84</b>
<b>Current</b>	<b>99.17</b>	<b>154.00</b>

#### 9. Deferred taxes:

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Items leading to creation of deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	89.03	19.22
Impact on account of brought forward depreciation of income tax	195.63	255.41
Impact on account of brought forward and carried forward losses	293.33	256.17
Provision for doubtful debts	109.91	108.17
Impact of fair value gain on current investment	-	0.21
Others	42.69	35.90
<b>Total deferred tax assets</b>	<b>730.59</b>	<b>675.08</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 9. Deferred taxes: (Continued)

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Items leading to creation of deferred tax liabilities</b>		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	(1.65)	(1.12)
Property, plant and equipment: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	(131.28)	(133.02)
<b>Total deferred tax liabilities</b>	<b>(132.93)</b>	<b>(134.14)</b>
<b>Net deferred tax assets</b>	<b>597.66</b>	<b>540.94</b>
<b>Add: MAT credit entitlement</b>	<b>76.42</b>	<b>72.98</b>
<b>Total</b>	<b>674.08</b>	<b>613.92</b>

Note:

Movement of deferred tax assets / liabilities presented in balance sheet

	As at 31 March 2020	Recognised in			As at 31 March 2021
		Profit and loss	Capital reserve*	OCI	
<b>Items leading to creation of deferred tax assets</b>					
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	19.22	72.65	1.60	(4.44)	89.03
Impact on account of brought forward depreciation of income tax	255.41	(61.54)	1.76	-	195.63
Impact on account of brought forward and carried forward losses	256.17	37.16	-	-	293.33
Provision for doubtful debts	108.17	1.74	-	-	109.91
Investment: impact of fair value gain on current investment	0.21	(0.21)	-	-	-
Others	35.90	6.79	-	-	42.69
<b>Total deferred tax assets</b>	<b>675.08</b>	<b>56.59</b>	<b>3.36</b>	<b>(4.44)</b>	<b>730.59</b>
<b>Items leading to creation of deferred tax liabilities</b>					
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	(1.12)	(0.53)	-	-	(1.65)
Impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	(133.02)	1.74	-	-	(131.28)
<b>Total deferred tax liabilities</b>	<b>(134.14)</b>	<b>1.21</b>	<b>-</b>	<b>-</b>	<b>(132.93)</b>
<b>Net deferred tax assets</b>	<b>540.94</b>	<b>57.80</b>	<b>3.36</b>	<b>(4.44)</b>	<b>597.66</b>

\* upon step acquisition of Edutor Technologies India Private Limited on 31 August 2020 (refer note 52)

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 9. Deferred taxes: (Continued)

(₹ in millions)

	As at 31 March 2019	Recognised in			As at 31 March 2020
		Profit and loss	Capital reserve	OCI	
<b>Items leading to creation of deferred tax assets</b>					
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	186.77	(169.24)	-	1.69	19.22
Impact on account of brought forward depreciation of income tax	58.45	196.96	-	-	255.41
Impact on account of brought forward and carried forward losses	376.61	(120.44)	-	-	256.17
Provision for doubtful debts	105.78	2.39	-	-	108.17
Investment: impact of fair value gain on current investment	-	0.21	-	-	0.21
Others	2.67	33.23	-	-	35.90
<b>Total deferred tax assets</b>	<b>730.28</b>	<b>(56.91)</b>	<b>-</b>	<b>1.69</b>	<b>675.08</b>
<b>Items leading to creation of deferred tax liabilities</b>					
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	(1.59)	0.47	-	-	(1.12)
Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	(135.87)	2.85	-	-	(133.02)
<b>Total deferred tax liabilities</b>	<b>(137.46)</b>	<b>3.31</b>	<b>-</b>	<b>-</b>	<b>(134.14)</b>
<b>Net deferred tax assets</b>	<b>592.82</b>	<b>(53.60)</b>	<b>-</b>	<b>1.69</b>	<b>540.94</b>

Refer note 30 for effective tax reconciliation.

#### 10. Equity share capital

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
40,000,000 (31 March 2020: 40,000,000) equity shares of ₹5/- each	200.00	200.00
<b>Issued, subscribed and fully paid equity capital</b>		
34,975,287 (31 March 2020: 34,975,287) equity shares of ₹5/- each	174.88	174.88
	<b>174.88</b>	<b>174.88</b>

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

Authorised share capital	No. of shares	₹ in millions
<b>As at 31 March 2019</b>	40,000,000	200.00
Increase/(decrease) during the year	-	-
<b>As at 31 March 2020</b>	40,000,000	200.00
Increase/(decrease) during the year	-	-
<b>As at 31 March 2021</b>	<b>40,000,000</b>	<b>200.00</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 10. Equity share capital (Continued)

(₹ in millions)

Issued equity capital	No. of shares	₹ in millions
Equity share of ₹ 5/- each issued, subscribed and fully paid (31 March 2020: Equity share of ₹ 5 each)		
As at 31 March 2019	34,975,287	174.88
Issued during the year	-	-
As at 31 March 2020	34,975,287	174.88
Issued during the year	-	-
As at 31 March 2021	34,975,287	174.88

#### b. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹5 per share (31 March 2020: ₹5 per share). Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. The Holding Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Holding Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

#### d. Details of shareholders holding more than 5% shares in the Holding Company

	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Himanshu Gupta	5,994,038	17.14%	5,961,238	17.04%
Mrs. Neerja Jhunjhnuwala	4,008,345	11.46%	4,008,345	11.46%
Mr. Dinesh Kumar Jhunjhnuwala	3,846,854	11.00%	3,846,854	10.99%
International Finance Corporation	2,805,784	8.02%	2,805,784	8.02%
Everstone Capital Partners II LLC	-	-	3,323,229	9.50%

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

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

#### 11. Other equity

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>a. Capital reserve</b>		
Balance as the beginning of the year	(530.41)	(530.41)
Add: Acquisition of subsidiary	38.56	-
<b>Balance as the end of the year</b>	<b>(491.85)</b>	<b>(530.41)</b>
<b>b. Securities premium account</b>		
Balance as the beginning of the year	6,606.35	6,606.35
<b>Balance as the end of the year</b>	<b>6,606.35</b>	<b>6,606.35</b>
<b>c. General reserve</b>		
Balance as the beginning of the year	404.19	404.19
<b>Balance as the end of the year</b>	<b>404.19</b>	<b>404.19</b>
<b>d. Debenture redemption reserve</b>		
Balance as the beginning of the year	-	-
Add: Transfer from retained earnings	22.96	-
<b>Balance as the end of the year</b>	<b>22.96</b>	<b>-</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 11. Other equity (Continued)

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>e. Retained earning</b>		
Balance as the beginning of the year	1,496.92	2,611.13
Less: Loss during the year	(57.66)	(1,114.21)
Less: Transfer to debenture redemption reserve	(22.96)	-
<b>Balance as the end of the year</b>	<b>1,416.30</b>	<b>1,496.92</b>
<b>f. Employee stock options reserve</b>		
Balance as the beginning of the year	10.66	9.99
Add: Compensation options granted during the year (refer note 36)	0.85	0.67
<b>Balance as the end of the year</b>	<b>11.51</b>	<b>10.66</b>
<b>g. Other comprehensive income</b>		
Balance as the beginning of the year	21.93	27.81
Add: Other comprehensive income for the year (net)	16.61	(5.88)
<b>Balance as the end of the year</b>	<b>38.54</b>	<b>21.93</b>
<b>Total</b>	<b>8,008.00</b>	<b>8,009.64</b>

#### Nature and purpose of reserve

##### Capital reserve

During the financial year 2009-10, the Group acquired non-controlling interest in a subsidiary company and the amount of ₹25.80 millions was transferred to capital reserve.

During the financial year 2015-16, the Holding Company cancelled its 149,900 forfeited equity shares pursuant to resolution passed at Board Meeting dated 22 September 2015 and the amount of ₹0.51 millions was transferred to capital reserve.

During the financial year 2017-18, the Group acquired non-controlling interest in a subsidiary company and the amount of ₹(556.72) millions was transferred to capital reserve.

During the financial year 2020-21, the Group acquired a subsidiary company through step acquisition and the amount of ₹38.56 millions was transferred to capital reserve.

##### Securities premium

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

##### General reserve

General reserve represents amount appropriated out of retained earnings.

##### Debenture redemption reserve

Debenture redemption reserve was created for compliance with the Companies Act, 2013. The Group has transferred balance from retained earnings to debenture redemption reserve during the year ended 31 March 2021.

##### Retained earnings:

Retained earnings refer to the net profit/(loss) retained by the Group for its core business activities.

##### Employee stock options outstanding:

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 and subsequent to that various grants were issued. The reserve has been created for the various ESOP grants issued by the Holding Company thereafter.

##### Other comprehensive income

Other comprehensive income comprise of re-measurement of defined benefit liability.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

## 12. Borrowings

### 12A. Non-current borrowings

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Term Loans</b>		
Foreign currency loan from banks (secured) (refer note 1 to 2)	64.17	144.17
Indian rupee loan from banks (secured) (refer note 3 to 5)	146.96	154.10
Indian rupee loan from financial institutions (secured) (refer note 6 to 10)	673.33	713.52
MSME Gol guaranteed loan from bank (secured) (refer note 11 to 12)	72.70	-
<b>Vehicle loans</b>		
Indian rupee loan from bank (secured) (refer note 13 to 18)	13.05	17.24
Indian rupee loan from others (secured) (refer note 19 to 21)	4.23	8.90
<b>Total</b>	<b>974.44</b>	<b>1,037.93</b>
<b>Less: current maturities of long term borrowings</b>		
<b>Term loans</b>		
Foreign currency loan from banks (secured) (refer note 1 to 2)	64.17	144.17
Indian rupee loan from banks (secured) (refer note 3 to 5)	15.00	15.14
Indian rupee loan from others (secured) (refer note 6 to 10)	120.46	258.48
MSME Gol guaranteed loan from bank (secured) (refer note 11 to 12)	8.87	-
<b>Vehicle loans</b>		
Indian rupee loan from bank (secured) (refer note 13 to 18)	4.34	7.30
Indian rupee loan from others (secured) (refer note 19 to 21)	1.11	4.67
<b>Total</b>	<b>213.95</b>	<b>429.76</b>
<b>Total</b>	<b>760.49</b>	<b>608.17</b>
<b>Secured</b>	<b>760.49</b>	<b>608.17</b>
<b>Unsecured</b>	<b>-</b>	<b>-</b>

	Nature of Security	Terms of repayment
<b>a. Term loan</b>		
1.	In Vikas Publishing House Private Limited, the company has taken foreign currency term loan from RBL Bank Limited in FY 2018-19 which is secured by first pari passu charge by way of hypothecation on entire current assets inclusive of stock and book debts, both present and future, first pari passu charge by way of hypothecation on entire movable fixed assets, both present and future (excluding those exclusively charged to other lenders) and corporate guarantee of the Holding Company. Interest is to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited. Due to COVID -19, Bank has allowed the moratorium period for the quarterly instalment due for the month of April 2020.	Repayable in 12 quarterly installments of ₹12.50 million plus interest on reducing balance Rate of interest - 9.95% p.a.
2.	In New Saraswati House (India) Private Limited, the company has taken foreign currency term loan from RBL Bank Limited in financial year 2017-18 which is secured by way of (i) First pari passu charge over the entire existing and future current assets (ii) First pari passu charge over the entire existing and future fixed asset of the company, and (iii) Corporate Guarantee of the Holding Company. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Interest is to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited. Due to COVID -19, Bank has allowed the moratorium period for the principal due for the quarter payable in the month of May 2020.	Repayable in 12 quarterly instalments starting from May 2018 Rate of interest- 9.75% p.a.
3.	In Vikas Publishing House Private Limited, the company has taken mortgage loan from Indian Bank in FY 2019-20 which is secured by equitable mortgage on industrial property owned by the Holding Company, situated at 40/2A, Sahibabad Industrial Area - Site - IV, Sahibabad (U.P.). The loan is also secured by personal guarantee of two directors, Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and corporate guarantee of the Holding Company. Due to COVID -19, bank has allowed a moratorium period for EMI for the months of April 2020 to August 2020.	Repayable in 120 equated monthly installments ₹1.42 millions Rate of interest - 10.65% to 11.05% p.a.
4.	In Vikas Publishing House Private Limited, the company has taken loan against property from Deutsche Bank in FY 2018-19 which is secured by equitable mortgage of property bearing no. E-28, Sector -8, Noida (U.P.). Due to COVID -19, bank has allowed a moratorium period for EMI for the months of April 2020 to August 2020.	Repayable in 120 equated monthly installments of ₹0.69 millions Rate of interest- 9.05% to 9.75% p.a.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 12A. Non-current borrowings (Continued)

	Nature of Security	Terms of repayment
5.	In New Saraswati House (India) Private Limited, the company has taken term loan from RBL Bank Limited in financial year 2017-18. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over entire existing and future fixed asset of the Company, (iii) Corporate Guarantee of the Holding Company. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Due to COVID -19, bank has allowed the moratorium period for the principal due for the quarter payable in the month of May 2020.	Repayable in 12 quarterly instalments starting from May 2018.  Rate of interest- 10.20% p.a.
6.	In the Holding Company, term loan from Axis Finance Limited had been obtained during the year ended 31 March 2019. The facility had been secured against: (i) Pledge of 64% of unlisted shares of Chhaya Prakashani Limited. (ii) 2nd charge on both present and future current and fixed moveable assets of the Holding Company; (iii) PDCs for the interest and principal amount. Pursuant to breach of loan covenants during the year ended 31 March 2019, the terms of loan agreement were modified, which resulted into increase of rate of interest to 13% effective 6 June 2019. The Company had prepaid ₹200.00 millions during the year ended 31 March 2020 and the next instalment is due on 31 August 2021.	Repayable in 78 equal monthly installments of ₹8.33 millions beginning from August 2019.  Rate of interest at 11.00% to 13% p.a.
7.	In Vikas Publishing House Private Limited, the company has taken Indian rupee term loan from Tata Capital Financial Services Limited in FY 2019-20 which is secured by equitable mortgage on industrial property situated at 20/4, Sahibabad Industrial Area, Site - IV, Sahibabad (U.P.), corporate guarantee of the Holding Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Due to Covid -19 effect, financial institution has allowed the moratorium period for the principal and interest due for the months of April and May 2020 and the interest amount due for such months are repayable at the end of the original term loan in 2 installment.	Repayable in 78 equal monthly installments of ₹3.21 millions  Rate of interest- 11% p.a.
8.	In Vikas Publishing House Private Limited, the company had taken three term loan from Siemens Financial Services Private Limited for purchase of machines during the FY 2017-18, which carried interest @ 11.50% p.a. It was repayable in 36 equated monthly instalments and was secured by hypothecation of respective machines and corporate guarantee of the Holding Company. Loan has been completely repaid during the year 2020-21	Repayable in 36 equated monthly installments of ₹0.15 to ₹0.64 millions  Rate of interest- MCLR for 3 months plus 1.70% p.a
9.	In DS Digital Private Limited, the company has taken term loans from Siemens Financial Services Private Limited for purchase of machines which is secured by hypothecation of respective machine and Corporate Guarantee of the Holding Company.	Repayable in 36 equated monthly instalments  Rate of interest-11.25% p.a to 13.5%
10.	In DS Digital Private Limited, the company has taken term loans from Hewlett Packard Financial Services Private Limited for purchase of machines which are secured by hypothecation of respective machine and corporate guarantee of the Holding Company.	Repayable in 36 equated monthly instalments  Rate of interest- 10.69%
11.	In New Saraswati House (India) Private Limited, the company has taken WCTL of ₹19.90 million under ECLGS form Kotak Mahindra Bank in financial year 2020-21 which carries fixed interest. Moratorium of 12 months exercised from date of first disbursement. The loan is secured by way of (i) 100% Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) (ii) Second Pari-passu hypothecation charge on all existing and future current assets of the Borrower shared with RBL Bank (iii) Second Pari-passu hypothecation charge on all existing and future moveable fixed assets of the Borrower shared with RBL Bank.	Repayable in 36 monthly instalments starting from Oct-2021  Rate of Interest- 8% p.a.
12.	In New Saraswati House (India) Private Limited, the company has taken WCTL of ₹52.80 million under ECLGS form RBL Bank in financial year 2020-21. Moratorium of 12 months exercised from date of first disbursement. The loan is secured by way of (i) 100% Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) (ii) Second Charge by way of hypothecation on entire current assets inclusive of stock and book debts, both present and future, and (iii) Second Charge by way of hypothecation on entire movable fixed assets both present and future (except those charged excl. to other banks/financial institutions.)	Repayable in 36 monthly instalments starting from Dec 2021  Floating Rate of Interest- RRLR (i.e. 9.10% p.a. + 0.15% spread)
	<b>Vehicle loans from bank/financial institutions</b>	
	<b>Vehicle loan from banks</b>	
13.	In the Holding Company, vehicle loans have been obtained from HDFC Bank, ICICI Bank, and Yes Bank and the same are secured by hypothecation of respective vehicles. The vehicle loan from HDFC Bank has been repaid during the year.	Repayable in 36 to 60 equal monthly installment of ₹0.01 to ₹0.07 millions.  Rate of interest at 8.25% to 12.00%

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 12A. Non-current borrowings (Continued)

	Nature of Security	Terms of repayment
14.	In Vikas Publishing House Private Limited, the company had taken vehicle loan from HDFC Bank Limited and ICICI Bank Limited and the same are secured by hypothecation of respective vehicle.	Repayable in 36 to 60 equal monthly installments of ₹0.02 to ₹0.04 millions Rate of interest- 9.26% to 9.25% p.a.
15.	In New Saraswati House (India) Private Limited, vehicle loan from HDFC bank was taken in the year 2016-17 which was secured by way of hypothecation of respective vehicle in favor of the bank. The loan has been repaid during the year.	Repayable in 60 equal monthly instalments beginning from May 2016 Rate of interest- 9.36% p.a.
16.	In Eurasia Publishing House Private Limited, vehicle loan from HDFC Bank taken during FY 2019-20 is secured by hypothecation of respective vehicles.	Repayable in 60 monthly installments of ₹0.03 million Rate of interest- 8.6% p.a.
17.	In BPI (India) Private Limited, vehicle loan from Yes Bank Limited is secured by hypothecation of vehicle of the company.	Repayable in 37 equal monthly installments of ₹0.03 million including interest. Rate of interest- 9.00% p.a.
18.	In Nirja Publishers & Printers Private Limited, vehicle loan from HDFC Bank taken during FY 2017-18. The loan is secured by hypothecation of the respective vehicles.	Repayable in 37 monthly installments of ₹0.31 million Rate of interest- 8.26% p.a
<b>Vehicle loans from financial institutions</b>		
19.	In the Holding Company, vehicle loans have been obtained from Daimler Financial Services India Private Limited is secured by hypothecation of respective vehicle.	The loan is repayable in 48 equal monthly instalment of ₹0.13 millions. Rate of interest at 9.81% to 11.00%
20.	In Vikas Publishing House Private Limited, the company had taken vehicle loan from Daimler Financial Services Private Limited which was secured by hypothecation of respective vehicle. Loan has been completely repaid during the year 2020-21.	Repayable in 36 equal monthly installments of ₹0.08 millions Rate of interest- 9.00 % p.a
21.	In New Saraswati House (India) Private Limited, vehicle loan from M/s. Daimler Financial Services has been taken in the year 2019-20, secured by way of hypothecation of respective vehicle in favor of the Lendor.	Repayable in 48 equal monthly instalments beginning from Oct 2019 and at the time of payment of 48th EMI, entire remaining balance of ₹2.44 million will be paid. Rate of interest- 10.75% p.a.
<b>Loan covenants</b>		
22.	The Group is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank.	
a.	In Holding Company, during the current financial year, there has been no covenant breach. During the previous year, there was one instance of breach of financial covenant in case of term loan facility availed from Axis Finance Limited. As per the terms of the sanction letter, the management intimated to the lender as per agreement terms.	
b.	In Vikas Publishing House Private Limited, as at 31 March 2020, the company could not meet some of the debt covenants and accordingly the entire loan from Tata Capital Financial Services Limited and RBL Bank Limited were classified under "current maturities of long term borrowings. Further as at 31 March 2021, the company could not meet debt covenants of RBL Bank Limited.	
c.	In New Saraswati House (India) Pvt. Ltd., as on 31 March 2020, the company could not meet some of the debt covenants of RBL bank and accordingly the entire loan was classified under "current maturities of long term borrowings".	

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 12B. Current borrowings

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>a. Cash credit from banks</b>		
Indian rupee loan from bank (secured) (refer note 1 to 6)	847.08	732.48
Bank overdraft	-	0.08
<b>b. Indian rupee working capital demand loan from banks (secured) (refer note 7 to 8)</b>	150.00	320.00
<b>c. Indian rupee working capital demand loan from others (unsecured) (refer note 9)</b>	50.00	50.00
<b>d. Loan from directors- unsecured (refer note 10)</b>	9.70	11.83
<b>Total current borrowings</b>	<b>1,056.78</b>	<b>1,114.39</b>
<b>Secured</b>	<b>997.08</b>	<b>1,052.56</b>
<b>Unsecured</b>	<b>59.70</b>	<b>61.83</b>

#### Notes:

- In the Holding Company, cash credit from IndusInd Bank Limited, Kotak Mahindra Bank, Standard Chartered Bank, DBS Bank and HDFC Bank are secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Holding Company (excluding assets which are specifically charged to other lenders) and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company. Cash credit from HDFC Bank is also secured by corporate guarantee of Nirja Publishers & Printers Private Limited. These loans carry interest rate of 8.30% to 16.00% p.a. (31 March 2020: 9.00% to 15% p.a.). Cash credit from IndusInd Bank has been repaid during the year.
- In New Saraswati House (India) Private Limited, cash credit from HDFC Bank, Kotak Mahindra Bank and RBL Bank are secured by way of (i) first pari passu charge on entire existing and future current asset (ii) first pari passu charge on entire existing and future movable fixed assets of the company (iii) Corporate Guarantee by the Holding Company. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. These loans carry interest rate of 9.39% to 14.75% (previous year: 9.39% to 10.14 %). Cash credit from Kotak Mahindra Bank has been fully repaid during the year.
- In Vikas Publishing House Private Limited, Cash credit from HDFC Bank, DBS Bank, RBL Bank, State Bank of India and Standard Chartered Bank are secured by way of first pari passu charge on entire existing and future current assets and movable fixed assets of the company (excluding assets which are specifically charged to other lenders), corporate guarantee of the Holding Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, directors of the company. These loans carries interest at MCLR plus spread (ranging from 1.30% to 2.15 %) p.a. State Bank of India has taken over the cash credit facility of DBS Bank, RBL Bank and Standard Chartered Bank during the year 2020-21.
- In BPI (India) Private Limited, cash credit facility carry interest rate of 15.00% per annum (banks 1 year MCLR) taken from IndusInd Bank. Cash credit facility is secured by exclusive charge on all current assets and movable fixed assets except vehicle specifically charged to other lender of the Company (both present and future), exclusive charge on entire immovable properties of the company, property of Mr. Jai Saxena situated at DDA Flat No. D-7/7123, HIG, First Floor, Vasant Kunj, New Delhi, and Property of Vikas Publishing House Pvt. Ltd. (Subsidiary of Group Co.) situated at 161718/1, Apartment No.4, 1<sup>st</sup> Floor, 4<sup>th</sup> Cross, Main Gandhi Nagar, Bangalore, corporate guarantee of the Holding Company and Vikas Publishing House Pvt. Ltd. and Personal Guarantee of Mr. Jai Saxena, Mrs. Vidya Saxena and Mr Himanshu Gupta.
- In DS Digital Private Limited, cash credit of ₹30.00 million from Standard Chartered Bank is secured by exclusive charge on entire current assets and movable fixed assets (except assets which are exclusively charged under equipment financing), personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and Corporate Guarantee of the Holding Company.
- In Edutor Technologies India Pvt. Ltd, cash credit facility of ₹30.00 million has been sanctioned by IndusInd Bank towards working capital requirements . The above facility is secured by hypothecation charge of entire current assets and movable fixed assets of the company both present and future and corporate guarantee by the Holding Company.
- In the Holding Company, working capital demand loan from HDFC Bank, Standard Chartered Bank, Kotak Mahindra Bank and DBS Bank has been secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company (excluding assets which are specifically charged to other lenders) and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala , Directors of the Company. Working capital demand loan from HDFC Bank is also secured by corporate guarantee of Nirja Publishers & Printers Private Limited. These loans carry interest rate of 9.20 % to 10.70% p.a. (31 March 2020: 8.95 % to 13.13 % p.a.).
- In Vikas Publishing House Pvt. Limited, working capital demand loan from HDFC Bank, DBS Bank, and RBL Bank carries interest ranging from 8.75% to 10.70% p.a which are repayable on maturity. Working capital demand loan facility is a sub limit of cash credit facility and secured by the same security as provided in cash credit facility mentioned in point no. a above. Working capital demand loan from DBS Bank and RBL Bank have been repaid during the year 2020-21.
- In the Holding Company, working capital demand loan from Tata Capital Financial Services Limited was taken during the year 2018-19. This loan carries interest rate of 10.50% p.a (31 March 2020: 10.50% p.a). This loan is unsecured.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 12B. Current borrowings (Continued)

10. In BPI (India) Private Limited, Interest free Indian rupee unsecured loan is taken from directors. It is repayable on demand and company does not have any contractual right to defer the repayment for more than 12 months.

#### 11. Loan covenants:

The Holding Company is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank. During year ended 31 March 2020, there is an instance of breach of financial covenant in case of cash credit and working capital demand loan facility availed from DBS Bank Limited and HDFC Bank Limited. As per the terms of the sanction letter, the management has intimated to the bank as per agreement terms.

12. Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

#### 13. Lease liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Leased liability - non-current (refer note 37)	248.73	365.92
Leased liability - current (refer note 37)	102.49	125.93
<b>Total</b>	<b>351.22</b>	<b>491.85</b>

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

#### 14. Trade payables

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Trade payables of micro enterprises and small enterprises (refer note 32)	223.27	172.59
Trade payables of related entities (refer note 38)	1.00	4.66
Trade payables other than micro enterprises and small enterprises	954.59	1,405.22
<b>Total</b>	<b>1,178.86</b>	<b>1,582.47</b>

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

#### 15. Other financial liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Current maturity of long term loans (refer note 12A)	213.95	429.76
Interest accrued but not due	4.95	4.40
Employee related liabilities	105.36	100.90
Security deposits received	0.92	2.87
Financial liability*	43.36	100.00
Others	0.44	0.09
<b>Total</b>	<b>368.98</b>	<b>638.02</b>

\* In current year, financial liability in the books of Holding Company represents an amount of ₹43.36 million (31 March 2020, ₹100.00 million) for bank guarantee invoked due to breach of conditions by selling share holders of New Saraswati House (India) Private Limited relating to non-compete clause.

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

#### 16. Other current liabilities

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	76.19	84.97
Advance from customers	33.60	59.37
Creditors for capital expenditure	-	0.68
Deferred revenue	-	1.39
Expenses payables	6.82	0.85
<b>Total</b>	<b>116.61</b>	<b>147.26</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 17. Provisions

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
<b>Non-Current</b>		
Provision for gratuity (refer note 35)	50.01	60.40
Provision for compensated absence	14.56	9.40
	<b>64.57</b>	<b>69.80</b>
<b>Current</b>		
Provision for income tax (net of advance tax)	46.80	0.15
Provision for gratuity (refer note 35)	3.74	3.99
Provision for compensated absence	5.64	5.44
Provision for contingencies (refer note 49)	33.51	33.51
Others	0.18	-
	<b>89.87</b>	<b>43.09</b>
<b>Total</b>	<b>154.44</b>	<b>112.89</b>
<b>Non current</b>	<b>64.57</b>	<b>69.80</b>
<b>Current</b>	<b>89.87</b>	<b>43.09</b>

#### 18. Revenue from operations

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of products</b>		
Finished goods (net of returns)	5,000.55	5,212.93
Less: Discounts	(899.29)	(1,130.10)
<b>Sale of services</b>	117.69	172.48
<b>Other operating revenue</b>		
Scrap sale	26.54	36.07
Sale of paper	6.08	-
Export incentives	0.66	2.33
<b>Total</b>	<b>4,252.23</b>	<b>4,293.71</b>

#### Disaggregated revenue information

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
India	4,218.53	4,222.40
Outside India	33.70	71.31
	<b>4,252.23</b>	<b>4,293.71</b>

#### Timing of revenue recognition

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Goods transferred at a point in time	4,134.54	4,121.23
Services transferred over time	<b>117.69</b>	172.48
	<b>4,252.23</b>	<b>4,293.71</b>

The Company collects Goods and Service Tax (GST) on behalf of the Government and hence, GST is not included in Revenue from operations.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 18. Revenue from operations (Continued)

Contract balances		(₹ in millions)	
	31 March 2021	31 March 2020	
Trade receivables	3,220.88	3,348.65	
Contract liabilities	33.60	59.37	

Trade receivables are non-interest bearing and are generally on terms of 150 days.

Right to return asset and refund liability		(₹ in millions)	
	31 March 2021	31 March 2020	
<b>Refund liabilities</b>			
Arising from discounts	474.63	440.00	
Arising from rights of return	925.08	992.51	
	<b>1,399.71</b>	<b>1,432.51</b>	

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020	
Revenue as per contracted price	6,791.31	6,912.26	
<b>Adjustments</b>			
Discount	899.29	1,130.10	
Sales return	1,639.79	1,488.45	
	<b>4,252.23</b>	<b>4,293.71</b>	

#### Performance obligation

Information about the Group's performance obligations are summarised below:

##### Manufactured goods

The performance obligation is satisfied upon delivery of the goods to the transporter designated by the customer or to the customer whichever is earlier.

The customer has a right to return material to an extent as may be agreed upon with each customer or within the limits as may be determined by the company. The customer is also eligible for discounts based on achievement of revenue targets as may be agreed.

##### Services

The performance obligation is satisfied as per terms of each contract with the customer.

#### 19. Other income

	(₹ in millions)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income on:</b>		
- Bank deposits	7.37	2.48
- Income tax refund	7.08	1.48
- Others	10.91	6.15
Gain on sale of current investments (net)	8.23	15.56
Net income on deemed disposal of associate (refer note 55)	7.85	-
Foreign exchange fluctuation gain (net)	0.85	1.48
Reversal of allowance for doubtful debts	45.44	-
Amount written back	66.51	40.59
Reversal of financial liability	30.00	-
Management services	2.47	5.87
Others	14.54	20.77
<b>Total</b>	<b>201.25</b>	<b>94.38</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 20. Cost of published goods/material consumed

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	321.04	248.05
Add : purchases during the year	837.29	1,533.30
	<b>1,158.33</b>	<b>1,781.35</b>
Less : inventories at the end of the year	(158.43)	(321.04)
<b>Cost of published goods/material consumed</b>	<b>999.90</b>	<b>1,460.31</b>
<b>Details of raw material purchased/ printing services</b>		
Paper	472.90	1,052.66
Books	161.22	167.32
Printing and binding charges	192.66	301.99
Others	10.51	11.33
<b>Total</b>	<b>837.29</b>	<b>1,533.30</b>
<b>Details of inventories</b>		
Paper and books	132.90	295.65
Printing material	25.53	25.39
<b>Total</b>	<b>158.43</b>	<b>321.04</b>

#### 21. Purchase of stock-in-trade

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Traded books	24.92	14.10
Paper	56.63	67.79
Others	4.02	6.64
<b>Total</b>	<b>85.57</b>	<b>88.53</b>

#### 22. (Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventories at the end of the year</b>		
Finished goods	1,212.82	1,675.79
Stores and spares	4.75	4.75
Work in progress	1.44	11.73
	<b>1,219.01</b>	<b>1,692.27</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	1,675.79	1,815.62
Stores and spares	4.75	8.84
Work in progress	11.73	4.38
	<b>1,692.27</b>	<b>1,828.84</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 22. (Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade (Continued)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Add: Inventory acquired on step acquisition of subsidiary (refer note 52)	12.38	-
Less: Provision for inventory (refer note 29)	-	(87.15)
<b>Decrease in inventories</b>	<b>485.64</b>	<b>49.42</b>

#### Details of inventories

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Work in progress</b>		
Printed material for books	1.44	11.73
	<b>1.44</b>	<b>11.73</b>
<b>Stores and spares</b>		
Stores and spares	4.75	4.75
	<b>4.75</b>	<b>4.75</b>
<b>Finished goods</b>		
<b>- Manufactured goods</b>		
Books	1,090.62	1,552.53
<b>- Imported goods</b>		
Books	-	4.45
<b>- Traded goods</b>		
Books	32.71	26.74
Others	89.49	92.07
	<b>1,212.82</b>	<b>1,675.79</b>

#### 23. Publication expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Royalty expenses	244.35	273.70
Factory manpower expenses	11.40	14.91
Power & fuel	33.76	48.70
Other publishing expenses	68.46	94.37
<b>Total</b>	<b>357.97</b>	<b>431.68</b>

#### 24. Selling and distribution expenses

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Advertisement, publicity and exhibition	86.82	238.01
Freight and cartage outward	125.68	160.67
Travelling and conveyance	68.87	168.03
Vehicle running and maintenance	5.75	10.05
Packing and dispatch expenses	8.81	15.53
<b>Total</b>	<b>295.93</b>	<b>592.29</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 25. Employee benefits expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	887.82	1,131.01
Contribution to provident and other funds (refer note 35)	79.44	95.48
Employee stock option expense (refer note 36)	2.45	0.67
Staff welfare expenses	22.95	32.49
<b>Total</b>	<b>992.66</b>	<b>1,259.65</b>

#### 26. Finance costs

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense		
- on borrowings	245.12	250.31
- on lease liability	40.62	50.20
- on other liabilities	26.76	36.83
Loan processing fee	5.68	4.50
Other finance costs	4.96	6.09
<b>Total</b>	<b>323.14</b>	<b>347.93</b>

#### 27. Depreciation and amortization expense

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 3)	93.83	98.02
Amortisation of intangible assets (refer note 4)	192.75	184.08
Amortisation of right of use assets (refer note 5)	129.63	125.59
<b>Total</b>	<b>416.21</b>	<b>407.69</b>

#### 28. Other expenses

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	11.51	58.46
Repairs and maintenance:		
- Plant and equipment	8.29	1.72
- Buildings	1.44	4.66
- Others	33.46	46.42
Insurance	23.51	22.32
Rates and taxes	19.07	19.91
Communication cost	19.20	24.70
Legal and professional fee	49.79	68.07
Donations	10.40	13.83
Payment to auditor (refer details below)	12.79	18.43
Travelling and conveyance	1.52	5.11

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 28. Other expenses (Continued)

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Water and electricity charges	13.82	18.87
Bad debts written off	48.66	53.49
Provision for doubtful receivables	116.44	113.28
Outsourced employee cost	21.68	44.47
Loss on sale of property, plant and equipment (net)	1.99	-
Office expenses	33.76	31.58
Security expenses	12.62	15.70
Corporate social responsibility expenses (refer note 50)	12.11	17.00
Fair value loss on financial instruments at fair value through profit or loss	1.78	2.62
Miscellaneous expenses	33.76	51.08
<b>Total</b>	<b>487.60</b>	<b>631.72</b>

#### Payment to auditors:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As auditor:</b>		
- Audit fee	7.88	11.17
- Limited review	4.28	5.79
<b>In other capacity:</b>	-	
- Others*	0.63	1.47
<b>Total</b>	<b>12.79</b>	<b>18.43</b>

\* includes paid to predecessor auditor

#### 29. Exceptional Items

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for slow moving titles (refer note 56)	-	(87.15)
Provision for impairment on investment (refer note 56)	(2.43)	(14.52)
	<b>(2.43)</b>	<b>(101.67)</b>

#### 30. Income tax

##### Tax expense recognised in Statement of Profit and Loss

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current income tax:</b>		
Current income tax charge	101.08	43.92
Income tax adjustment related to earlier years	21.43	30.33
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(57.80)	53.60
	<b>64.71</b>	<b>127.85</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 30. Income tax (Continued)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before income tax	(0.22)	(986.83)
At India's statutory income tax rate of 29.12% (31 March 2020: 29.12%)	(0.06)	(287.36)
<b>Adjustments:</b>		
Adjustments in respect of current income tax of previous years	21.43	30.33
Non-deductible expenses for tax purposes	38.90	60.00
Non recognition of deferred tax asset on losses	23.97	101.18
De-recognition of opening deferred tax asset on brought forward losses	-	205.66
Others	(19.53)	18.04
<b>Income tax expense reported in the statement of profit and loss</b>	<b>64.71</b>	<b>127.85</b>

#### 31. Earnings per share (EPS)

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

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

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders	(64.93)	(1,114.68)
Weighted average number of equity shares used for computing earnings per share (basic)	34.98	34.98
Weighted average number of equity shares used for computing earnings per share (diluted)	35.00	34.98
<b>Basic EPS</b>	<b>(1.86)</b>	<b>(31.87)</b>
<b>Diluted EPS</b>	<b>(1.86)</b>	<b>(31.87)</b>

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

(₹ in millions)

Description	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) Principal amount remaining unpaid	223.27	172.59
(ii) Interest due thereon	-	-
	<b>223.27</b>	<b>172.59</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Group, which has been relied upon by the auditors.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

### 33. Group information

Information about subsidiary companies:

	Country of incorporation	% equity interest	
		As at 31 March 2021	As at 31 March 2020
Nirja Publishers and Printers Private Limited	India	100.00%	100.00%
Safari Digital Education Initiatives Private Limited	India	100.00%	100.00%
Eurasia Publishing House Private Limited	India	100.00%	100.00%
Blackie & Son (Calcutta) Private Limited	India	100.00%	100.00%
Vikas Publishing House Private Limited	India	100.00%	100.00%
DS Digital Private Limited	India	99.99%	99.99%
New Saraswati House (India) Private Limited	India	100.00%	100.00%
Chhaya Prakashani Limited	India	100.00%	100.00%
BPI (India) Private Limited	India	51.00%	51.00%
S. Chand Edutech Private Limited	India	100.00%	100.00%
Indian Progressive Publishing Co Private Limited	India	100.00%	100.00%
Edutor Technologies India Private Limited (wef 1 September 2020)*	India	54.86%	44.66%

\* Refer note 52

Information about associates:

	Country of incorporation	% equity interest	
		As at 31 March 2021	As at 31 March 2020
Edutor Technologies India Private Limited (upto 31 August 2020)	India	54.86%	44.66%
Smartivity Labs Private Limited	India	18.31%	19.70%

### 34. Investment in associates

#### 34A. Edutor Technologies India Private Limited

The Group has a 54.86% (31 March 20: 44.66%) interest in Edutor Technologies India Private Limited, which is primarily engaged in the business of providing digital education solutions of all kind through an online Learning Management System (LMS), enabling students to achieve academic success through one-on-one tutoring and engage in personalized training by using the electronic devices such as gadgets, with specialization in length and breadth of all streams of education. Its registered and principal office of business is located at Hyderabad. Edutor Technologies India Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Edutor Technologies India Private Limited is accounted for using the equity method in the consolidated financial statements.

The Group acquired additional interest in the company on 31 August 2020 and since then Edutor Technologies India Private Limited became subsidiary of the Group (refer note 52). The following table illustrates the summarised financial information of the Group's investment in Edutor Technologies India Private Limited:

(₹ in millions)

	31 August 2020	31 March 2020
Current assets	21.51	24.48
Non-current assets	34.29	29.00
Current liabilities	(70.42)	(66.14)
Non-current liabilities	(4.78)	(4.71)
<b>Equity</b>	<b>(19.40)</b>	<b>(17.37)</b>
Proportion of the Group's ownership	44.66%	44.66%
Carrying amount of the investment	164.19	165.10

(₹ in millions)

	31 August 2020	31 March 2020
Revenue	14.08	55.53
Cost of raw material and components consumed	(4.25)	(11.81)
Depreciation & amortization	(2.50)	(6.68)

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 34A. Edutor Technologies India Private Limited (Continued)

(₹ in millions)

	31 August 2020	31 March 2020
Finance cost	(1.93)	(3.79)
Employee benefit	(5.08)	(14.27)
Other expense	(3.77)	(13.70)
Profit/ (loss) before tax	(3.45)	5.28
Income tax expense	1.42	0.06
Profit/ (loss) for the year	(2.03)	5.34
Other Comprehensive Income	-	(0.49)
<b>Total comprehensive income for the year</b>	<b>(2.03)</b>	<b>4.85</b>
Group's share of loss for the year	(0.91)	2.17

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

Refer note 52 for note on acquisition of Edutor Technologies Private Limited as subsidiary.

#### 34B. Smartivity Labs Private Limited

The Group has a 18.31% (19.70% on 31 March 2020) interest in Smartivity Labs Private Limited, which is primarily engaged in the business of early learning through Augmented Reality (AR), STEM DIY kits (Science, Technology and Maths) and also Virtual Reality (VRX) Content. Smartivity Labs Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Smartivity Labs Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Smartivity Labs Private Limited:

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Current assets	101.96	102.29
Non-current assets	69.41	88.11
Current liabilities	(83.07)	(71.02)
Non-current liabilities	(2.17)	(3.40)
<b>Equity</b>	<b>86.13</b>	<b>115.98</b>
Proportion of the Group's ownership	18.31%	19.70%
Carrying amount of the investment*	22.03	18.41

\* refer note 55

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
Revenue	130.23	115.02
Cost of raw material and components consumed	(47.10)	(41.22)
Depreciation and amortization	(19.76)	(19.63)
Finance cost	(3.67)	(7.36)
Employee benefits expense	(31.90)	(38.96)
Other expense	(52.84)	(50.97)
Loss before tax	(25.04)	(43.12)
Income tax expense	(6.30)	11.65
Loss for the year	(31.34)	(31.47)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(31.34)</b>	<b>(31.47)</b>
Group's share of loss for the year*	(5.74)	(6.20)

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

The associate had no contingent liabilities or capital commitments as at 31 March 2021 or 31 March 2020.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 35. Employee benefits

##### a. Defined contribution plan

An amount of ₹47.47 millions [31 March 2020 : ₹66.08 millions] for the year has been recognised as an expense in respect of the Group's contributions towards Provident Fund, an amount of ₹2.67 millions [31 March 2020 : ₹3.42 millions] for the year has been recognised as an expense in respect of Group's contributions towards Employee State Insurance and an amount of ₹2.04 millions [31 March 2020 : ₹2.83 millions] for the year has been recognised as an expense in respect of the Group's contributions towards National Pension Scheme, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

##### b. Gratuity

The Group has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of Rs 2.00 million. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet for Gratuity Plan.

##### Statement of Profit & Loss account

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	20.11	19.96
Interest cost on defined obligation	11.42	7.44
Expected return on plan assets	(4.26)	(4.25)
	<b>27.27</b>	<b>23.15</b>

##### Amount recognised in Other Comprehensive Income:

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gains)/ losses on obligation	(13.65)	2.03
Actuarial gains/ (losses) on assets	35.20	(9.73)
	<b>21.55</b>	<b>(7.70)</b>

##### Balance sheet

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	120.53	111.54
Current service cost	20.11	19.96
Interest cost	11.42	7.44
Benefits paid from plan assets	(11.00)	(18.00)
Benefits paid directly by employer	(1.90)	(4.53)
Actuarial (gains) / losses on obligation	(13.65)	2.03
Acquisition/ divestiture	9.83	2.09
<b>Closing defined benefit obligation</b>	<b>135.35</b>	<b>120.53</b>

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening fair value of plan assets	56.14	64.18
Expected return	4.26	4.25
Contributions by employer	1.84	15.44

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 35. Employee benefits (Continued)

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Benefits paid	(11.00)	(18.00)
Others	(4.84)	-
Actuarial gain/(loss)	35.20	(9.73)
<b>Closing fair value of plan assets</b>	<b>81.60</b>	<b>56.14</b>
<b>Provision for gratuity (net of plan assets)</b>		
<b>Non-current</b>	<b>50.01</b>	<b>60.40</b>
<b>Current</b>	<b>3.74</b>	<b>3.99</b>

The Group expects to contribute ₹10.33 million to gratuity in this year (31 March 2020: Rs. 13.27 million)

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Investments with insurers	100.00%	100.00%

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

(₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.15% to 6.94%	6.30% to 6.78%
Expected rate of return on assets	6.60% to 7.70%	6.77% to 7.70%
Expected rate of salary increase	6% to 8%	6% to 8%
Retirement age (in years)	58- 60 years	58- 60 years
Employee turnover :-		
- For service upto 5 years	1% to 15%	3% to 15%
- For service more than 5 years	1% to 15%	1% to 2%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

(₹ in millions)

	Change in assumptions	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	+ 1%	65.80	68.36
	- 1%	(65.80)	(68.36)
Expected rate of salary increase	+ 1%	66.05	67.88
	- 1%	(66.05)	(67.88)

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

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 35. Employee benefits (Continued)

The following payments are expected contributions to the defined benefit plan in future years:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Year 1	3.73	4.85
Year 2	5.03	1.87
Year 3	4.79	4.93
Year 4	4.13	3.11
Year 5	3.56	4.60
Year 6 to 10	27.16	26.41
Above 10 years	89.20	96.23

#### c) Other long-term employee benefits

An amount of ₹5.27 millions [31 March 2020 : ₹4.18 millions] pertains to expense towards compensated absences and included in "employee benefit expense".

#### 36. Employee stock option plans

The Holding Company provides share-based payment schemes to its employees. During the year ended 31 March 2021 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 Holding Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,194 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the Holding 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 grants outstanding as on 31 March 2021 (previous year 31 March 2020) are below:

	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant VI	Grant VII	Grant VIII
Date of grant	27 August 2015	27 August 2015	30 September 2015	28 March 2016	16 August 2016	30 November 2016	11 November 2020
Date of Board approval	27 August 2015	27 August 2015	27 August 2015	28 March 2016	05 August 2016	19 September 2016 & 30 November 2016	11 November 2020
Date of Shareholder's approval	30 September 2015	30 September 2015	30 September 2015	28 March 2016	05 August 2016	10 November 2016	28 February 2021
Number of options granted	441	185	248	40	51,060	12,506	68,409
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	Year 1- 50% Year 2- 50%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 25% Year 3- 25% Year 4- 25%	Year 1- 50% Year 2- 50%	Year 1- 100%
Exercise price	36,870.00	45,000.00	45,000.00	45,000.00	304.00	392.00	54.00

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 36. Employee stock option plans (Continued)

	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant VI	Grant VII	Grant VIII
Fair value of shares at the time of grant (in INR)	25,227.01	20,943.84	20,593.68	20,404.22	138.97	60.40	26.11
Equity shares of ₹10 each were subdivided into 2 equity shares of ₹5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till 31 March 2018 is as below:							
Exercise price	249.12	304.05	304.05	304.05	304.00	392.00	54.00
Fair value of shares at the time of grant (in INR)	170.45	141.51	139.15	137.87	138.97	60.40	26.11

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

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	25,456	304	40,034	304
Granted during the year	-	-	-	-
Forfeited/ expired during the year	25,456	-	14,578	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	25,456	304
Exercisable at the end of the year	-	-	25,456	304

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

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	25,530	304	38,295	304
Granted during the year	-	-	-	-
Forfeited/ expired during the year	12,765	-	12,765	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	12,765	304	25,530	304
Exercisable at the end of the year	12,765	304	25,530	304

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2021 is 1.38 years.

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

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	4,701	392	6,451	392
Granted during the year	-	-	-	-
Forfeited/ expired during the year	4,701	-	1,750	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	4,701	392
Exercisable at the end of the year	-	-	4,701	392

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 36. Employee stock option plans (Continued)

The Company had granted 68,049 option during the year ended 31 March 2021. The details of activities under Grant VIII are summarized below:

(₹ in millions)

	March 31, 2021		March 31, 2020	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	68,049	54	-	-
Forfeited/ expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	68,049	54	-	-
Exercisable at the end of the year	68,049	54	-	-

The weighted average remaining contractual life for option outstanding under Grant VIII as at March 31, 2021 is 2.62 year.

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

(₹ in millions)

	Grant IVa	Grant IVb	Grant IVc	Grant IVd	Grant VI	Grant VII	Grant VIII
	31 March 2016	31 March 2016	31 March 2016	31 March 2016	31 March 2017	31 March 2017	31 March 2021
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
Expected volatility	17.05%	16.46%	16.20%	16.57%	16.41%	17.06%	64.83%
Risk-free interest rate	7.67%	7.71%	7.46%	7.36%	6.86%	5.99%	4.13%
Weighted average fair market price (₹)	377	377	377	377	376	376	62
Exercise price (₹)	249	304	304	304	304	392	54
Expected life of options granted in years	2.43	3.22	3.20	3.15	3.50	2.50	1.00
Weighted average fair value of option at the time of grant (₹)	170.45	141.51	139.15	137.87	138.97	60.40	26.11

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.

The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Group's stock price on NSE over these years has been considered.

#### 37. Leases

The Group has adopted Ind AS 116 "Leases" from 1 April 2019, which resulted in changes in accounting policies in the financial statements.

##### Transition

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective (alternative II) approach. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted.

Transition to Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10% with maturity between 2021-2026

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 37. Leases (Continued)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020: (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Balance at the beginning of reporting year</b>	623.09	-
Additions on transition to Ind AS 116	-	362.32
Additions (Note 4B)	27.33	399.17
Deletions/ adjustments	(40.27)	(12.81)
Amortisation expense (Note 28)	(129.63)	(125.59)
<b>Balance at the end of reporting year</b>	<b>480.52</b>	<b>623.09</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period: (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Balance as at the beginning of reporting year</b>	491.85	-
Additions on transition to IND AS 116	-	201.79
Additions	27.33	399.17
Accretion of interest	40.62	50.20
Deletion during the year	(33.91)	(12.24)
Lease concession*	(5.11)	-
Gain on modification of lease	(12.33)	-
Payments	(157.23)	(147.07)
<b>Balance as at the end of reporting year</b>	<b>351.22</b>	<b>491.85</b>
<b>Non-current</b>	<b>248.73</b>	<b>365.92</b>
<b>Current</b>	<b>102.49</b>	<b>125.93</b>

\* During the year ended 31 March 2021, the Company has received lease rent concession of ₹5.11 millions and the same has been recorded under the head other income in the Statement of Profit and Loss by using the practical expedient available as per para 46A of IND AS 116.

**Contractual maturities of lease liabilities** (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
- Within one year	65.24	60.37
- 1-5 years	48.28	71.98
- More than 5 years	13.21	50.60

**The following are the amounts recognised in Profit or Loss:** (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation expense of right-of-use assets	129.63	125.59
Interest expense on lease liabilities	40.62	50.20
Expense relating to short-term leases (included in other expenses)	11.51	58.46
Lease concession*	(5.11)	-
Gain on modification of lease	(12.33)	-
<b>Total amount recognised in Profit or Loss</b>	<b>164.32</b>	<b>234.25</b>

The Group has several lease contracts for offices and plant and equipment that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 38. Related party disclosure

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

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

Enterprises over which Key Management personnel or their relatives exercise significant influence	:	Hotel Tourist (Partnership firm)
	:	SC Hotel Tourist Deluxe Private Limited
	:	Shaara Hospitalities Private Limited
	:	S Chand Properties Private Limited
	:	Shyam Lal Charitable Trust
	:	RKG Hospitalities Private Limited
<b>Associate</b>	:	Smartivity Labs Private Limited
	:	Edutor Technologies India Private limited (upto 31 August 2020)
<b>Key Management Personnel (KMP) &amp; their relatives</b>		
Ms. Savita Gupta	:	Non-Executive Director
Mr. Himanshu Gupta	:	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	:	Whole-time Director
Mr. Gaurav Jhunjhnuwala	:	Non-Executive Director
Mr. Desh Raj Dogra	:	Non-Executive, Independent Director
Ms. Archana Capoor	:	Non-Executive, Independent Director
Mr. Sanjay Vijay Bhandarkar	:	Non-Executive, Independent Director
Mr. Rajagopalan Chandrashekar	:	Non-Executive, Independent Director
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary
<b>Relatives of KMP</b>	:	Mr. Ravindra Kumar Gupta (father of Mr. Himanshu Gupta)
	:	Mrs. Neerja Jhunjhnuwala (wife of Mr. Dinesh Kumar Jhunjhnuwala)

Nature of transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
<b>Revenue from operations</b>					
Edutor Technologies India Private Limited	31 March 2021	-	-	-	-
	31 March 2020	-	-	0.06	0.06
<b>Subtotal</b>	<b>31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>31 March 2020</b>	<b>-</b>	<b>-</b>	<b>0.06</b>	<b>0.06</b>
<b>Other income</b>					
<b>Interest income</b>					
Smartivitys Lab Private Limited	31 March 2021	-	-	0.08	0.08
	31 March 2020	-	-	0.11	0.11
Edutor Technologies India Private Limited	31 March 2021	-	-	0.12	0.12
	31 March 2020	-	-	-	-
SC Hotel Tourist Deluxe Private Limited	31 March 2021	0.07	-	-	0.07
	31 March 2020	0.07	-	-	0.07
<b>Subtotal</b>	<b>31 March 2021</b>	<b>0.07</b>	<b>-</b>	<b>0.20</b>	<b>0.27</b>
	<b>31 March 2020</b>	<b>0.07</b>	<b>-</b>	<b>0.11</b>	<b>0.18</b>
<b>Expenses</b>					
<b>Purchase of goods and services</b>					
S Chand Properties Private Limited	31 March 2021	0.02	-	-	0.02
	31 March 2020	-	-	-	-

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 38. Related party disclosure (Continued)

Nature of transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Eduator Technologies India Private Limited	31 March 2021	-	-	-	-
	31 March 2020	-	-	13.81	13.81
Smartivity Labs Private Limited (VRX Sets)	31 March 2021	-	-	-	-
	31 March 2020	-	-	0.59	0.59
SC Hotel Tourist Deluxe Private Limited	31 March 2021	0.12	-	-	0.12
	31 March 2020	0.52	-	-	0.52
Hotel Tourist	31 March 2021	0.16	-	-	0.16
	31 March 2020	0.21	-	-	0.21
Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	0.01	-	0.01
<b>Other expenses</b>					
Shyam Lal Charitable Trust	31 March 2021	0.00	-	-	0.00
	31 March 2020	0.04	-	-	0.04
Eduator Technologies India Private Limited	31 March 2021	-	-	0.34	0.34
	31 March 2020	-	-	0.03	0.03
S Chand Properties Private Limited	31 March 2021	0.80	-	-	0.80
	31 March 2020	0.71	-	-	0.71
Hotel Tourist	31 March 2021	0.04	-	-	0.04
	31 March 2020	-	-	-	-
<b>Rentals paid</b>					
S Chand Properties Private Limited	31 March 2021	2.76	-	-	2.76
	31 March 2020	16.40	-	-	16.40
Mrs. Savita Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	1.16	-	1.16
Mrs. Neerja Jhunjhnuwala	31 March 2021	-	-	-	-
	31 March 2020	-	0.67	-	0.67
Mr. Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	0.23	-	0.23
SC Hotel Tourist Deluxe Private Limited	31 March 2021	9.39	-	-	9.39
	31 March 2020	10.10	-	-	10.10
<b>Investment made during the period</b>					
Smartivity Labs Private Limited (Preference shares)	31 March 2021	-	-	1.50	1.50
	31 March 2020	-	-	-	-
<b>Remuneration to KMP*</b>					
Mr. Himanshu Gupta	31 March 2021	-	10.18	-	10.18
	31 March 2020	-	14.54	-	14.54
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2021	-	10.82	-	10.82
	31 March 2020	-	14.48	-	14.48
Mr. Desh Raj Dogra	31 March 2021	-	0.56	-	0.56
	31 March 2020	-	0.53	-	0.53
Ms. Archana Capoor	31 March 2021	-	0.53	-	0.53
	31 March 2020	-	0.50	-	0.50
Mr. Sanjay Vijay Bhandarkar	31 March 2021	-	0.50	-	0.50
	31 March 2020	-	0.41	-	0.41

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 38. Related party disclosure (Continued)

Nature of transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Mr. Rajagopalan Chandrashekar	31 March 2021	-	0.41	-	0.41
	31 March 2020	-	0.38	-	0.38
Mr. Saurabh Mittal	31 March 2021	-	6.87	-	6.87
	31 March 2020	-	9.90	-	9.90
Mr. Jagdeep Singh	31 March 2021	-	3.60	-	3.60
	31 March 2020	-	5.52	-	5.52
<b>Interest expenses</b>					
S Chand Properties Private Limited	31 March 2021	0.13	-	-	0.13
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>13.41</b>	<b>33.48</b>	<b>1.84</b>	<b>48.73</b>
	<b>31 March 2020</b>	<b>27.98</b>	<b>48.35</b>	<b>14.43</b>	<b>90.76</b>
<b>Loans given</b>					
Edutor Technologies India Private Limited	31 March 2021	-	-	4.00	4.00
	31 March 2020	-	-	-	-
Smartivity Labs Private Limited	31 March 2021	-	-	-	-
	31 March 2020	-	-	2.00	2.00
SC Hotel Tourist Deluxe Private Limited	31 March 2021	0.32	-	-	0.32
	31 March 2020	1.10	-	-	1.10
<b>Subtotal</b>	<b>31 March 2021</b>	<b>0.32</b>	<b>-</b>	<b>4.00</b>	<b>4.32</b>
	<b>31 March 2020</b>	<b>1.10</b>	<b>-</b>	<b>2.00</b>	<b>3.10</b>
<b>Loans repaid</b>					
SC Hotel Tourist Deluxe Private Limited	31 March 2021	1.42	-	-	1.42
	31 March 2020	-	-	-	-
Smartivity Labs Private Limited	31 March 2021	-	-	1.50	1.50
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>1.42</b>	<b>-</b>	<b>1.50</b>	<b>2.92</b>
	<b>31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balances outstanding</b>					
<b>Security deposit</b>					
SC Hotel Tourist Deluxe Private Limited	31 March 2021	4.20	-	-	4.20
	31 March 2020	4.20	-	-	4.20
S Chand Properties Private Limited	31 March 2021	0.24	-	-	0.24
	31 March 2020	0.58	-	-	0.58
Mrs.Savita Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	0.39	-	0.39
Mr. Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	0.58	-	0.58
<b>Subtotal</b>	<b>31 March 2021</b>	<b>4.44</b>	<b>-</b>	<b>-</b>	<b>4.44</b>
	<b>31 March 2020</b>	<b>4.78</b>	<b>0.97</b>	<b>-</b>	<b>5.75</b>
<b>Loans and advances</b>					
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	-	-
	31 March 2020	2.12	-	-	2.12
Hotel Tourist	31 March 2021	0.31	-	-	0.31
	31 March 2020	0.43	-	-	0.43

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 38. Related party disclosure (Continued)

Nature of transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
RKG Hospitalities Private Limited	31 March 2021	0.34	-	-	0.34
	31 March 2020	0.34	-	-	0.34
Smartivity Labs Private Limited	31 March 2021	-	-	-	-
	31 March 2020	-	-	2.10	2.10
S Chand Properties Private Limited	31 March 2021	1.20	-	-	1.20
	31 March 2020	8.62	-	-	8.62
Shyam Lal Charitable Trust	31 March 2021	-	-	-	-
	31 March 2020	0.01	-	-	0.01
Eduator Technologies India Private Limited	31 March 2021	-	-	-	-
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>1.86</b>	<b>-</b>	<b>-</b>	<b>1.86</b>
	<b>31 March 2020</b>	<b>11.51</b>	<b>-</b>	<b>2.10</b>	<b>13.61</b>
<b>Loans and advances to KMP and their relatives</b>					
Neerja Jhunjhnuwala	31 March 2021	-	0.35	-	0.35
	31 March 2020	-	0.35	-	0.35
Mr. Saurabh Mittal	31 March 2021	-	2.75	-	2.75
	31 March 2020	-	3.14	-	3.14
Ravindra Kumar Gupta	31 March 2021	-	0.18	-	0.18
	31 March 2020	-	-	-	-
<b>Subtotal</b>	<b>31 March 2021</b>	<b>-</b>	<b>3.28</b>	<b>-</b>	<b>3.28</b>
	<b>31 March 2020</b>	<b>-</b>	<b>3.49</b>	<b>-</b>	<b>3.49</b>
<b>Investments made</b>					
Eduator Technologies India Pvt Ltd	31 March 2021	-	-	-	-
	31 March 2020	-	-	165.10	165.10
Smartivity Labs Private Limited	31 March 2021	-	-	22.03	22.03
	31 March 2020	-	-	18.41	18.41
<b>Subtotal</b>	<b>31 March 2021</b>	<b>-</b>	<b>-</b>	<b>22.03</b>	<b>22.03</b>
	<b>31 March 2020</b>	<b>-</b>	<b>-</b>	<b>183.51</b>	<b>183.51</b>
<b>Trade Payables</b>					
Hotel Tourist	31 March 2021	-	-	-	-
	31 March 2020	0.05	-	-	0.05
SC Hotel Tourist Deluxe Private Limited	31 March 2021	0.02	-	-	0.02
	31 March 2020	0.02	-	-	0.02
Eduator Technologies India Pvt Ltd	31 March 2021	-	-	-	-
	31 March 2020	-	-	3.49	3.49
S Chand Properties Private Limited	31 March 2021	0.98	-	-	0.98
	31 March 2020	0.87	-	-	0.87
Ravindra Kumar Gupta	31 March 2021	-	-	-	-
	31 March 2020	-	0.23	-	0.23
<b>Subtotal</b>	<b>31 March 2021</b>	<b>1.00</b>	<b>-</b>	<b>-</b>	<b>1.00</b>
	<b>31 March 2020</b>	<b>0.94</b>	<b>0.23</b>	<b>3.49</b>	<b>4.66</b>
<b>Employee related liabilities*</b>					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2021	-	0.14	-	0.14
	31 March 2020	-	0.43	-	0.43

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 38. Related party disclosure (Continued)

Nature of transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Mr. Himanshu Gupta	31 March 2021	-	0.35	-	0.35
	31 March 2020	-	0.40	-	0.40
Mr. Saurabh Mittal	31 March 2021	-	0.42	-	0.42
	31 March 2020	-	0.27	-	0.27
Mr. Jagdeep Singh	31 March 2021	-	0.17	-	0.17
	31 March 2020	-	0.20	-	0.20
<b>Subtotal</b>	<b>31 March 2021</b>	<b>-</b>	<b>1.08</b>	<b>-</b>	<b>1.08</b>
	<b>31 March 2020</b>	<b>-</b>	<b>1.31</b>	<b>-</b>	<b>1.31</b>

\* Does not include gratuity and compensated absences, since the provision is based upon actuarial for the Group as a whole.

#### 39. Capital and other commitment

(₹ in millions)

	31 March 2021	31 March 2020
a. Capital commitment (net of advance)	-	0.25
b. Relating to export promotion capital goods commitment	22.68	28.16

#### 40. Contingent liabilities

(₹ in millions)

	31 March 2021	31 March 2020
Stamp duty (refer note 'a' below)	95.01	95.01
Registration fee (refer note 'a' below)	9.15	9.15
Income tax demand (refer note 'b' to 'i' below)	175.13	93.04
Goods and service tax (refer note 'j' below)	4.19	-
VAT claim by U. P. VAT Act. (refer note 'k')	2.75	2.75
Kolkata VAT (refer note 'l')	-	1.05

##### Note:

- a. During the year 2015-16, the Holding Company received notice under Indian Stamp Act, 1899 for non-payment of stamp duty on transfer of property on amalgamation and demerger held in the financial year 2011-12. The district registrar contented that order of Hon'ble High Court for amalgamation and demerger does not grants exemption in respect of payment of stamp duty.

During the year 2017-18, the Holding Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Holding Company to pay additional registration fee of ₹9.15 million (31 March 2020: ₹9.15 million)

As per the legal opinion obtained, management is of the view that no liability would accrue on the Holding Company on account of such case. Accordingly, no provision has been made in the books of account for the same.

- b. In the Holding Company, 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 has been dismissed by Delhi High Court. The amount involved is ₹Nil (31 March 2020: ₹0.67 million).
- c. In the Holding Company, in respect of Assessment Year 2015-16, a disallowance under section 36(1)(va) read with section 2(24)(x) of the Income Tax Act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filling return and disallowance of unexplained expenditure u/s 69 C of the Income Tax Act. The matter is pending with CIT (A). The amount involved is ₹0.72 million (31 March 2020: ₹0.72 million).

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

#### 40. Contingent liabilities *(Continued)*

- d. In the Holding Company, in respect of Assessment Year 2013-14, a disallowance under section 36(1)(va) read with section 2(24)(x) of the Income Tax Act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filing return. The matter is pending with ITAT. The amount involved is ₹0.07 million (31 March 2020: ₹nil).
- e. Vikas Publishing House Private Limited has received an intimation under section 143(1) of Income Tax Act, with the demand of ₹9.71 million whereas the company has claimed the refund of ₹1.52 million in Income Tax return for AY 2019-20. There is a difference of ₹ 11.23 million (31 March 2020: ₹ nil) between self assessment in Income tax return and assessment as per Income tax CPC. The major reason for difference is due to the wrong tax rate charged by CPC. The Company has filed the appeal with CIT (A) for the rectification in CPC assessment and the Company believes that CIT (A) will allow the appeal and correct the demand notice.
- f. In Nirja Publishers & Printers Private Limited, during FY 2012-13, the company received demand notice from the income tax authorities requiring to pay additional tax of ₹39.44 million (31 March 2020: ₹39.44 million) for assessment year 2011-12. Demand pertains to disallowance of deduction under section 80IC of the Income Tax Act. The company has not paid any amount towards this demand. The matter has been decided in company's favor by ITAT and is currently pending with the High Court. The management is confident that the matter will be decided in company's favor.
- g. In Nirja Publishers & Printers Private Limited, during FY 2014-15, the company received demand notice from the income tax authorities requiring to pay additional tax of ₹35.43 million (31 March 2020: ₹35.43 million) for assessment year 2012-13. Demand pertains to disallowance of deduction under section 80IC of the Income Tax Act. The company has not paid any amount towards this demand. The matter has been decided in company's favor by ITAT and is currently pending with the High Court. The management is confident that the matter will be decided in company's favor.
- h. In Chhaya Prakashani Limited, the company has some ongoing disputes with Income Tax Authorities relating to ₹15.06 million (31 March 2020 ₹16.78 million) owing to certain disallowances of expenses and non allowance of credit in advance tax and TDS receivable. The Company has recognised a contingent liability in respect of tax demands which are being contested by the company based on the management evaluation and advice of tax consultants. The amounts includes indemnification from the sellers of Chhaya Prakashani Limited.
- i. In D S Digital Pvt. Ltd., a demand of ₹73.18 million (31 March 2020: ₹nil) has been made for AY 2018-19 by the National E Assessment Centre in respect of various additions made in the order framed under section 143(3) read with section 43(3A) and 43(3B) of the Income Tax Act 1961. Assessee has filed an appeal before the National Faceless Appeal Centre and is hopeful that the demand will be cancelled.
- j. In Edutor Technologies India Pvt. Ltd., during the FY 2020-21, the company has received demand order dated 5 March 2020 from Commissioner (Appeals) for a demand of ₹4.19 million. The company has appealed against such order in CESTAT and for this pre-deposit amount of ₹0.43 million is paid.
- k. In DS Digital Private Limited, the company had received Claim for levy of penalty U/S 54(1) of U P. VAT Act vide Appellate order by UP VAT Act for ₹2.75 million. The company has paid ₹1.10 million and booked under security deposit . The order has been set aside for re-adjudication.
- l. In Vikas Publishing House Pvt. Ltd., the company has received a notice in the year 2019-20 from Kolkata VAT with demand of ₹1.05 million for the year 2016-17. The case has been disposed off during the year.
- m. Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Group is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Group.
- n. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Group. The Group does not expect any reimbursements in respect of the above contingent liabilities.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 41. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2021 and 31 March 2020 are as under:

	Foreign currency	Amount in foreign currency		Amount in ₹ (million)	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade receivable	USD	357,464.40	324,161.13	26.17	24.41
	QAR	175,000.00	50,000.00	3.53	1.04
	AED	1,776,996.00	958,586.00	35.56	19.68
	OMR	7,596.00	288.00	1.45	0.06
	MXN	1,069.98	545.00	0.00	0.00
	JPY	3,021.00	10,366.00	0.00	0.01
	GBP	73.05	350.00	0.01	0.03
	EUR	291.77	280.00	0.02	0.02
	CAD	143.65	160.00	0.01	0.01
	BRL	71.27	230.00	0.00	0.00
Trade payable	AUD	87.48	272.00	0.00	0.01
	GBP	4,390.68	9,767.00	0.44	0.74
Advance from customer	USD	7,548.36	-	0.55	-
	USD	-	2,440.00	-	0.18

Exchange rate for 1 USD= ₹73.20 (previous year 1 USD = ₹75.32)

Exchange rate for 1 QAR= ₹20.19 (previous year 1 QAR = ₹20.71)

Exchange rate for 1 OMR= ₹191.17 (previous year 1 OMR = ₹196.06)

Exchange rate for 1 MXN= ₹3.58 (previous year 1 MXN = ₹3.80)

Exchange rate for 1 JPY= ₹0.69 (previous year 1 JPY = ₹0.65)

Exchange rate for 1 GBP= ₹94.14 (previous year 1 GBP = ₹94.14)

Exchange rate for 1 EUR= ₹83.41 (previous year 1 EUR = ₹79.29)

Exchange rate for 1 CAD= ₹57.38 (previous year 1 CAD = ₹54.16)

Exchange rate for 1 BRL= ₹14.14 (previous year 1 BRL = ₹17.19)

Exchange rate for 1 AUD= ₹56.32 (previous year 1 AUD = ₹48.60)

Exchange rate for 1 AED= ₹20.01 (previous year 1 AED = ₹20.53)

#### 42. Financial Instruments:- Financial risk management objectives and policies

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

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

##### A. Market risk

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

The Group is exposed to following type of market risk:-

- interest rate risk,
- foreign currency risk and

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 42. Financial Instruments:- Financial risk management objectives and policies (Continued)

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021.

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

##### a. Interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with fixed interest rates.

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

(₹ in millions)

	Increase/ decrease in basis points	Effect on profit before tax
<b>As at 31 March 2021</b>		
Borrowings	+0.50%	(10.16)
	-0.50%	10.16
<b>As at 31 March 2020</b>		
Borrowings	+0.50%	(10.76)
	-0.50%	10.76

##### b. Foreign currency risk

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

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

(₹ in millions)

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended 31 March 2021</b>			
USD	+0.5%	0.13	-
	-0.5%	(0.13)	-
QAR	+0.5%	0.02	-
	-0.5%	(0.02)	-
AED	+0.5%	0.18	-
	-0.5%	(0.18)	-
OMR	+0.5%	0.01	-
	-0.5%	(0.01)	-
Other foreign currency exposure	+0.5%	(0.00)	-
	-0.5%	0.00	-
<b>For the year ended 31 March 2020</b>			
USD	+0.5%	0.12	-
	-0.5%	(0.12)	-

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 42. Financial Instruments:- Financial risk management objectives and policies (Continued) (₹ in millions)

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
QAR	+0.5%	0.01	-
	-0.5%	(0.01)	-
AED	+0.5%	0.10	-
	-0.5%	(0.10)	-
OMR	+0.5%	0.00	-
	-0.5%	(0.00)	-
Other foreign currency exposure	+0.5%	0.00	-
	-0.5%	(0.00)	-

#### B. Credit Risk

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

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

Age Bracket	Not Due	Due	Total
As at 31 March 2020	2,548.32	800.33	<b>3,348.65</b>
As at 31 March 2021	2,410.81	810.07	<b>3,220.88</b>

The movement in the allowance for expected credit loss in respect of trade receivables is as follows:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	433.52	365.33
Additions/ (write back) (net)	71.00	113.28
Write off (net of recovery)	(22.65)	(45.09)
<b>Balance at the end of the year</b>	<b>481.87</b>	<b>433.52</b>

#### C. Liquidity Risk

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

	As at 31 March 2021	As at 31 March 2020
<b>On Demand</b>		
- Borrowings	1,056.78	1,114.39
	<b>1,056.78</b>	<b>1,114.39</b>
<b>Less than 1 year</b>		
- Borrowings (current maturities of long term borrowings)	213.95	429.76
- Trade payables	1,178.86	1,582.47
- Other financial liabilities	155.04	208.26
	<b>1,547.85</b>	<b>2,220.49</b>
<b>More than 1 year</b>		
- Borrowings	760.49	608.17
	<b>760.49</b>	<b>608.17</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 43. Capital management

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

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

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

Group's adjusted net debt to equity ratio as at 31 March 2021 is as follows:

(₹ in millions)

Gearing Ratio	31 March 2021	31 March 2020
Borrowings (note 12A & 12B) (including current maturities)	2,031.23	2,152.32
Less: cash and cash equivalents (note 6E)	(419.17)	(98.10)
<b>Adjusted Net debt (A)</b>	<b>1,612.06</b>	<b>2,054.22</b>
Equity	8,371.46	8,213.00
<b>Total equity (B)</b>	<b>8,371.46</b>	<b>8,213.00</b>
<b>Total equity and net debt [C = (A+B)]</b>	<b>9,983.52</b>	<b>10,267.22</b>
<b>Gearing Ratio (A/C)</b>	<b>16.15%</b>	<b>20.01%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in the financial covenants of some of the interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

#### 44. Fair Values

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

(₹ in millions)

Particulars	31 March 2021			31 March 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Assets</b>						
<b>Non-current financial assets</b>						
- Investments*	-	2.37	-	-	2.28	-
- Loans	44.79	-	-	55.85	-	-
- Other financial assets	13.36	-	-	14.06	-	-
<b>Financial assets</b>						
- Investments	-	258.41	-	-	167.02	-
- Trade receivables	3,220.88	-	-	3,348.65	-	-
- Cash and cash equivalents	419.17	-	-	98.10	-	-
- Bank balances other than cash and cash equivalents	65.68	-	-	7.22	-	-
- Loans	41.44	-	-	59.67	-	-
- Other financial assets	4.16	-	-	13.09	-	-
<b>Non-current financial liabilities</b>						
- Borrowings	760.49	-	-	608.17	-	-
- Lease liabilities	248.73	-	-	365.92	-	-
<b>Current financial liabilities</b>						
- Borrowings	1,056.78	-	-	1,114.39	-	-

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 44. Fair Values (Continued)

(₹ in millions)

Particulars	31 March 2021			31 March 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
- Lease liabilities	102.49	-	-	125.93	-	-
- Trade payables	1,178.86	-	-	1,582.47	-	-
- Other financial liabilities	368.98	-	-	638.02	-	-

\* excludes investments valued at cost.

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

- The fair values of trade receivables, cash and cash equivalents, other current financial assets, trade payable and other current financial liabilities are considered to be same as their carrying values due to their short term nature.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the quoted notes and bonds are based on price quotations at the reporting date.

Fair value measurement hierarchy for assets as at 31 March 2021:

(₹ in Million)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>			
Investment in:			
- Equity shares	1.49	-	2.17
- Mutual funds	257.12	-	-

Fair value measurement hierarchy for assets as at 31 March 2020:

(₹ in Million)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>			
Investment in:			
- Equity shares	0.95	-	2.17
- Mutual funds	166.18	-	-

45. As per requirement of Companies Act, 2013, following additional disclosure needs to be given in the notes to accounts for the year ended 31 March 2021 along with comparative numbers for 31 March 2020:

As at 31 March 2021

(₹ in millions)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
S Chand And Company Limited	93.86%	7,857.53	-34.25%	22.24	40.62%	6.95	-61.04%	29.19
<b>Subsidiaries</b>								
<b>Indian</b>								
Eurasia Publishing House Private Limited	7.37%	616.78	-5.54%	3.60	0.00%	-	-7.53%	3.60
BPI (India) Private Limited	0.15%	12.76	22.16%	(14.39)	0.82%	0.14	29.80%	(14.25)

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

As at 31 March 2021

(₹ in millions)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Safari Digital Education Initiatives Private Limited	-0.48%	(39.90)	173.21%	(112.47)	1.05%	0.18	234.82%	(112.29)
Blackie & Son (Calcutta) Private Limited	0.85%	71.32	-1.25%	0.81	0.00%	-	-1.69%	0.81
Nirja Publishers & Printers Private Limited	9.65%	807.90	-45.96%	29.84	0.00%	-	-62.40%	29.84
Vikas Publishing House Private Limited	17.89%	1,497.61	-102.82%	66.76	18.35%	3.14	-146.17%	69.90
S. Chand Edutech Private Limited	-0.61%	(50.91)	61.30%	(39.80)	1.52%	0.26	82.69%	(39.54)
D S Digital Private Limited	-1.39%	(116.03)	168.10%	(109.15)	0.58%	0.10	228.04%	(109.05)
New Saraswati House (India) Private Limited	3.58%	300.09	65.47%	(42.51)	27.64%	4.73	79.00%	(37.78)
Chhaya Prakashani Limited	12.46%	1,042.76	-239.08%	155.24	3.86%	0.66	-326.01%	155.90
Indian Progressive Publishing Company Private Limited	0.21%	17.49	-3.62%	2.35	0.00%	-	-4.91%	2.35
Eduator Technologies India Private Limited	-0.03%	(2.24)	-12.26%	7.96	2.57%	0.44	-17.57%	8.40
<b>Minority interest in all subsidiaries</b>	<b>2.25%</b>	<b>188.58</b>	<b>11.20%</b>	<b>(7.27)</b>	<b>2.98%</b>	<b>0.51</b>	<b>14.14%</b>	<b>(6.76)</b>
<b>Associates (Indian)</b>								
Investment as per equity method	0.26%	22.03	10.24%	(6.65)	0.00%	-	13.91%	(6.65)
Inter-company eliminations	-46.04%	(3,854.31)	33.10%	(21.49)	0.00%	-	44.94%	(21.49)
	<b>100.00%</b>	<b>8,371.46</b>	<b>100.00%</b>	<b>(64.93)</b>	<b>100.00%</b>	<b>17.11</b>	<b>100.00%</b>	<b>(47.82)</b>

As at 31 March 2020

(₹ in millions)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
S Chand And Company Limited	95.31%	7,827.49	35.64%	(397.28)	67.87%	(4.08)	35.81%	(401.36)
<b>Subsidiaries</b>								
<b>Indian</b>								
Eurasia Publishing House Private Limited	1.84%	151.30	-0.45%	4.98	0.00%	-	-0.44%	4.98
BPI (India) Private Limited	0.30%	24.49	0.13%	(1.43)	6.83%	(0.41)	0.16%	(1.84)
Safari Digital Education Initiatives Private Limited	0.88%	72.40	13.17%	(146.81)	-4.56%	0.27	13.08%	(146.54)
Blackie & Son (Calcutta) Private Limited	0.86%	70.50	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nirja Publishers & Printers Private Limited	9.47%	778.00	-1.77%	19.71	0.00%	-	-1.76%	19.71
Vikas Publishing House Private Limited	17.36%	1,425.84	8.73%	(97.29)	-13.43%	0.81	8.61%	(96.50)
S. Chand Edutech Private Limited	-0.47%	(38.45)	2.73%	(30.41)	-0.12%	0.01	2.71%	(30.40)
D S Digital Private Limited	-0.08%	(6.98)	9.43%	(105.13)	-1.71%	0.10	9.37%	(105.02)
New Saraswati House (India) Private Limited	2.45%	201.47	47.06%	(524.61)	31.69%	(1.90)	46.98%	(526.51)
Chhaya Prakashani Limited	10.80%	886.86	-9.33%	104.04	15.68%	(0.94)	-9.20%	103.10
Indian Progressive Publishing Company Private Limited	0.17%	13.78	-0.51%	5.72	0.00%	-	-0.51%	5.72
<b>Minority interest in all subsidiaries</b>	<b>0.35%</b>	<b>28.48</b>	<b>-0.04%</b>	<b>0.47</b>	<b>-2.25%</b>	<b>0.13</b>	<b>-0.05%</b>	<b>0.59</b>
<b>Associates (Indian)</b>								
Investment as per equity method	2.23%	183.51	0.00%	-	0.00%	-	0.00%	-
Inter-company eliminations	-41.47%	(3,405.71)	-4.79%	53.39	0.00%	-	-4.76%	53.39
	<b>100.00%</b>	<b>8,213.00</b>	<b>100.00%</b>	<b>(1,114.68)</b>	<b>100.00%</b>	<b>(6.01)</b>	<b>100.00%</b>	<b>(1,120.69)</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

46. The Group had filed Draft Composite Scheme of Arrangement on 9 January 2018, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("SEBI Circular"). The Scheme inter alia includes amalgamation of Blackie & Nirja with and into S Chand, demerger of the education business of DS Digital & Safari with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari. The Holding Company had filed the Scheme with NCLT. NCLT vide its order dated 10 February 2020 had directed to convene meetings of shareholders, secured & unsecured creditors of S Chand and meeting of secured & unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. However, due to COVID-19 pandemic and nationwide lockdown the meetings were deferred. NCLT vide its order dated 29 May 2020 has directed to convene these meetings through video conferencing in the month of July 2020. These meetings were convened through video conferencing on 17 July 2020 and 18 July 2020. Respective creditors and shareholders have approved the Composite Scheme and thereafter the Holding Company has filed a second motion application with NCLT for approval of the Composite Scheme. The approval of NCLT is awaited.
47. The Board of Directors of Chhaya Prakashani Limited ("Chhaya"), in its meeting held on 7 November 2019 approved the scheme of amalgamation with Eurasia Publishing House Private Limited ("Eurasia"), both wholly owned subsidiaries of S Chand And Company Limited. However, due to COVID-19 pandemic and nationwide lockdown Chhaya could not file the application with National Company Law Tribunal ("NCLT") of Kolkata for approval. The Board of Directors of Chhaya has again approved this scheme of amalgamation with appointed date as 1 April 2020 in its meeting held on 25 June 2020. Chhaya has been converted into a Public Limited company. Chhaya has filed the application with NCLT of Kolkata under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions and rules thereunder, for amalgamation of Eurasia with Chhaya. The said application is pending with Kolkata Bench of NCLT for hearing.

#### 48. Note for reclassifications:

During the year ended 31 March 2021, the Group reclassified/regrouped certain previous year's balances, as below:

##### Reclassification of financial information of previous year ended 31 March 2020

(₹ in millions)

Details	Nature of reclassification	Amount
MAT credit entitlement	Reclassified from 'Other assets' disclosed under note 8 to 'Deferred tax assets' disclosed under Note 9	72.98
Deposits with original maturity for more than 3 months but less than 12 months	Reclassified from 'Other financial asset' disclosed under note 6H to 'Bank balances other than cash and cash equivalents' disclosed under Note 6F	7.22
Provision of gratuity and compensated absences	Reclassified from 'Other financial liability' disclosed under note 15 to 'Provisions' disclosed under Note 17	2.42
Unclaimed dividend	Reclassified from 'Provisions' disclosed under Note 17 to 'Other financial liability' disclosed under note 15	0.09
Other Payables	Reclassified from non-current to current under Note 16 'Other liability'	0.79

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

49. The Shareholders of Vikas Publishing House Private Limited (transferee) and Rajendra Ravindra Printers Private Limited (transferor) (RRPL), a subsidiary of S Chand And Company Limited (SCCL), had approved a scheme of amalgamation (the scheme) u/s 391-394 of the Companies Act, 1956 and applicable provisions of Companies Act 2013 (to the extent applicable). In accordance with the scheme RRPL merged with the Company w.e.f. 1 April, 2014. The Hon'ble Delhi High Court had given its approval to the Scheme on 18 February 2016 and order was received by the company on 7 April 2016. The approved scheme was filed with the Registrar of Companies on 27 April 2016 and the Scheme became effective from such date. Assets and liabilities, rights and obligation of the RRPL were transferred into the company (as provided in the Scheme).

During FY 2012-13, Rajendra Ravindra Printers Private Limited "Amalgamating Company" had sold its certain land and building (acquired in 1972) to its wholly owned subsidiary, and claimed exemption under section 47(iv) of Income Tax Act, 1961 ("IT Act"). However, by virtue of merger of RRPL, the subsidiary company ceases to be wholly owned subsidiary of RRPL before expiry of 8 years from the date of transfer, accordingly, capital gains claimed as exempt under section 47(iv) of IT Act, would now be taxable in the year of transfer due to trigger of section 47A of IT Act. Considering this, tax liability for ₹33.51 million has been recognised in the books of accounts. The company has filed an application with the department.

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

#### 50. Corporate Social Responsibility

(₹ in millions)

	As at 31 March 2021	As at 31 March 2020
a) Gross amount required to be spent by the Group during the year	8.20	16.62
b) Amount spent during the year		
i) Construction/ acquisition of any asset	-	-
ii) On purpose other than (i) above	12.12	17.00
	<b>12.12</b>	<b>17.00</b>

#### 51. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Managing Director assesses the financial performance and position of the Group, and makes strategic decision and has been identified as the chief operating decision maker. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., publishing of books. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. The Group primarily operates in India.

#### 52. Business combinations

##### Acquisition of Edutor Technologies India Private Limited ("Edutor") during the year ended 31 March 2021

During the year ended 31 March 2021, the Group has acquired additional 10% equity shareholding, through step acquisition of an associate, Edutor Technologies India Private limited ("Edutor"), at nominal value, thereby effectively raising equity shareholding at 54.86%, as at 31 March 2021. The management has represented that the acquisition of 10% stake is part of mutually agreed price as per business negotiations and doesn't represent fair market value of Edutor. Accordingly, in accordance with Ind AS 103 Business Combination, the Group has remeasured its previously held equity interest in the Edutor at its acquisition-date fair value and has recognised capital reserve as on the acquisition date amounting to ₹38.56 million. Below table provides the details of net assets acquired, purchase consideration paid and capital reserve recognised in this transaction:

	(₹ in millions)
	Amounts
Property, plant and equipment	1.08
Other intangible assets	391.76
Other non-current assets	40.51
Current assets	21.51
Non-current liabilities	(2.17)
Current liabilities	(83.07)
Minority interest	(166.87)
Capital reserve (net of tax)	(38.56)
Fair value of existing stake	(164.19)
<b>Purchase consideration*</b>	-

\* additional stake was acquired at ₹1.00 (absolute value)

#### 53. COVID Disclosure

In view of COVID-19 pandemic, while developing the assumptions relating to possible uncertainties in the business conditions because of the pandemic, the Group, as on the date of approval of these consolidated financials statements have used variable information as available and considered the possible effects that may result from COVID-19 on the carrying amount of its assets i.e. assessing counterparty credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments in mutual funds) and subsequent recoveries,

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 (Continued)

CIN:L22219DL1970PLC005400

past trends, credit risks profile of customers in case of trade receivables and advances to vendors. The Group expects to recover the carrying amount of the assets and investment. The Group while assessing right of use asset and other investments, has considered past trend, future business projections, performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of other assets will be recovered and does not foresee either significant down-sizing in the operations or any changes in lease terms.

As at the balance sheet date, the Group has evaluated the impact of COVID 19 on its financial results the impact of COVID 19 may differ from the estimates as at the date of approval of these consolidated financial statements. There have been no material changes in the controls or processes followed in the consolidated financial statements closing process of the Group. The Group will continue to monitor any future changes to the business and consolidated financial statements due to COVID-19.

The management, based on its current and future business plans, after considering COVID 19 impact, has assessed that the Group's ability to meet its contractual obligations and liabilities that fall due in near future including repayment of the debts taken from banks / financial institutions and their related covenants, is dependent upon timely realization of debtors collections and subsequent sale of inventory. The management has assessed that it will be able to realize the collections on timely basis despite COVID 19 challenges and would be able to arrange sufficient working capital facilities from banks/ financial intuitions, if required, to ensure continuity of operations. The management has availed moratorium offered by one financial institution during the month of Apr-May'20 to manage cash flows, the same was paid in June'20.

54. The Government of India announced the New Education Policy (NEP) 2020 on 31 July 2020, to bring in various changes to the Education system. The National Curriculum Framework (NCF) that defines the curriculum to be taught in schools is yet to be formulated based on NEP, which is expected to be developed over the period. The management is monitoring the implementation of the policy and the revised curriculum and detailed assessment shall be made, once curriculum gets formulated.
55. During the year ended 31 March 2021, a gain of ₹7.85 million has been recorded in other income, arising out of deemed disposal on account of reduction in proportionate interest of the Group in one of its Associates.
56. The Group has recorded the following as exceptional items:
- During the year-ended 31 March 2021, the Group has recorded diminution in the carrying value of investment with respect to Next Door Learning Solutions Private Limited amounting to ₹2.43 million towards a decline in the value of its investments in resultant business.
  - During the year-ended 31 March 2020, due to COVID-19, the Group has performed a detailed assessment of its existing inventory and as a result, the Group has further reduced the valuation of certain titles to their current realizable value and recorded additional provision of ₹87.15 million as exceptional cost.
  - During the year-ended 31 March 2020, the Group has recorded diminution in the carrying value of investment with respect to Gyankosh Solutions Private Limited amounting to ₹14.52 million towards a decline in the value of its investments in resultant business.
57. The amount of inventory recorded as at 31 March 2021, comprises of inventory lying physically at the Group's warehouse. The Group as part of its policy performs physical verification of inventory bi-annually every year. However, due to the impact of the second wave of COVID-19 on the Group, the management of below mentioned entities were not able to perform inventory count as at 31 March 2021 till the date of approval of these consolidated financial statements. The management, based on its assessment, is of the opinion that consequential adjustments, if any, due to physical verification of inventory items lying at its warehouse, is not expected to be material and further intends to complete the physical verification process in the subsequent quarter.

(₹ in millions)

Particulars	Raw materials (including printing material)	Work in Progress	Traded goods	Finished goods	Total
S Chand And Company Limited	35.73	-	18.07	397.54	451.34
Vikas Publishing House Private Limited	39.99	0.22	-	306.23	346.44
Safari Digital Education Initiatives Private Limited	-	-	55.50	-	55.50
D S Digital Private Limited	-	-	3.10	-	3.10
S. Chand Edutech Private Limited	-	-	14.34	-	14.34
	<b>75.72</b>	<b>0.22</b>	<b>91.01</b>	<b>703.77</b>	<b>870.72</b>

## S Chand And Company Limited

### Notes to consolidated financial statements as at 31 March 2021 *(Continued)*

CIN:L22219DL1970PLC005400

58. The consolidated financial statements were approved for issue by the board of directors on 22 June 2021.

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

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

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

**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 22 June 2021

**Himanshu Gupta**

Managing Director

DIN: 00054015

Place: New Delhi

Date: 22 June 2021

**Dinesh Kumar Jhunjhnuwala**

Whole-time director

DIN: 00282988

Place: New Delhi

Date: 22 June 2021

**Saurabh Mittal**

Chief Financial

Officer

Place: New Delhi

Date: 22 June 2021

**Jagdeep Singh**

Company

Secretary

Place: New Delhi

Date: 22 June 2021

**S Chand And Company Limited**

(CIN L22219DL1970PLC005400)

Registered Office: A-27, 2<sup>nd</sup> Floor, Mohan Co-operative Industrial Estate, New Delhi-110044

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**NOTICE**

**NOTICE** is hereby given that the 50<sup>th</sup> Annual General Meeting ("**AGM**") of the Members of S Chand And Company Limited ("**Company**") will be held on Tuesday, September 28, 2021 at 11:30 A.M. through video conferencing to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Report of Auditors thereon.
3. To appoint a Director in place of Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To approve the re-appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No: 001076N/N500013) as Statutory Auditors of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139(1), 142 of The Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s), thereof for the time being in force), M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No: 001076N/N500013), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of 55<sup>th</sup> Annual General Meeting of the Company to be held in the year 2026 at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed between the management and the Statutory Auditors."

**SPECIAL BUSINESS:**

5. **To consider and approve revision in the remuneration of Mr. Himanshu Gupta, Managing Director of the Company**

To consider and if thought fit, to pass the following as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of the Articles of Association of the Company and subject to such other approvals as may be required, approval of the members of the Company, be and is hereby accorded for the following remuneration to be paid to Mr. Himanshu Gupta (DIN: 00054015), Managing Director of the Company, with effect from July 01, 2021 till the expiry of his present term of office (i.e. May 21, 2024):

**Part I: Salary:**

- a) Basic Salary: Rs. 13,91,500/- per month
- b) Employer Contribution to Employee Provident Fund at 12% of Basic Salary

**Part II: Perquisites:****Following perquisites upto 10% of the basic salary**

- a) Water and Electricity;
- b) Club Membership Fees; and
- c) Medical Expenses

**Other Terms and Conditions:**

No sitting fees will be paid to Mr. Himanshu Gupta for attending meeting of the Board of Directors or any committee thereof.

In addition of above basic salary and perquisites, Mr. Himanshu Gupta shall also be entitled to remuneration by way of commission upto 0.45% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 50 lakhs) in a particular year."

6. **To consider and approve revision in the remuneration of Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company**

To consider and if thought fit, to pass the following as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable clauses of the Articles of Association of the Company and subject to such other approvals as may be required, approval of the members of the Company, be and is hereby accorded for the following remuneration to be paid to Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988), Whole-time Director of the Company, with effect from July 01, 2021 till the expiry of his present term (i.e. March 27, 2024):

**Part I: Salary:**

- a) Basic Salary: Rs. 10,28,500/- per month
- b) Employer Contribution to Employee Provident Fund at 12% of Basic Salary

**Part II: Perquisites:**

**Following perquisites upto 10% of the basic salary**

- a) Water and Electricity;
- b) Club Membership Fees; and
- c) Medical Expenses

**Other Terms and Conditions:**

No sitting fees will be paid to Mr. Dinesh Kumar Jhunjhnuwala for attending meeting of the Board of Directors or any committee thereof.

In addition of above basic salary and perquisites, Mr. Dinesh Kumar Jhunjhnuwala shall also be entitled to remuneration by way of commission upto 0.30% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 35 lakhs) in a particular year.”

7. **To consider and approve the re-appointment of Mr. Desh Raj Dogra (DIN: 00226775) as an Independent Director of the Company**

To consider and if thought fit, to pass the following as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of The Companies Act, 2013 (**“the Act”**) and The Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Desh Raj Dogra (DIN: 00226775), Independent Director of the Company, who holds office as an independent director upto November 09, 2021, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of 5 (five) consecutive years commencing from November 10, 2021 till November 09, 2026.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all acts and to take all such steps as may be necessary or expedient to give effect to this resolution.”

8. **To consider and approve the re-appointment of Ms. Archana Capoor (DIN: 01204170) as an Independent Director of the Company**

To consider and if thought fit, to pass the following as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of The Companies Act, 2013 (**“the Act”**) and The Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Archana Capoor (DIN: 01204170), Independent Director of the Company, whose period of office will be expiring on November 09, 2021, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a term of 5 (five) consecutive years commencing from November 10, 2021 till November 09, 2026.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all acts and to take all such steps as may be necessary or expedient to give effect to this resolution.”

9. **To consider and approve amendments in Articles of Association of the Company**

To consider and if thought fit, to pass the following as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 14 and other applicable provisions, if any, of The Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the members, be and is hereby accorded to amend the Articles of Association of the Company by deletion of Article 1(dd-1) i.e. definition of Material Subsidiaries.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all acts and to take all such steps as may be necessary or expedient to give effect to this resolution."

Date: August 31, 2021  
Place: New Delhi

By Order of the Board  
S Chand And Company Limited  
Sd/-  
Jagdeep Singh  
Company Secretary  
Membership No. A15028

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of The Companies Act, 2013 ("the Act"), which sets out details relating to Special Business at the Meeting, is annexed hereto. The Board of Directors have decided that the special business as set out under Item No. 5, 6, 7, 8 & 9, being considered unavoidable, be transacted at the AGM.
2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs has vide its circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 ("MCA Circulars") and The Securities and Exchange Board of India ("SEBI") vide its circulars dated May 12, 2020 and January 15, 2021 ("SEBI Circulars") permitted holding of the AGM through video conferencing or other audio visual means. In compliance of the provisions of the Act, MCA Circulars, The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") and SEBI Circulars, the AGM of the Company is being conducted through video conferencing.
3. Pursuant to the provisions of the Act, a member is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since the AGM is being held through video conferencing pursuant to the MCA Circulars, the physical attendance of members has been dispensed with. Accordingly, the facility of appointing proxies by the members will be not be available for the AGM.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend, vote during the meeting through video conferencing on its behalf or to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at investors@schandgroup.com and to its RTA at instameet@linkintime.co.in.
5. Members may avail nomination facility as provided under Section 72 of the Act.
6. Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings, the information about the Directors who are proposed to be re-appointed and whose remuneration is to be re-fixed is given in the **Annexure I** to this Notice.
7. The Company hereby requests Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s. Link Intime India Private Limited, Registrar and Transfer Agent (R&T) of the Company.
8. Electronic copy of the notice of AGM and Annual Report for the financial year ended March 31, 2021 is being sent to all the Members whose email IDs are registered with the Company/ Depository Participants(s) as on August 27, 2021. Please note that there would not be any physical dispatch of notice of AGM and Annual Report through post/courier. The members may further note that the notice of AGM and Annual Report for the financial year ended March 31, 2021 will also be available on the Company's website at www.schandgroup.com, website of the stock exchanges i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and the website of Link Intime India Private Limited at https://instavote.linkintime.co.in.
9. The facility for joining the AGM through video conferencing will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the AGM i.e. 11:15 A.M. to 11.45 A.M. and will be available for atleast 1000 members on a first-come-first-served basis. This rule of first-come-first-served basis would not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, Directors, key managerial personnel and auditors.
10. The institutional investors, who are members of the Company are encouraged to attend and vote at the AGM of the Company.
11. Voting through electronic means:

- I. The Company, in compliance of provisions of Section 108 of the Act, Rule 20 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, as amended, is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 50<sup>th</sup> AGM by remote e-voting or through an electronic voting system during the meeting.
  - II. The facility of casting votes by Members using an electronic voting system and remote e-voting will be provided by Link Intime India Private Limited ("**Link Intime**").
    - (i) The remote e-voting period begins on Friday, September 24, 2021 at 9:00 A.M. and ends on Monday, September 27, 2021 at 5:00 P.M. During this period the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2021, may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime for voting thereafter.
    - (ii) The instructions for e-voting are given in the **Annexure II** to this Notice.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
12. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
  13. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 21, 2021 may obtain the login ID and password by sending a request at delhi@linkintime.co.in or investors@schandgroup.com.
  14. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
  15. Certificate from Secretarial Auditor of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with The SEBI (Share Based Employee Benefits) Regulations, 2014, will be available for inspection by the members through electronic mode.
  16. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
  17. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.
  18. Mr. R. S. Bhatia, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the electronic voting process during the AGM in a fair and transparent manner.
  19. The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
  20. The results declared alongwith the Scrutinizer's Report shall be displayed at the Registered Office of the Company and uploaded on the Company's website at www.schandgroup.com as well as on the website of Link Intime after the same is declared by the Chairman/ authorized person. The results shall also be simultaneously forwarded to the stock exchanges.
  21. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agent as mentioned above, or with the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 5

The Nomination and Remuneration Committee and Board of Directors ("Board") at its meeting held on February 14, 2019 and the shareholders at their Annual General Meeting held on September 19, 2019 approved the remuneration of Rs. 12,342,000/- per annum plus perquisites upto 10% of basic salary and commission upto 1% of net profit for the year (subject to a maximum limit of Rs. 50.00 lakhs) to be paid to Mr. Himanshu Gupta, Managing Director of the Company.

The Board at its meeting held on August 31, 2021, subject to approval of the members has approved the following revised remuneration of Mr. Himanshu Gupta to be paid with effect from July 01, 2021 till the expiry of his present term of office (i.e. May 21, 2024). The said revised remuneration was also approved by the Nomination and Remuneration Committee by passing resolution by circulation on August 26, 2021 and was recommended to Board for its approval.

**Part I: Salary:**

- a) Basic Salary: Rs. 13,91,500/- per month
- b) Employer Contribution to Employee Provident Fund at 12% of Basic Salary

**Part II: Perquisites:****Following perquisites upto 10% of the basic salary**

- a) Water and Electricity;
- b) Club Membership Fees; and
- c) Medical Expenses

**Other Terms and Conditions:**

No sitting fees will be paid to Mr. Himanshu Gupta for attending meeting of the Board or any committee thereof.

In addition of above basic salary and perquisites, Mr. Himanshu Gupta shall also be entitled to remuneration by way of commission upto 0.45% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 50 lakhs) in a particular year.

Considering the financial performance of the Company, your Directors is of the view that the above mentioned proposed remuneration will exceed the limits of 5% of net profit as given in Section 197(1) of the Act and will also exceed the limit of remuneration as given in schedule V of the Act.

Further, pursuant to Regulation 17(6)(e) of the Listing Regulations the approval of the shareholders by way of passing a special resolution is required if the aggregate annual remuneration being paid to the promoter directors exceeds 5% of the net profit of the Company. The proposed remuneration being paid to Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala exceeds 5% of the net profit of the Company.

Accordingly, pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the Listing Regulations and applicable clauses of the Articles of Association of the Company, the above revision in remuneration of Mr. Himanshu Gupta shall require approval of members of the Company in a general meeting by way of a special resolution. Accordingly, the resolution set out at item no. 5 of the notice is placed before the members for their approval.

Information as required to be disclosed pursuant to Schedule V of the Act are as under:

<b>I. General information</b>		
(1)	Nature of Industry	Publishing
(2)	Date of commencement of commercial production	09/09/1970
(3)	Financial performance based on given indicators	The Company has reported revenue from operations of Rs. 1430.39 million in comparison to the previous year revenue from operation of Rs. 1,510.61 million, a decrease in revenue by 5% YoY. The Company has turned around in profitability and reported a net profit (after tax) of Rs. 22.24 million as compared to a net loss (after tax) of Rs.397.28 million in the previous year. This turnaround was driven by strong control on all operating expenses in the Company. The Company benefited from the complete implementation of the S Chand 3.0 program during the year and achieved significant success in lowering costs during the year. The Company's operational costs (Employee costs, Selling and Distribution expenses and Other Overhead expenses) went lower by 35% on a YoY basis from Rs. 909.31 million to Rs.588.86 million in the year under review. The Company's operating cash flows increased by Rs.361.80 million to Rs.523.20 million from a Rs.161.40 million in the year under review.
(4)	Foreign investments or collaborations, if any	N.A.
<b>II Information about the appointee:</b>		
(1)	Background details	Mr. Himanshu Gupta holds a bachelor's degree in commerce from the University of Delhi. He has been associated with our Company since 2000 and accordingly, has over 21 years of experience in the knowledge products and services industry.
(2)	Past remuneration	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of the basic salary and commission upto 1% of net profit for the year (subject to a maximum limit of Rs. 50.00 lakhs)
(3)	Recognition or awards	He was the vice president (south) of the Federation of Indian Publishers for the year 2012-2013. He is a recipient of 'Young Publisher Award' by the Federation of Educational Publishers in India for the year 2011.
(4)	Job profile and his suitability	Mr. Himanshu Gupta is involved with Strategic Planning, Investments, Sales and Marketing, Publishing, Operations, Printing and Procurement functions of the business. He has over 21 years of experience in the Industry

(5)	Remuneration proposed	Basic Salary: Rs. 1,391,500/- per month plus perquisites upto 10% of basic salary, Employer Contribution to Employee Provident Fund at 12% of Basic Salary and commission upto 0.45% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 50 lakhs) in a particular year
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is at par with companies in the education industry both listed and unlisted and experience.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving remuneration, Mr. Himanshu Gupta does not have any pecuniary relationship with the Company. Ms. Savita Gupta is the mother of Mr. Himanshu Gupta.
<b>III</b>	<b>Other Information</b>	
(1)	Reasons of loss or inadequate profits	Since the proposed remuneration exceeds the limits of 5% of net profit as given in Section 197(1) read with Schedule V of the Act and Regulation 17(6)(e) of the Listing Regulations, thus approval of the shareholders is required by way of passing special resolution
(2)	Steps taken or proposed to be taken for improvement	The Company has taken various steps for optimizing cost and enhancing efficiency. These steps have resulted in substantial cost reduction in last financial year. The Company will continue to focus on cost optimization, enhancing efficiency consolidation of its operations which are expected to result improving overall performance of the Company.
(3)	Expected increase in productivity and profits in measurable terms	The Company expects to achieve higher revenue by 20-25% with Gross Margins of 55-58% , EBIDTA Margins of 14-16% and Net Profit Margins of 4-6% in the next financial year driven by recovery of revenues from a normal sales season during the financial year 2021-22. There will also be a price hike on the product portfolio given the rise in paper costs over the past 12 months. Increase in product pricing, controlled operating expenses and reduction in working capital should drive our cash flows for financial year 2021-22. This will further help in reduction of debt. Further the company is also focusing on preparing for the NCF to be announced and mapping its content repository according to the changes envisaged in the New Education Policy 2020.

In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Your Board recommends the proposed special resolution set out at Item No. 5 for your approval.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 5 of the accompanying notice except Mr. Himanshu Gupta and Ms. Savita Gupta who is relative of Mr. Himanshu Gupta.

#### Item No. 6

The Nomination and Remuneration Committee and Board of Directors ("Board") at its meeting held on February 14, 2019 and the shareholders at their Annual General Meeting held on September 19, 2019 approved the remuneration of Rs. 12,342,000/- per annum plus perquisites upto 10% of basic salary and commission upto 1% of net profit for the year (subject to a maximum limit of Rs. 50.00 lakhs) to be paid to Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company.

The Board its meeting held on August 31, 2021, subject to approval of the members has approved the following revised remuneration of Mr. Dinesh Kumar Jhunjhnuwala to be paid with effect from July 01, 2021 till the expiry of his present term (i.e. March 27, 2024). The said revised remuneration was also approved by the Nomination and Remuneration Committee by passing resolution by circulation on August 26, 2021 and was recommended to Board for its approval.

#### Part I: Salary:

- Basic Salary: Rs. 10,28,500/- per month
- Employer Contribution to Employee Provident Fund at 12% of Basic Salary

#### Part II: Perquisites:

##### Following perquisites upto 10% of the basic salary

- Water and Electricity;
- Club Membership Fees; and
- Medical Expenses

#### Other Terms and Conditions:

No sitting fees will be paid to Mr. Dinesh Kumar Jhunjhnuwala for attending meeting of the Board or any committee thereof.

In addition of above basic salary and perquisites, Mr. Dinesh Kumar Jhunjhnuwala shall also be entitled to remuneration by way of commission upto 0.30% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 35 lakhs) in a particular year.

Considering the financial performance of the Company, your Directors is of the view that the above mentioned proposed remuneration will exceed the limits of 5% of net profit as given in Section 197(1) of the Act and will also exceed the limit of remuneration as given in schedule V of the Act.

Further, pursuant to Regulation 17(6)(e) of the Listing Regulations the approval of the shareholders by way of passing a special resolution is required if the aggregate annual remuneration being paid to the promoter directors exceeds 5% of the net profit of the Company. The proposed remuneration being paid to Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala exceeds 5% of the net profit of the Company.

Accordingly, pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the Listing Regulations and applicable clauses of the Articles of Association of the Company, the above revision in remuneration of Mr. Dinesh Kumar Jhunjhnuwala shall require approval of members of the Company in a general meeting by way of a special resolution. Accordingly, the resolution set out at item no. 6 of the notice is placed before the members for their approval.

Information as required to be disclosed pursuant to Schedule V of the Act are as under:

<b>I. General information</b>		
(1)	Nature of Industry	Publishing
(2)	Date of commencement of commercial production	09/09/1970
(3)	Financial performance based on given indicators	The Company has reported revenue from operations of Rs. 1430.39 million in comparison to the previous year revenue from operation of Rs. 1,510.61 million, a decrease in revenue by 5% YoY. The Company has turned around in profitability and reported a net profit (after tax) of Rs. 22.24 million as compared to a net loss (after tax) of Rs.397.28 million in the previous year. This turnaround was driven by strong control on all operating expenses in the Company. The Company benefited from the complete implementation of the S Chand 3.0 program during the year and achieved significant success in lowering costs during the year. The Company's operational costs (Employee costs, Selling and Distribution expenses and Other Overhead expenses) went lower by 35% on a YoY basis from Rs. 909.31 million to Rs.588.86 million in the year under review. The Company's operating cash flows increased by Rs.361.80 million to Rs.523.20 million from a Rs.161.40 million in the year under review.
(4)	Foreign investments or collaborations, if any	N.A.
<b>II Information about the appointee:</b>		
(1)	Background details	Mr. Dinesh Kumar Jhunjhnuwala has received basic education. He has been associated with our Company since 2004 and accordingly, has over 17 years of experience in the knowledge products and services industry.
(2)	Past remuneration	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of the basic salary and commission upto 1% of net profit for the year (subject to a maximum limit of Rs. 50.00 lakhs)
(3)	Recognition or awards	N.A.
(4)	Job profile and his suitability	Mr. Dinesh Kumar Jhunjhnuwala is involved with Strategic Planning, Investments, Finance, Operations, Digital business functions of the business. He has over 17 years of experience in the Industry
(5)	Remuneration proposed	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of basic salary, Employer Contribution to Employee Provident Fund at 12% of Basic Salary and commission upto 0.30% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 35 lakhs) in a particular year
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is at par with companies in the education industry both listed and unlisted and experience.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving remuneration, Mr. Dinesh Kumar Jhunjhnuwala does not have any pecuniary relationship with the Company. Mr. Gaurav Kumar Jhunjhnuwala, Director of the Company is the son of Mr. Dinesh Kumar Jhunjhnuwala.

III Other Information		
(1)	Reasons of loss or inadequate profits	Since the proposed remuneration exceeds the limits of 5% of net profit as given in Section 197(1) read with Schedule V of the Act and Regulation 17(6)(e) of the Listing Regulations, thus approval of the shareholders is required by way of passing special resolution.
(2)	Steps taken or proposed to be taken for improvement	The Company has taken various steps for optimizing cost and enhancing efficiency. These steps have resulted in substantial cost reduction in last financial year. The Company will continue to focus on cost optimization, enhancing efficiency consolidation of its operations which are expected to result improving overall performance of the Company.
(3)	Expected increase in productivity and profits in measurable terms	The Company expects to achieve higher revenue by 20-25% with Gross Margins of 55-58% , EBIDTA Margins of 14-16% and Net Profit Margins of 4-6% in the next financial year driven by recovery of revenues from a normal sales season during the financial year 2021-22. There will also be a price hike on the product portfolio given the rise in paper costs over the past 12 months. Increase in product pricing, controlled operating expenses and reduction in working capital should drive our cash flows for financial year 2021-22. This will further help in reduction of debt. Further the company is also focusing on preparing for the NCF to be announced and mapping its content repository according to the changes envisaged in the New Education Policy 2020.

In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Your Board recommends the proposed special resolution set out at Item No. 6 for your approval.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 6 of the accompanying notice except Mr. Dinesh Kumar Jhunjhnuwala and Mr. Gaurav Kumar Jhunjhnuwala who is relative of Mr. Dinesh Jhunjhnuwala.

#### Item No. 7

**Mr. Desh Raj Dogra (DIN: 00226775)** was appointed as an independent director of the Company pursuant to Section 149 of the Act read with The Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Appointment Rules"), by the members at the Extra Ordinary General Meeting held on November 10, 2016, to hold office for a period of 5 (five) years i.e. up to November 09, 2021. The present term of Mr. Desh Raj Dogra will expire on November 09, 2021.

The Nomination and Remuneration Committee of Directors of your Company at its meeting held on August 11, 2021 after taking into account the performance evaluation of Mr. Desh Raj Dogra during his first term of 5 (five) years and considering his knowledge, acumen, expertise, experience and substantial contribution, has recommended to the Board of Directors ("Board") his re-appointment for a second term of 5 (five) years. Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the re-appointment of Mr. Desh Raj Dogra as an independent director, not liable to retire by rotation, for a second term of 5 (five) years with effect from November 10, 2021, up to November 09, 2026.

In accordance with the provisions of Section 149 and Schedule IV of the Act, an independent director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment based on report of performance evaluation and on passing of a special resolution by the Company.

Mr. Desh Raj Dogra fulfills the requirements of an independent director as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations. The Company has received all statutory disclosures / declarations from Mr. Desh Raj Dogra. The Company has also received a notice under Section 160 of the Act from a member, proposing candidature of Mr. Desh Raj Dogra to the office of independent director. In the opinion of the Board, and based on its evaluation, Mr. Desh Raj Dogra fulfils the conditions specified in the Act, Rules made thereunder and Listing Regulations for his re-appointment as an independent director of the Company and he is independent of the management of the Company.

Mr. Desh Raj Dogra is not debarred from holding the office of Director pursuant to any SEBI order.

The resolution seeks the approval of members for the re-appointment of Mr. Desh Raj Dogra as an independent director of the Company up to November 09, 2026 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder and his office shall not be liable to retire by rotation. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Your Board recommends the proposed special resolution set out at Item No. 7 for your approval.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 7 of the accompanying notice except Mr. Desh Raj Dogra.

#### Item No. 8

**Ms. Archana Kapoor (DIN: 01204170)** was appointed as an independent director of the Company pursuant to Section 149 of the Act read with The Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Appointment Rules"), by the members at the Extra Ordinary General Meeting held on November 10, 2016, to hold office for a period of 5 (five) years i.e. up to November 09, 2021. The present term of Ms. Archana Kapoor will expire on November 09, 2021.

The Nomination and Remuneration Committee of Directors of your Company at its meeting held on August 11, 2021 after taking into account the performance evaluation of Ms. Archana Capoor during her first term of 5 (five) years and considering her knowledge, acumen, expertise, experience and substantial contribution, has recommended to the Board of Directors ("Board") her re-appointment for a second term of 5 (five) years. Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended the re-appointment of Ms. Archana Capoor as an independent director, not liable to retire by rotation, for a second term of 5 (five) years with effect from November 10, 2021, up to November 09, 2026.

In accordance with the provisions of Section 149 and Schedule IV of the Act, an independent director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for re-appointment based on report of performance evaluation and on passing of a special resolution by the Company.

Ms. Archana Capoor fulfills the requirements of an independent director as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations. The Company has received all statutory disclosures / declarations from Ms. Archana Capoor. The Company has also received a notice under Section 160 of the Act from a member, proposing candidature of Ms. Archana Capoor to the office of independent director. In the opinion of the Board, and based on its evaluation, Ms. Archana Capoor fulfils the conditions specified in the Act, Rules made thereunder and Listing Regulations for her re-appointment as an independent director of the Company and she is independent of the management of the Company.

Ms. Archana Capoor is not debarred from holding the office of Director pursuant to any SEBI order.

The resolution seeks the approval of members for the re-appointment of Ms. Archana Capoor as an independent director of the Company up to November 09, 2026 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder and her office shall not be liable to retire by rotation. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Your Board recommends the proposed special resolution set out at Item No. 8 for your approval.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 8 of the accompanying notice except Ms. Archana Capoor.

#### **Item No. 9**

Articles 1(dd-1) of the existing Articles of Association ("AOA") of the Company, has the following definition of Material Subsidiaries:

"Material Subsidiaries" shall mean New Saraswati House (India) Private Limited, Safari Digital Education Initiatives Private Limited and Vikas Publishing House Private Limited, and such other companies that may contribute income or net worth exceeding twenty percent of the consolidated income or net worth of the Company, respectively.

The Board of Directors is of the view that the definition of Material Subsidiary is not required to be given in the AOA of the Company because the definition of Material Subsidiary is already specified in the Listing Regulations. Accordingly, the Board of Directors at its meeting held August 12, 2021 approved the amendment in the existing AOA by deletion of Article 1 (dd-1) i.e. definition of Material Subsidiaries.

Pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Act read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), for amending the AOA the approval of the members is required by way of passing special resolution in general meeting.

Accordingly, the approval of the members is being sought, by way of Special Resolution to amend the AOA of the Company.

A draft copy of the amended AOA of the Company will be available for inspection of the members at the Registered Office of the Company in physical form between 11:00 A.M. to 01:00 P.M. on working days upto the date of Annual General Meeting.

None of the directors or key managerial personnel and/or their relatives is deemed to be interested or concerned in this resolution, except to the extent of their shareholding in the Company.

**By Order of the Board**

**Sd/-**

**Jagdeep Singh**

**Company Secretary**

**Membership No. A15028**

**Date: August 31, 2021**

**Registered Office:**

**A-27, 2<sup>nd</sup> Floor,**

**Mohan Co-operative Industrial Estate,  
New Delhi-110044**

**Tel:+91 11 49731800**

**Fax:+91 11 49731801**

**Website: [www.schandgroup.com](http://www.schandgroup.com)**

**E-mail: [investors@schandgroup.com](mailto:investors@schandgroup.com)**

## ANNEXURE I TO NOTICE

Details of Director seeking re-appointment and whose remuneration is to be re-fixed at the Annual General Meeting pursuant to Regulation 36 (3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Particulars	Mr. Himanshu Gupta (DIN: 00054015)	Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Mr. Desh Raj Dogra (DIN: 00226775)	Ms. Archana Capoor (DIN: 01204170)
Date of Birth	27/09/1978	26/08/1960	21/09/1954	17/09/1958
Age	42 years	61 years	66 Years	62 Years
Date of first appointment on the Board	21/04/2000	11/12/2004	10/11/2016	10/11/2016
Qualifications	Bachelor's degree in commerce from the University of Delhi	Basic Education	Bachelors's and Master's degree in Science, both from the University of Himachal Pradesh and a Master's degree in Business Administration from the University of Delhi	Bachelor degree in Science, as well as a Masters of Business Administration, both from the University of Allahabad
Nature of expertise in specific functional areas	Over 21 years of experience in knowledge products and services industry	Over 16 years of experience in knowledge products and services industry	Over 42 years of experience in the financial sector and credit administration and previously served as the CEO and Managing Director at Credit Analysis and Research Limited (CARE)	Over 38 years of experience across various sectors and previously served as the Managing Director of Tourism Finance Corporation of India Limited.
Disclosure of relationships between directors inter-se	Mr. Himanshu Gupta is the son of Ms. Savita Gupta	Mr. Dinesh Kumar Jhunjhnuwala is the father of Mr. Gaurav Kumar Jhunjhnuwala	Not applicable	Not applicable
No. of shares held in the Company	5,994,038 Equity Shares	3,846,854 Equity Shares	Nil	Nil
Directorships in other Companies (excluding private Companies, Section 8 companies and foreign companies)	<ol style="list-style-type: none"> <li>1. New Saraswati House (India) Private Limited</li> <li>2. Chhaya Prakashani Limited</li> <li>3. DS Digital Private Limited</li> <li>4. Vikas Publishing House Private Limited</li> <li>5. Nirja Publishers &amp; Printers Private Limited</li> <li>6. S. Chand Edutech Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. New Saraswati House (India) Private Limited</li> <li>2. Chhaya Prakashani Limited</li> <li>3. DS Digital Private Limited</li> <li>4. Vikas Publishing House Private Limited</li> <li>5. Nirja Publishers &amp; Printers Private Limited</li> <li>6. S. Chand Edutech Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Welspun Corp Limited</li> <li>2. IFB Industries Ltd</li> <li>3. Capri Global Capital Limited</li> <li>4. Axiscades Technologies Limited</li> <li>5. G R Infraprojects Limited</li> <li>6. Asirvad Micro Finance Limited</li> <li>7. M Power Micro Finance Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. RSWM Limited</li> <li>2. Maral Overseas Limited</li> <li>3. Birla Cable Limited</li> <li>4. Sandhar Technologies Limited</li> <li>5. Uniproducts (India) Limited</li> <li>6. Vikas Publishing House Private Limited</li> </ol>

Particulars	Mr. Himanshu Gupta (DIN: 00054015)	Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Mr. Desh Raj Dogra (DIN: 00226775)	Ms. Archana Capoor (DIN: 01204170)
Memberships / Chairmanships of Committees of other Companies including S Chand (excluding private Companies, Section 8 companies and foreign companies)	<p><b>S Chand And Company Limited</b></p> <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee-Member</li> <li>- Corporate Social Responsibility Committee-Member</li> <li>- Administrative Committee-Member</li> <li>- Risk Management Committee-Member</li> </ul> <p><b>Vikas Publishing House Private Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Member</li> <li>- Administrative Committee-Member</li> </ul> <p><b>Chhaya Prakashani Limited</b></p> <ul style="list-style-type: none"> <li>- Administrative Committee-Member</li> <li>- Corporate Social Responsibility Committee-Member</li> </ul> <p><b>New Saraswati House (India) Private Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Member</li> </ul> <p><b>DS Digital Pvt. Ltd.</b></p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee-Member</li> </ul> <p><b>Nirja Publishers &amp; Printers Pvt. Ltd.</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Chairman</li> </ul>	<p><b>S Chand And Company Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Member</li> <li>- Administrative Committee-Member</li> </ul> <p><b>Vikas Publishing House Private Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Member</li> <li>- Administrative Committee-Member</li> </ul> <p><b>Chhaya Prakashani Limited</b></p> <ul style="list-style-type: none"> <li>- Administrative Committee-Member</li> </ul> <p><b>New Saraswati House (India) Private Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Member</li> </ul> <p><b>DS Digital Private Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Member</li> </ul> <p><b>Nirja Publishers &amp; Printers Private Limited</b></p> <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee-Member</li> </ul>	<p><b>S Chand And Company Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Member</li> <li>- Nomination and Remuneration Committee-Member</li> <li>- Corporate Social Responsibility Committee-Chairman</li> <li>- Risk Management Committee-Member</li> </ul> <p><b>Asirvad Micro Finance Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Chairman</li> <li>- Corporate Social Responsibility Committee-Member</li> <li>- Risk Management Committee-Member</li> <li>- Management Committee-Member</li> </ul> <p><b>Welspun Corp Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Member</li> <li>- Nomination and Remuneration Committee-Member</li> <li>- Risk Management Committee-Member</li> <li>- Finance &amp; Administration Committee-Chairman</li> </ul> <p><b>Axiscades Technologies Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Chairman</li> <li>- Stakeholders Relationship Committee-Chairman</li> <li>- Nomination and Remuneration Committee-Member</li> <li>- Corporate Social Responsibility Committee-Chairman</li> </ul> <p><b>M Power Micro Finance Pvt. Ltd.</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Member</li> <li>- Nomination and Remuneration Committee-Member</li> </ul> <p>G R Infraprojects Limited</p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee-Member</li> </ul> <p>Capri Global Capital Limited</p> <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee-Member</li> <li>- Risk Management Committee-Member</li> </ul>	<p><b>S Chand And Company Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Chairperson</li> <li>- Nomination and Remuneration Committee-Chairperson</li> </ul> <p><b>RSWM Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Member</li> </ul> <p><b>Sandhar Technologies Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Chairperson</li> <li>- Share Transfer &amp; Allotment Committee-Member</li> </ul> <p><b>Uni Products (India) Limited</b></p> <ul style="list-style-type: none"> <li>- Audit Committee-Member</li> </ul>

Particulars	Mr. Himanshu Gupta (DIN: 00054015)	Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Mr. Desh Raj Dogra (DIN: 00226775)	Ms. Archana Capoor (DIN: 01204170)
Terms and Condition of appointment / re-appointment	Not applicable	Not applicable	Independent Director not liable to retire by rotation	Independent Director not liable to retire by rotation
Remuneration to be paid	Basic Salary: Rs. 13,91,500/- per month plus Employer Contribution to Employee Provident Fund at 12% of Basic Salary plus perquisites upto 10% of the basic salary plus commission upto 0.45% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 50 lakhs)	Basic Salary: Rs. 10,28,500/- per month plus Employer Contribution to Employee Provident Fund at 12% of Basic Salary plus perquisites upto 10% of the basic salary plus commission upto 0.30% of Operating Cash Flow after taxes as per Consolidated Audited Financial Statements of the Company (subject to maximum of upto Rs. 35 lakhs)	Sitting fees for attending meeting of Board and Committees, as determined by the Board from time to time	Sitting fees for attending meeting of Board and Committees, as determined by the Board from time to time
Remuneration last drawn	Rs. 10.12 Millions	Rs. 10.82 Millions	Sitting Fees of Rs. 0.48 million during FY 2020-21	Sitting Fees of Rs. 0.45 million during FY 2020-21
Number of Board meeting attended during the year	5 out of 6	5 out of 6	6 out of 6	6 out of 6

## ANNEXURE II TO NOTICE

### Instructions for Shareholders/Members to attend the meeting through InstaMeet:

- 1) Shareholders/Members are entitled to attend the meeting through video conferencing provided by Link Intime India Private Limited by following the below mentioned process. Facility for joining the meeting through video conferencing shall be open 15 minutes before the time scheduled for the meeting and will be available to the Members on first come first serve basis.
- 2) Shareholders/Members are requested to participate on first come first serve basis as participation through video conferencing is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation will provided to at least 1000 members.
- 3) Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the meeting as under:
  - (i) Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and Select the Company and Event Date and register with your following details:
    - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
    - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
    - c. Mobile No.
    - d. Email ID
  - (ii) Click "Go to Meeting"

- 4) Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- 5) Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- 6) Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- 7) In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : [ 022-49186175 ]

InstaMeet Support Desk  
Link Intime India Private Limited

**Instructions for Shareholders/Members to register themselves as Speakers during Meeting:**

- 1) Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number 3 days in advance at [investors@schandgroup.com](mailto:investors@schandgroup.com).
- 2) The first 10 (ten) Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
- 3) Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- 4) Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- 5) Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investors@schandgroup.com](mailto:investors@schandgroup.com). The same will be replied by the company suitably.
- 6) Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Note:**

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the meeting.

**Instructions for Shareholders/Members to Vote during the meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the meeting will be eligible to attend/participate in the meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : [ 022-49186175 ]

### Instructions for Shareholders/Members to Vote through remote e-voting:

Pursuant to SEBI circular dated December 9, 2020 regarding e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote by way of a single login credential through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company Name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>Existing user of who have opted for EASI / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to EASI / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of EASI / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for EASI / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>▶ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -               <ol style="list-style-type: none"> <li>A. <b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                   <ul style="list-style-type: none"> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> </ol> </li> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>▶ Click "confirm" (Your password is now generated).</li> </ul> </li> <li>2. Click on 'Login' under 'SHARE HOLDER' tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>

#### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

#### Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

#### Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

#### Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43.

#### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

#### InstaVote Support Desk

Link Intime India Private Limited





REGISTERED OFFICE

S Chand And Company Limited  
A-27, 2<sup>nd</sup> Floor,  
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Tel: 91 11 4973 1800  
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website: [www.schandgroup.com](http://www.schandgroup.com)