

Independent Auditor's Report

To the Members of BPI (India) Private Limited

Opinion

We have audited the standalone financial statements of BPI (India) Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016, ("the Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the said Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity and the Cash Flow Statement dealt with by the report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of written representations received from the directors as on 31st March 2019 taken on record by Board of Directors, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending legal litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J P Chawla & Co. LLP

Chartered Accountants

FRN. 001875N/N50025

Rajat Chawla
(Partner)

Membership No. 510745



Place : New Delhi

Date : 17th May 2019

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory requirement' of our report of even date to the financial statements of the Company for the year ended 31st March, 2019:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, a substantial part of the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any immovable properties.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and all material discrepancies noticed on physical verification of inventories have been properly dealt within in the books of account.
- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Registered maintained under section 189 of the Act. According, the provisions of the paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our Opinion and according to information and explanation given to us, the company has not made any transaction in respect of loans, investment, guarantees, and security under section 185 and 186 of the companies Act, 2013. Accordingly, the provision of the clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.
- v. The Company has not accepted any deposit from public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- vi. In our Opinion and according to information and explanation given to us, the maintenance of cost records not specified by the Central Government under section 148(1) of the Companies Act, 2013. Accordingly, the provision of the clause 3 (vi) of the Order are not applicable to the Company and hence not commented upon.
- vii. (a) According to information and explanation given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, sales tax, GST, Duty of Customs, cess, service tax with appropriate authorities except Income Tax. As informed, provision relating to excise duty is not applicable.

According to the information and explanation given to us, undisputed dues in respect of income tax and sale tax which were outstanding, as on the last day of the financial year concerned, for a period of more than six months from the date they became payable, are as follows: -

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates
Income Tax Act, 1961	Tax deducted at source	Rs.60/-	FY 2014-15
Income Tax Act, 1961	Tax deducted at source	Rs.1,020/-	FY 2013-14
Income Tax Act, 1961	Tax deducted at source	Rs.360/-	FY 2012-13
Income Tax Act, 1961	Tax deducted at source	Rs.25,350/-	FY 2011-12
Income Tax Act, 1961	Tax deducted at source	Rs.23,930/-	FY 2010-11
Income Tax Act, 1961	Tax deducted at source	Rs.84,220/-	FY 2009-10
Income Tax Act, 1961	Tax deducted at source	Rs.43,330/-	FY 2008-09
Income Tax Act, 1961	Tax deducted at source	Rs.75,260/-	FY 2007-08

(b) According to the information and explanation given to us, there are no dues of income tax, service tax, Sales Tax, value added tax and cess which have not been deposited on account of any dispute.

- viii. Based on our audit procedures and as per the information and explanation given by the management, the company has not defaulted in the repayment of dues to any banks during the year.
- ix. Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V of the Act.
- xii. In our opinion, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. All the transactions with the related parties are in compliance with section 177 and 188 of the companies act, 2013 and the details of the related party transactions has been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made private placement of shares to the shareholders of the company or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) is not applicable.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For J P Chawla & Co. LLP
Chartered Accountants
FRN. 001875N/N50025


Rajat Chawla
(Partner)
Membership No.510745
Place : New Delhi
Date : 17th May 2019



Annexure "B" to the Independent Auditor's report

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

We have audited the internal financial controls over financial reporting of BPI (India) Private Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

As per Information and explanation given to us and related documents provided to us, in our opinion, the Company has, in material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J P Chawla & Co. LLP

Chartered Accountants
FRN. 001875N/N50025

Rajat Chawla
(Partner)
Membership No.510745



Place : New Delhi
Date : 17th May 2019

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	29,55,352	24,76,266
Other intangible assets	4	3,80,32,181	2,68,74,463
Other intangible assets under development	4	6,95,435	7,52,534
Financial assets			
- Loans	5B	2,15,736	4,02,821
Deferred tax assets (net)	8	1,44,32,803	50,52,410
Other non-current assets	7B	49,582	79,463
Total non-current assets		5,63,81,089	3,56,37,957
Current assets			
Inventories	6	9,10,33,103	8,28,96,537
Financial assets			
- Trade receivables	5A	14,93,44,660	14,65,88,250
- Cash and cash equivalents	5C	51,738	4,41,423
- Loans	5B	2,48,824	3,400
Other current assets	7B	53,80,627	1,99,65,148
Total current assets		24,60,58,953	24,98,94,758
Total assets		30,24,40,042	28,55,32,715
Equity and liabilities			
Equity			
Equity share capital	9	1,34,97,190	1,34,97,190
Other equity	10	4,06,91,438	6,71,66,551
Total equity		5,41,88,628	8,06,63,741
Non-current liabilities			
Financial liabilities			
- Borrowings	11A	4,08,241	-
Provisions for employee benefits	14	34,93,445	32,49,693
Other Provisions			
Total non current liabilities		39,01,686	32,49,693
Current liabilities			
Financial liabilities			
- Borrowings	11B	5,97,01,840	5,80,45,463
- Trade payables	12		
A. Total outstanding dues of Micro Enterprises and Small Enterprises; and		4,21,23,284	2,68,60,325
B. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		13,14,42,813	10,88,05,984
- Other financial liabilities	13	80,31,803	53,63,934
Other current liabilities	15	25,62,545	19,27,224
Provisions for employee benefits	14	4,87,443	6,16,350
Current tax liabilities (net)	16	-	-
Total current liabilities		24,43,49,728	20,16,19,281
Total equity and liabilities		30,24,40,042	28,55,32,715
Summary of significant accounting policies	2.1		

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

For J P Chawla & Co. LLP
 Chartered Accountants
 FRN:-001875N/NS00025

Rajat Chawla
 Partner
 Membership No.: 518335

Place : New Delhi
 Date: 17-05-2019



For and on behalf of the Board of Directors of
 BPI (INDIA) Private Limited

For BPI India Pvt. Ltd.

Jai Saxena
 Director
 (DIN:00215033)

Place : New Delhi
 Date: 17-05-2019

Vidya Saxena
 Director
 (DIN:00215116)

Place : New Delhi
 Date: 17-05-2019

For BPI India Pvt. Ltd.
 Director

Particulars	Notes	For the Period ended 31st March 2019	For the year ended 31 March 2018
I Revenue from Operations	17	12,64,65,854	11,45,66,945
II Other Income	18	48,89,023	14,68,844
III Total Income (I+II)		13,13,54,877	11,60,35,789
IV Expenses			
Cost of raw material consumed	19	9,28,64,338	8,03,01,371
Purchases of Stock in trade	20	2,72,86,182	75,14,191
(Increase)/decrease in inventories of finished goods and stock in trade	21	(20,76,839)	(2,50,58,688)
Employee benefits expense	22	1,36,96,361	1,37,79,483
Finance cost	23	83,04,839	68,23,623
Depreciation and amortisation expense	24	51,09,364	47,10,592
Other expenses	25	1,71,73,894	2,06,33,318
Selling & distribution expenses	26	50,31,114	68,15,312
Total expenses		16,73,89,754	11,55,19,703
V Profit/(loss) before exceptional items and tax (III-IV)		(3,60,34,377)	5,16,586
VI Exceptional item		-	-
VII Profit/(loss) before tax (V-VI)		(3,60,34,377)	5,16,586
VIII Tax expense:			
Current tax		-	4,83,025
Income tax adjustment related to earlier years		-	2,67,248
Deferred tax (credit)/ charge		(94,26,900)	(2,77,502)
Total tax expenses		(94,26,900)	4,72,771
IX Profit (Loss) for the period (VII-VIII)		(2,66,07,478)	43,815
X Other Comprehensive Income	27		
- Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		1,78,871	3,60,133
Tax impact on re-measurement (gain)/ loss on defined benefit plans		(46,506)	(1,11,281)
XI Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(2,64,75,113)	2,92,667
XII Earnings per equity share:	28		
(1) Basic		(19.62)	0.25
(2) Diluted		(19.62)	0.25
Summary of significant accounting policies	2.1		

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

For J P Chawla & Co. LLP
 Chartered Accountants
 FRN:-001875N/N500025

Rajat Chawla
 Partner
 Membership No.: 510745



Place : New Delhi
 Date: 17-05-2019

For and on behalf of the Board of Directors of
 BPI (INDIA) Private Limited

For BPI India Pvt. Ltd. For BPI India Pvt. Ltd.

Jai Saxena
 Director
 (DIN:00215033)

Vidya Saxena
 Director
 (DIN:00215116)

Place : New Delhi
 Date: 17-05-2019

Place : New Delhi
 Date: 17-05-2019

BPI (INDIA) Private Limited
CIN: U22190DL1999PTC288852

Cash flow statements for the year ended 31st March 2019

	As at 31st March 2019 (Rupees)	As at 31st March 2018 (Rupees)
Cash flows from operating activities		
Profit before tax	(3,60,34,377)	5,16,586
Adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortization	51,09,364	47,10,592
Amount Written off	18,19,290	-
Provision for doubtful debts	25,49,580	36,42,395
Kind As Impact	684	5,864
Unrealized foreign exchange loss/(Gain)	(4,49,799)	5,712
Liabilities written back	(25,04,401)	-
Interest expense	83,04,839	67,50,310
Operating profit before working capital changes	(2,12,04,820)	1,56,31,459
Adjustments for changes in working capital :		
Increase/(decrease) in trade payables	3,78,99,788	1,44,71,581
Increase/(decrease) in provisions	2,93,716	12,15,394
Increase / (decrease) in other current liabilities	58,07,590	(35,10,533)
(Increase)/decrease in trade receivables	(48,56,191)	(65,93,869)
(Increase)/decrease in inventories	(81,36,567)	(2,51,04,700)
(Increase)/decrease in loans and advances	(58,339)	28,05,075
Increase in other current assets	1,27,94,427	(4,83,025)
Cash generated from/(used in) operations	2,25,39,606	(15,68,618)
Direct taxes paid (net of refunds)	-	(23,34,454)
Net cash flow used in operating activities (A)	2,25,39,606	(39,03,072)
Cash flows from investing activities		
Purchase of fixed assets	(1,67,46,169)	(93,01,858)
Proceeds from sale of Fixed Assets	-	-
Intangible Capital WIP	57,099	9,13,736
Net cash from/(used in) investing activities (B)	(1,66,89,070)	(83,88,122)
Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	22,47,190
Proceeds from security premium	-	1,77,52,801
Proceeds from long-term borrowings	8,29,000	-
Proceeds from Short-term borrowings	71,01,096	-
Repayment of long-term borrowings	(4,20,759)	(2,57,469)
Repayment of short-term borrowings	(54,44,718)	(6,30,915)
Interest paid	(83,04,839)	(67,50,310)
Net cash from/(used in) financing activities (C)	(62,40,220)	1,23,61,297
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(3,89,685)	70,103
Cash and cash equivalents at the beginning of the year	4,41,423	3,71,321
Cash and cash equivalents at the end of the year	51,738	4,41,423
Components of cash and cash equivalents		
	As at 31st March 2019	As at 31st March 2018
Balance with banks		
Current account	13,208	3,78,501
Cash in hand	38,531	62,923
	51,738	4,41,423

Summary of significant accounting policies

2.1

As per our report of even date

For J P Chawla & Co. LLP

Chartered Accountants

FRN: 001875N/NS00025

Rajat Chawla

Partner

Membership No.: 510745



Place: New Delhi

Date: 17-05-2019

For and on behalf of the board of directors of BPI (India) Private Limited

Jai Saxena

Director

(DIN:00215083)

Place: New Delhi

Date: 17-05-2019

Vidya Saxena

Director

(DIN:00215116)

Place: New Delhi

Date: 17-05-2019

BPI (INDIA) Private Limited
CIN: U22190DL1999PTC288852

Statement of changes in equity for the year ended 31st March 2019

A. Equity share capital:

Equity shares	No. of shares	Amount in Rs.
Issued, subscribed and fully paid up (Share of Rs. 10 each)		
At 1st April 2017	11,25,000	1,12,50,000
Increase/(decrease) during the year	2,24,719	22,47,190
At 31 March 2018	13,49,719	1,34,97,190
Increase/(decrease) during the year	-	-
At 31 March 2019	13,49,719	1,34,97,190

B. Other equity

Particulars	Reserve & Surplus		Items of OCI	Total
	Retained earnings	Security premium		
Balance as at 1st April, 2017	61,44,344	4,28,18,000	1,58,739	4,91,21,083
Restated balance at the beginning of the reporting period	61,44,344	4,28,18,000	1,58,739	4,91,21,083
Add: Surplus/Addition during the year	43,815	1,77,52,801	2,48,852	1,80,45,468
Balance as at 31st March, 2018	61,88,159	6,05,70,801	4,07,591	6,71,66,551
Restated balance at the beginning of the reporting period	61,88,159	6,05,70,801	4,07,591	6,71,66,551
Add: Surplus/Addition during the year	(2,04,19,319)	-	1,02,365	(3,64,75,113)
Balance as at 31st March, 2019	(2,04,19,319)	6,05,70,801	5,39,956	4,06,91,438

For JP Chawla & Co. LLP
Chartered Accountants
FRN:-001875N/N500025

Rajat Chawla
Partner
Membership No.: 510716

Place: New Delhi
Date: 17-05-2019



For and on behalf of the Board of Directors of
BPI (INDIA) Private Limited

Jai Saxena
Director
(DIN:00215033)

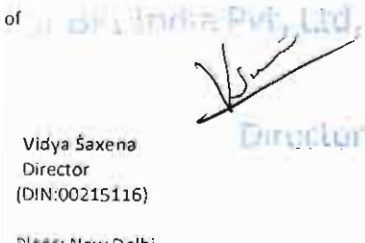
Place: New Delhi
Date: 17-05-2019



For and on behalf of the Board of Directors of
BPI (INDIA) Private Limited

Vidya Saxena
Director
(DIN:00215116)

Place: New Delhi
Date: 17-05-2019



3 Property, plant and equipment

Particulars	(Amount in Rs.)					Total
	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computer	Motor Vehicles	
Gross block						
As at 1st April 2017	24,74,013	8,96,924	18,79,408	36,99,081	43,01,624	1,32,51,050
Additions	1,64,857	-	-	-	-	1,64,857
Disposals	-	-	-	-	-	-
As at 31 March 2018	26,38,870	8,96,924	18,79,408	36,99,081	43,01,624	1,34,15,907
Additions	86,906	-	35,000	52,990	9,41,996	11,16,892
Disposals	-	-	-	-	-	-
As at 31st March 2019	27,25,776	8,96,924	19,14,408	37,52,071	52,43,620	1,45,32,799
Accumulated depreciation						
As at 1st April 2017	14,36,695	6,39,330	13,67,766	33,25,928	33,46,318	1,01,16,037
Charge for the year	1,08,519	46,899	1,67,708	2,35,767	2,64,711	8,23,604
Deductions	-	-	-	-	-	-
As at 31 March 2018	15,45,214	6,86,229	15,35,474	35,61,694	36,11,030	1,09,39,641
Charge for the year	1,19,388	46,398	1,03,343	92,968	2,75,709	6,37,806
Deductions	-	-	-	-	-	-
As at 31st March 2019	16,64,602	7,32,627	16,38,817	36,54,662	38,86,739	1,15,77,447
Net block						
As at 31 March 2018	10,93,656	2,10,695	3,43,934	1,37,387	6,90,594	24,76,266
As at 31st March 2019	10,61,174	1,64,297	2,75,591	97,409	13,56,881	29,55,352



4 Intangible assets

Particulars	(Amount in Rs.)			
	In-House Development	Computer Software	Total	Capital WIP
Gross block				
As at 1st April 2017	3,28,10,569	5,34,801	3,33,45,370	16,66,270
Purchases/Internal development	91,37,001	-	91,37,001	7,52,534
Disposals/Transferred to Block				16,66,270
As at 31 March 2018	4,19,47,569	5,34,801	4,24,82,370	7,52,534
Purchases/Internal development	1,56,29,377	-	1,56,29,277	6,95,435
Disposals/Transferred to Block				7,52,534
As at 31st March 2019	5,75,76,946	5,34,801	5,81,11,647	6,95,435
Accumulated depreciation				
As at 1st April 2017	1,15,43,854	1,77,065	1,17,20,920	-
Amortization for the Year (Refer note 1)	37,75,303	1,11,685	38,86,988	-
Deductions				
As at 31 March 2018	1,53,19,157	2,88,750	1,56,07,908	-
Amortization for the Period	43,71,585	99,873	44,71,558	-
Deductions				
As at 31st March 2019	1,96,90,842	3,88,623	2,00,79,466	-
Net block				
As at 31 March 2018	2,66,28,412	2,46,052	2,68,74,463	7,52,534
As at 31st March 2019	3,78,86,004	1,46,179	3,80,32,181	6,95,435



5. Financial Assets

5A. Trade receivables

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31 March 2018
Trade receivables		
Unsecured, considered good	14,93,44,660	14,65,88,249
Doubtful	2,04,13,491	1,80,17,054
	<u>16,97,58,151</u>	<u>16,46,05,303</u>
Less: Allowance for provision for doubtful debts		
Unsecured, considered good	-	-
Doubtful	2,04,13,491	1,80,17,054
	<u>2,04,13,491</u>	<u>1,80,17,054</u>
Net Trade receivables		
Unsecured, considered good	14,93,44,660	14,65,88,249
Doubtful	-	-
	<u>14,93,44,660</u>	<u>14,65,88,249</u>
Current	14,93,44,660	14,65,88,249
Non-Current	-	-

The activities in the allowance for doubtful receivables is given below:

Particulars	(Amount in Rs.)	
	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	1,80,17,054	1,60,95,053
Addition during the year, net	25,49,580	36,42,395
Uncollectable receivables charged against allowance	(1,53,143)	(17,20,394)
Balance at the end of the year	<u>2,04,13,491</u>	<u>1,80,17,054</u>

Expected credit loss: Under the Previous GAAP, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, these provisions are based on assessment of risk of default and timing of collection.

The Company has applied the simplified approach to providing for expected credit losses on trade receivables as described by Ind AS 109, which requires the use of lifetime expected credit loss provision for all trade receivables.

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

During the last quarter of FY 2018-19, the company has changed its credit policy from existing 120 days credit period to 180 days credit period resulting into change in expected credit loss estimate.

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BPI (INDIA) Private Limited
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Notes to financial statement as at 31st March 2019

5B. Loans

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31 March 2018
Security deposits - Non Current	2,15,736	4,02,821
Security deposits - Current	2,48,824	3,400
Total Loans and Advances	4,64,560	4,06,221
Current	2,48,824	3,400
Non-Current	2,15,736	4,02,821
Unsecured, considered good	4,64,560	4,06,221
Unsecured, considered doubtful	-	-
	4,64,560	4,06,221
	4,64,560	4,06,221

5C. Cash and cash equivalents

Particulars	As at	
	31st March 2019	31 March 2018
Balances with banks		
- In current accounts	13,208	3,78,501
Cash on hand	38,531	62,923
Total Cash and cash equivalents	51,738	4,41,423
Current	51,738	4,41,423
Non Current	-	-

6. Inventories

Particulars	As at	
	31st March 2019	31 March 2018
Raw materials	64,90,460	4,30,733
Work in progress	10,02,983	27,46,678
Finished goods		
Manufactured goods	6,21,31,375	7,32,83,213
reported goods	3,80,411	12,34,590
Traded goods	2,10,27,875	57,01,174
	9,10,33,107	8,28,96,537
Total Inventories	9,10,33,103	8,28,96,537

Amount recognised in profit and loss

Write-down of inventories to net realisable value amounted to Rs. 3,09,70,014/- (31 March 2018- Nil). These were recognised as an expense during the year and included in 'Changes in Value of inventories of work in progress, stock-in-trade and finished goods' in statement of profit and loss.



7. Other Assets

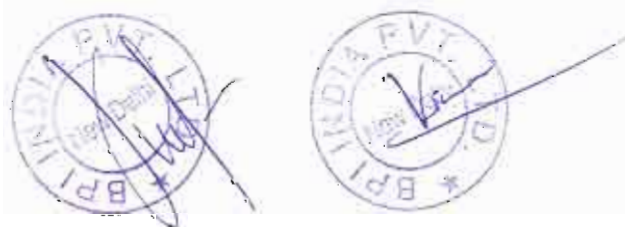
7A. Prepaid expenses

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31 March 2018
Prepaid expenses (Non current)	49,582	79,463
Prepaid expenses (Current)	1,65,930	1,71,517
Total Prepaid expenses	2,15,512	2,50,979

7B. Other assets

Particulars	As at	
	31st March 2019	31 March 2018
Balances with government authority		
Vat Recoverable	17,870	17,870
Import duty & Duty drawback	35,799	22,973
Other	5,000	5,000
GST (Receivables)	6,98,419	3,72,707
Advance to Supplier	76,154	-
Advance to employees	2,44,937	1,44,694
Royalty Receivable	3,60,175	-
Deposit with High Court	36,02,325	1,66,42,390
Other advances	-	25,25,463
Advance tax (Net)	1,74,018	62,534
Total Other assets	52,14,697	1,97,93,631
Current	53,80,627	1,99,65,148
Non-Current	49,582	79,463

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8 Deferred tax

8A Taxation

The major components of income tax expense are as follow

	For the year ended 31st March,2019	For the year ended 31st March,2018
Current income tax		
Current income tax charge	-	4,83,025
Income tax related to earlier years		
Interest/(refund)	-	2,67,248
Deferred tax		
Relating to origination and reversal of temporary differences	(94,26,900)	(2,77,502)
Income tax expense reported in statement of Profit or Loss	(94,26,900)	4,72,771

8B. Statement of other comprehensive Income

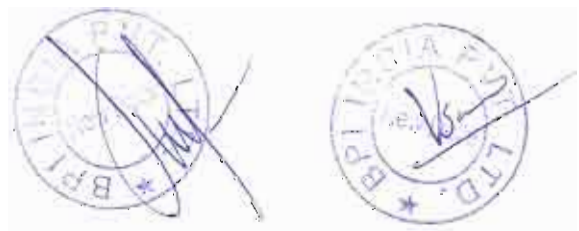
	For the year ended 31st March,2019	For the year ended 31st March,2018
Deferred tax		
Net loss/(gain) on remeasurement of defined benefit plans	(16,506)	(1,11,281)
Income tax charged to OCI	(16,506)	(1,11,281)

8C. Deferred tax relates to following

Particulars	Recognised in Balance Sheet		Recognised in Profit & Loss		Recognised in OCI	
	As at March 31,2019	As at March 31,2018	As at March 31,2019	As at March 31,2018	As at March 31,2019	As at March 31,2018
Items leading to creation of deferred tax assets						
Expenses allowable on payment basis	13,26,397	12,30,071	96,327	3,58,808	-	-
Impact on account of brought forward loss of income tax	96,44,183	-	96,44,183	-	-	-
Provision for doubtful debt & advances	53,07,508	46,39,391	6,68,117	4,94,915	-	-
Items leading to creation of deferred tax liabilities						
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	(18,01,217)	(8,17,052)	(9,84,165)	(6,87,502)	-	-
Fair valuation of financial instruments	(44,069)	-	2,438	1,11,281	(46,506)	(1,11,281)
Net deferred tax assets/(liabilities) (A+B)	1,44,32,803	50,52,410	94,26,900	2,77,502	(46,506)	(1,11,281)

8D. Reconciliation of deferred tax assets/ (liabilities) net:

	As at March 31,2019	As at March 31,2018
Opening balance as of 1st April	50,52,410	48,86,188
Tax income/ (expense) during the period recognised in profit or loss	94,26,900	2,77,502
Tax income / (expense) during the period recognised in OCI	(46,506)	(1,11,281)
Closing balance as at 31st March	1,44,32,803	50,52,410



9. Share Capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
20,00,000 (31 March 2018: 20,00,000) equity shares of Rs 10/- each	20,000,000	11,250,000
Increased during the year	-	8,750,000
At the end of year	20,000,000	20,000,000
Issued, subscribed and fully paid up		
13,49,719 (31 March 2018: 13,49,719) equity shares of Rs 10/- each	13,497,190	11,250,000
Issued & subscribed during the year	-	2,247,190
	13,497,190	13,497,190

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

Equity shares	Numbers	Amount in Rs.
Issued, subscribed and fully paid up		
As at 1 April 2017	1,125,000	11,250,000
Increase/(Decrease) during the year	224,719	2,247,190
As at 31 March 2018	1,349,719	13,497,190
Increase/(Decrease) during the year	-	-
As at 31 March 2019	1,349,719	13,497,190

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. No dividend has been proposed by the Board of Directors during the year ended 31 March 2019. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Blackie & son (Calcutta) Pvt Ltd.	688,357	51.00%	688,357	51.00%
Vidya Saxena	506,925	37.56%	506,925	37.56%
Jai Ishwarchandra Saxena	154,437	11.44%	154,437	11.44%

10. Other Equity

Particulars	As at 31st March 2019	As at 31 March 2018
Retained earning		
Balance as the Beginning of reporting period	6,595,750	6,303,083
Add: Surplus during the year	(26,607,478)	43,815
Add: other comprehensive income	132,365	248,852
Less: Adjustment for completed performance obligations (Ind AS 115)	-	-
	(19,879,363)	6,595,750
Securities premium		
Balance as the Beginning of reporting period	60,570,801	42,818,000
Changes during the year	-	17,752,801
	60,570,801	60,570,801
Total	40,691,438	67,166,551



11. Borrowings

11A. Non-current borrowings

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31 March 2018
Secured Loans		
Indian rupee loan from others (HDFC Bank Limited)	-	2,57,469
Indian rupee loan from others (Yes Bank Limited)	6,66,790	-
	<u>6,66,790</u>	<u>2,57,469</u>
Less: Current Maturities of long Term Borrowings (Refer Note 13)	2,58,549	2,57,469
Secured	4,08,241	-
Unsecured	-	-
Total Non-current borrowings	<u>4,08,241</u>	<u>-</u>

Note:

1. Vehicle Loan from HDFC Bank Limited carried interest @ 9.7% p.a. The loan was repayable in 60 equal monthly installments of Rs. 52,750 each including interest, from the date of loan, viz., 5 September 2013. The loan was secured by hypothecation of vehicle of the Company. The loan has been fully repaid as on reporting date.
2. Vehicle Loan from Yes Bank Limited carries interest @ 9.0% p.a. The loan is repayable in 37 equal monthly installments of Rs. 25,664 each including interest, from the date of loan, viz., 2 August 2018. The loan is secured by hypothecation of vehicle of the Company.



11. Borrowings

11B. Current borrowings

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31 March 2018
Secured:		
Cash credit from bank	4,94,14,300	4,95,57,019
Unsecured :		
Loans from directors	1,02,87,540	84,88,444
Total	5,97,01,840	5,80,45,463

1) Cash credit facility carry interest rate of 12.80% per annum (1 year MCLR + 3.70%, applicable 1 year MCLR is 9.10%) taken from IndusInd Bank on 3rd May, 2018. Cash credit facility are secured by exclusive charge on all current assets and movable fixed assets except vehicle specifically charged to other lender of the Company (both present and future), exclusive charge on entire immovable properties of the company, property of directors situated at DDA Flat No. D-7/7123, HIG First Floor, Vasant Kunj, New Delhi, and Property of Vikas Publishing House Pvt. Ltd. (Subsidiary of Group Co.) situated at 161718/1, Apartment No.4, 1st Floor, 4th Cross, Main Gandhi Nagar, Bangalore and corporate guarantee of M/s S Chand and Co. Ltd and Personal Guarantee of Mr. Jai Saxena and Mrs Vidya Saxena.

2) Interest free Indian rupee loan from directors. It is repayable on demand.

12. Trade payables

Particulars	As at	
	31st March 2019	31 March 2018
Total outstanding dues of micro enterprises & small enterprises: and	4,21,23,284	2,68,60,325
Total outstanding dues of creditors other than micro enterprises & small enterprises	13,14,42,813	10,88,05,984
Total Trade payables	17,35,66,098	13,56,66,310
Current	17,35,66,098	13,56,66,310
Non-Current	-	-



13 Other financial liabilities

Particulars	(Amount in Rs.)	
	As at 31st March 2019	As at 31 March 2018
Expenses Payables	5,82,582	3,23,958
Employee salary Payable	66,37,297	47,80,774
Current maturities of long-term Borrowings (refer note No 11A)	2,58,549	2,57,469
Employee Imprest Payable	5,53,375	1,734
Total other financial liabilities	80,31,803	53,63,934
Current	80,31,803	53,63,934
Non current	-	-

14 Provisions

Particulars	As at	
	31st March 2019	31 March 2018
Provision for retirement benefits		
Gratuity	37,14,786	34,62,784
Leave Encashment	2,66,102	4,03,259
Total Provisions	39,80,888	38,66,043
Current	4,87,443	6,16,350
Non current	34,93,445	32,49,693

15 Other liabilities

Particulars	As at	
	31st March 2019	31 March 2018
Other payables		
Statutory dues		
TDS Payable	7,37,724	15,39,708
Others	1,59,724	2,54,846
Advance from customers	-	1,32,670
Others	3,89,702	-
Book Debts	12,75,395	-
Total Other liabilities	25,62,545	19,27,224
Current	25,62,545	19,27,224
Non current	-	-

16 Current Tax Liabilities

Particulars	As at	
	31st March 2019	31 March 2018
For Taxation (net of advance tax)	-	-
	-	-



17 Revenue From Operations

Particulars	For the period ended 31st March 2019	For the year ended 31 March 2018
Sale of products (Domestic)		
Finished goods	12,55,57,354	10,84,72,362
Traded goods	-	31,17,414
	<u>12,55,57,354</u>	<u>11,15,89,777</u>
Less : Turnover & Additional Discounts	17,24,676	75,81,634
Net sales	<u>12,38,32,678</u>	<u>10,40,08,143</u>
Sale of services	25,95,350	1,05,25,208
Other Operating Revenues		
Scrap sales	6,682	22,810
Export incentives	31,144	10,785
Total Other Operating Revenues	<u>37,826</u>	<u>33,595</u>
Total revenue from operations	<u>12,64,65,854</u>	<u>11,45,66,945</u>

18 Other Incomes

Royalty	9,17,094	14,25,685
Creditors/Liabilities written back	18,43,533	-
Foreign exchange fluctuation	4,49,799	-
Notional Interest income on security deposit	48,338	43,159
Miscellaneous Income	9,69,391	-
Other Income	6,60,868	-
Total other income	<u>48,89,023</u>	<u>14,68,844</u>
Total	<u>13,13,54,877</u>	<u>11,60,35,789</u>

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19 Cost of raw materials consumed

Particulars	For the Period ended 31st March 2019	For the year ended 31 March 2018
Inventory opening balance	4,30,733	3,84,721
Add : Purchases	9,89,24,066	8,03,47,384
	9,93,54,799	8,07,32,104
Less : Inventory closing balance	64,90,460	1,30,733
Cost of raw materials consumed	9,28,64,338	8,03,01,371

20 Purchase & Implementation Cost

Particulars	For the Period ended 31st March 2019	For the year ended 31 March 2018
Traded books	2,57,76,151	38,45,741
Import of services	15,10,031	36,68,450
	2,72,86,182	75,14,191

21 Changes in Inventories of Finished Goods and Stock-in-Trade

Particulars	For the Period ended 31st March 2019	For the year ended 31 March 2018
Opening Stock		
Finished goods	7,97,19,127	5,41,01,718
Work in progress	27,46,678	33,05,398
Closing Stock		
Finished goods	8,35,39,660	7,97,19,127
Work in progress	10,02,983	27,46,678
	(10,76,038)	(7,50,58,611)

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22 Employee Benefits Expenses

Particulars	For the year ended 31st March 2019	For the year ended 31 March 2018
Salaries, wages	1,15,15,648	95,23,910
Leave encashment expenses	-	1,47,499
Bonus expenses	4,98,886	3,78,262
Contribution to provident Fund and other funds	8,89,947	6,77,122
Gratuity expense	4,57,121	17,34,656
Staff welfare expenses	3,34,759	13,18,033
Total employee benefits expenses	1,36,96,361	1,37,79,483

23 Finance Cost

Particulars	For the year ended 31st March 2019	For the year ended 31 March 2018
Interest Expense	82,28,223	67,50,310
Bank Charges	76,616	73,313
Total finance cost	83,04,839	68,23,623

24 Depreciation and Amortisation Expenses

Particulars	For the year ended 31st March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment	6,37,806	8,23,604
Amortisation of intangible assets	44,71,558	38,86,988
Total depreciation and amortisation expenses	51,09,364	47,10,592

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25 Other Expenses

(Amount in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Royalty	-	34,17,807
Editorial expenses/Other Publishing Expenses	-	20,49,586
Amount Written Off	18,19,290	-
Travelling and conveyance expenses	45,73,122	39,58,868
Rent	25,72,893	21,80,690
Foreign exchange fluctuation	-	64,950
Communication expenses	12,37,631	10,40,706
Charity & Donation	49,500	-
Electricity & water	7,37,847	6,27,983
Festival expenses	2,79,149	4,11,711
Rates and taxes	77,884	1,12,333
Legal and professional charges	7,10,750	5,32,394
Insurance charges	1,28,901	1,87,914
Membership & Subscriptions	1,11,390	34,602
Website design charges	-	31,231
Office maintenance expenses	1,44,538	1,99,969
Printing & stationery	1,33,475	69,420
Repair & maintenance	7,72,889	7,39,795
Security charges	5,89,526	5,80,510
Payment to auditor (Refer details below)	4,93,122	2,97,850
Miscellaneous expenses	1,43,186	4,13,538
Notional Rent Expenses	49,022	49,023
Provision for doubtful debts	25,49,580	36,42,395
Total other expenses	1,71,73,894	2,06,33,318

26 Selling and distribution expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement, publicity and exhibition	12,25,009	13,25,482
Commission	-	90,133
Freight outward	35,91,633	35,83,721
Packing charges	2,14,472	18,15,977
	50,31,114	68,15,312

Payment to auditor

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
Audit fee & other assurance matter	4,93,122	2,97,850
	4,93,122	2,97,850



27 Components of Other Comprehensive Income (OCI)

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

During the year ended 31st March 2019

Particulars	Retained earnings
Re-measurment gains/(losses) on defined benefit plans	1,78,871
Tax impact on re-measurement gains/(losses) on defined benefit plans	(46,506)
	<u>1,32,365</u>

During the year ended 31st March 2018

Particulars	Retained earnings
Re-measurment gains/(losses) on defined benefit plans	3,60,133
Tax impact on re-measurement gains/(losses) on defined benefit plans	(1,11,281)
	<u>2,48,852</u>

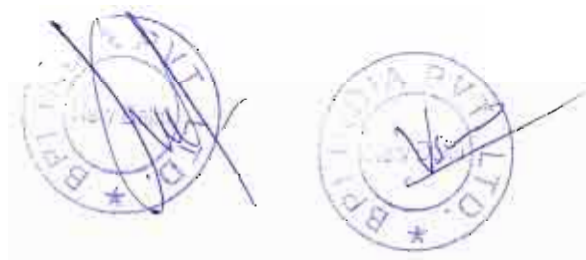
28 Earnings per share

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity holders of the company	(2,64,75,113)	2,92,667
Weighted average number of equity shares used for computing Earning per Share (Basic & Diluted)	13,49,719	11,70,256
Basic EPS	(19.62)	0.25
Diluted DPS	(19.62)	0.25
Face Value Per Share	10	10



29 Defined benefit plans:

Gratuity

The company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of 5 continuous years of service as per Indian law. However, no vesting condition applies in case of death.

The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

The following table sets out for the status of gratuity plan:

	Particulars	2018-19	2017-18
I	Change in present value of defined benefit obligation during the year		
	Defined Benefit Obligation as of Prior Year	34,62,784	21,32,684
	Service Cost :-		
	Current service cost	1,98,693	2,43,373
	Past service cost	-	13,39,885
	Interest Cost	2,58,430	1,51,398
	Benefit payments directly by employer	(26,250)	(44,423)
	Actuarial (Gain) / Loss - Demographic		
	Actuarial (Gain) / Loss - Financial	23,725	(98,148)
	Actuarial (Gain) / Loss - Experience	(2,02,596)	(2,61,905)
	Defined Benefit Obligation at the end of Current Year	37,14,786	34,62,784
II	Change in fair value of plan assets during the year		
	There is no plan assets		
III	Net asset/ (liability) recognised in the balance sheet		
	Net defined benefit liability (asset) at prior year end	34,62,784	21,32,684
	Defined benefit cost included in P&L	4,57,123	17,34,656
	Total remeasurements included in OCI	(1,78,871)	(3,60,133)
	Direct benefit payments by Employer	(26,250)	(44,423)
	Net defined benefit liability (asset) - end of period	37,14,786	34,62,784
IV	Expense recognised in the statement of profit or loss during the year		
	Service cost	1,98,693	2,43,373
	Net interest cost	2,58,430	1,51,398
	Past service cost	-	13,39,885
	Total expense recognised in the employee benefit expense	4,57,123	17,34,656
V	Recognised in other comprehensive income for the year		
	Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	23,725	(98,148)
	Actuarial (Gain) / Loss due to experience on DBO	(2,02,596)	(2,61,985)
	Cumulative OCI - (Income)/Loss, End of Period	(1,78,871)	(3,60,133)



VI	Maturity profile of defined benefit obligation	31-03-2019	31-03-2018
	Year 1	2,21,341	2,13,093
	Year 2	2,18,240	2,12,528
	Year 3	2,14,582	2,11,466
	Year 4	2,12,911	2,08,555
	Year 5	17,63,211	2,05,643
	Year 6 to 10	18,34,227	33,72,022
Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:			
VII	Quantitative sensitivity analysis for significant assumptions is as below		
	a) Impact of change in discount rate		
	Present Value of obligation at the end of the period		
	Discount rate - 100 basis points	39,69,518	37,18,252
	Discount rate + 100 basis points	34,90,108	32,38,099
	b) Impact of change in salary		
	Present Value of obligation at the end of the period		
	Rate - 100 basis points	36,06,014	33,62,883
	Rate + 100 basis points	38,44,521	35,83,148
VIII	Actuarial assumptions		
	Discount Rate	7.60%	7.70%
	Future salary increase	7.00%	7.00%
	Retirement Age (years)	60 Years	60 Years
	Mortality rates inclusive of provision for disability	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Withdrawal rate	4%	4%

The actuarial valuation of the present valuation of defined benefit obligation were carried out as at March 31, 2019. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

As per para 83 of Ind AS 19, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds.

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30 Disclosure as required under INDAS 108 - Operating Segments

Operating Segments: Books Educational Kits

Identification of Segments
 Operating segments have been identified on the basis of the nature of products. The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss of the segment and its measure consistently with profit or loss in the financial statements.

Segment revenue and results
 The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities
 Assets used by the operating segment and mainly consist of property, plant and equipment, trade receivable, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

Particulars	Books		Educational Kits		Unallocated	Total	
	As on 31.03.2019	As on 31.03.2018	As on 31.03.2019	As on 31.03.2018		As on 31.03.2019	As on 31.03.2018
Revenue							
External sales	11,95,86,677	8,59,08,546	42,46,000	1,80,99,597	-	12,38,32,687	10,40,08,143
Inter-segment sales	11,35,86,677	8,59,08,546	42,46,000	1,80,99,597	-	12,38,32,687	10,40,08,143
Total revenue	23,31,73,354	17,18,17,092	84,92,000	3,61,99,194	-	24,76,65,374	20,80,16,286
Results							
Segment results	11,35,86,677	8,59,08,546	42,46,000	1,80,99,597	-	12,38,32,687	10,40,08,143
Unallocated corporate expenses	(2,50,69,360)	(3,53,08,715)	(94,56,166)	(55,42,553)	(4,18,54,912)	(4,59,38,706)	(5,75,59,005)
Allocated Expenses	8,99,03,923	7,36,65,226	29,60,410	66,35,645	-	9,28,64,338	8,03,01,371
Cost of raw material and components	2,72,86,182	75,14,191	-	-	-	2,72,86,182	75,14,191
Purchase of traded goods	(2,36,72,793)	(3,05,80,285)	1,07,41,776	55,21,593	8,34,179	(20,76,838)	(2,50,18,687)
(Increase)/decrease in inventories of finished goods and work-in-progress					4,10,10,733	4,10,10,733	4,10,10,733
Unallocated expenses	(2,50,69,360)	(3,53,08,715)	(94,56,166)	(55,42,553)	(4,18,54,912)	(4,59,38,706)	(5,75,59,005)
Operating profit	1,85,07,014	3,65,08,331	(87,14,390)	1,25,56,644	60,34,278	1,20,27,647	1,20,27,647
Finance costs	-	-	-	-	83,24,839	83,24,839	83,24,839
Other income including finance income	1,50,69,360	3,53,08,715	(94,56,166)	59,42,553	(4,26,17,553)	(4,07,34,682)	5,16,586
Profit before tax	1,85,07,014	3,65,08,331	(87,14,390)	1,25,56,644	60,34,278	1,20,27,647	1,20,27,647
Tax expense	(1,50,69,360)	(3,53,08,715)	(94,56,166)	(59,42,553)	(4,26,17,553)	(4,07,34,682)	(5,16,586)
Net profit	35,37,654	111,99,616	1,07,41,776	66,14,091	14,07,700	13,90,260	13,90,260



35. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company	Sirohi & Son (Calcutta) Private Limited
Ultimate Holding Company	S Chand and Company Limited

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

New Saraswati House (India) Pvt Ltd	Nirja Publishers and Printers Private Limited
Ane Books Pvt Ltd	Eurasia Publishing House Private Limited
Vikas Publishing House Pvt Ltd	S Chand E-Books Private Limited
Quintette Books Distributors Private Limited	D S Digital Private Limited
Smartivity Labs Private Limited (w.e.f 15th July 2015)	Chhaya Prakashani Private Limited
Safari Digital Education Initiatives Pvt Ltd	
Motif (Partnership Firm)	

Key management personnel or their relatives

Mr. Jai Saxena (Director)
 Mrs. Vidya Saxena (Director)
 Mr. Kunal Shroff (Director)

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	Ultimate Holding Company		Key management personnel or their relatives		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
(A) Transactions								
Sale of products								
S Chand and Company Limited	12,99,192	12,90,351	-	-	-	-	12,99,192	12,90,351
New Saraswati House (India) Pvt Ltd	-	-	-	-	-	43,138	-	43,138
Safari Digital Education Initiatives Pvt Ltd	-	-	-	-	1,89,528	1,63,561	1,89,528	1,63,561
Vikas Publishing House Pvt Ltd	-	-	-	-	-	1,83,916	-	1,83,916
Royalty income								
New Saraswati House (India) Pvt Ltd	-	-	-	-	(8,848)	42,150	(8,848)	42,150
S Chand and Company Limited	5,65,767	-	-	-	-	4,87,901	5,65,767	4,87,901
Vikas Publishing House Pvt Ltd	-	-	-	-	3,60,175	8,94,005	3,60,175	8,94,005
Reimbursement of expenses								
S Chand and Company Limited	-	85,541	-	-	-	-	-	85,541
Purchases								
Vikas Publishing House Pvt Ltd	-	-	-	-	1,07,99,618	70,06,415	1,07,99,618	70,06,415
New Saraswati House (India) Pvt Ltd	-	-	-	-	-	8,90,020	-	8,90,020
Loan taken								
Mr. Jai Saxena	-	-	71,01,096	14,00,000	-	-	71,01,096	14,00,000
Mrs. Vidya Saxena	-	-	-	-	-	-	-	-
Loan repayment								
Mr. Jai Saxena	-	-	52,92,000	16,00,000	-	-	-	16,00,000
Mrs. Vidya Saxena	-	-	10,000	-	-	-	-	-
(B) Outstanding balances at the year end								
Trade receivables								
Safari Digital Education Initiatives Pvt Ltd	-	-	-	-	1,20,465	42,784	1,20,465	42,784
Trade payable								
S Chand and Company Limited	1,97,21,994	2,15,30,316	-	-	-	-	1,97,21,994	2,15,30,316
Vikas Publishing House Pvt Ltd	-	-	-	-	4,59,96,485	3,64,15,165	4,59,96,485	3,64,15,165
New Saraswati House (India) Pvt Ltd.	-	-	-	-	84,126	75,278	84,126	75,278
Unsecured Loan								
Mr. Jai Saxena	-	-	1,02,87,540	84,78,444	-	-	1,02,87,540	84,78,444
Mrs. Vidya Saxena	-	-	-	10,000	-	-	-	10,000

(b) Remuneration to key managerial personnel *

Particulars	31 MARCH 2019
Mr. Jai Saxena	-
Mrs. Vidya Saxena	37,50,000
Total	37,50,000

* Remuneration to key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the Company as a whole.

Note: In addition to above transactions certain guarantees have been given by directors (Refer note 7).



32 Other commitments

Particulars	31st March 2019 (Rupees)	31st March 2018 (Rupees)
Estimated amount of contracts remaining to be executed and not provided for		
Capital Commitments	2,74,000	-
Other Commitments	-	2,81,667
	<u>2,74,000</u>	<u>2,81,667</u>

33 Unhedged foreign currency exposure

Particulars	31st March 2019 (Rupees)	31st March 2018 (Rupees)
Trade receivables	USD 3517.97 @ Rs. 69.322 per USD (Rs. 2.43.873)	USD 33108.61 @ Rs. 65.04 per USD (Rs. 21,53,384)
Trade payable	NIL	NIL

34 Value of imports calculated on CIF basis

Particulars	31st March 2019 (Rupees)	31st March 2018 (Rupees)
Purchase of traded goods/Import of services	15,10,031	36,68,450
	<u>15,10,031</u>	<u>36,68,450</u>

35 Imported and indigenous raw materials and components consumed

	31st March 2019 Value (Rupees)	% of total consumption	31st March 2018 Value (Rupees)
Raw Materials			
Indigenously obtained	9,89,24,066	100	8,03,47,384
	<u>9,89,24,066</u>	<u>100</u>	<u>8,03,47,384</u>

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

The Amount due to Micro and small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March 2019 are as under:

Description	31st March 2019 (Rupees)	31st March 2018 (Rupees)
(i) Principal amount remaining unpaid as on 31st March, 2019	4,21,23,284	2,68,60,325
(ii) Interest due thereon as on 31st March, 2019	-	-
(iii) Interest paid by the Company in terms of Section 16 of Micro, Small and	-	-
(iv) Interest due and payable for the period of delay in making payment (which	-	-
(v) Interest accrued and remaining unpaid as at 31st March 2019	-	-
(vi) Further Interest remaining due and payable even in the succeeding years,	-	-
	<u>4,21,23,284</u>	<u>2,68,60,325</u>

37 Operating lease

The Company has taken premises for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 25,72,893/- (31 March 2018: Rs. 21,79,610). There are no restrictions imposed by the lease agreements. There are no sub leases.

38 Expenditure in foreign currency (accrual basis)

	31st March 2019 (Rupees)	31st March 2018 (Rupees)
Travelling expense	10,73,191	19,97,186
Advertisement, publicity and exhibition	-	2,33,964
Import of goods/services	15,10,031	15,10,031
Royalty	-	1,24,432
	<u>25,83,222</u>	<u>38,65,613</u>



39 Earnings in foreign currency	31st March 2019 (Rupees)	31 March 2018 (Rupees)
Exports of F.O.B value	40,59,336	33,50,891
Total	40,59,336	33,50,891

40 Financial Instruments - Accounting classifications and fair value measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

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

- A Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.
- B Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level - I	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level - II	Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level - III	Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Particulars	Carrying amount As at 31st 2018	Fair Value Level III
Financial assets at amortised cost		
Trade receivables	14,65,88,250	-
Cash and Bank balances	4,41,423	-
Loans	4,02,821	-
Total	14,74,32,495	-
Financial liabilities at amortised cost		
Borrowings	5,80,45,463	-
Trade payables	13,56,66,310	-
Other financial liabilities	53,63,934	-
Total	19,90,75,707	-

Particulars	Carrying amount As at 31st 2019	Fair Value Level III
Financial assets at amortised cost		
Trade receivables	14,03,44,660	-
Cash and Bank balances	51,738	-
Loans	4,51,160	-
Total	14,98,47,558	-
Financial liabilities at amortised cost		
Borrowings	6,01,10,061	-
Trade payables	17,35,66,098	-
Other financial liabilities	80,31,803	-
Total	24,17,07,982	-

41 Financial Risk Management Objectives and Policies

- Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company provides for overdue outstanding for more than 90 days other than institutional customers which are evaluated on a case to case basis.

Exposure to credit risks	As at 31st March, 2019	As at 31st March, 2018
Financial assets for which loss allowance is measured using Life time		
- Trade Receivables	25,49,550	36,42,394

The following table summarises the change in loss allowances measured using life-time expected credit loss model:

Opening Balance	1,80,17,053	1,60,95,053
Provided during the year	25,49,580	36,42,394
Amounts written off	(1,53,143)	(17,20,394)
Reversals of provision	-	-
Closing Balance	2,04,13,490	1,80,17,053



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

43 Ind AS 115 Revenue from Contracts with Customers

a) Disaggregated revenue information

Type of goods or service	As at 31st March, 2019	As at 31st March, 2018
Sale of Books	11,95,86,677	8,59,08,546
Sale of Educational Kits	42,46,010	1,80,99,597
Total revenue from contracts with customers	12,38,32,687	10,40,08,143
India	11,97,73,351	10,06,57,252
Outside India	40,59,336	33,50,691
Total revenue from contracts with customers	12,38,32,687	10,40,08,143
Timing of revenue recognition		
Goods transferred at a point in time	12,38,32,687	10,40,08,143
Services transferred over time	-	-
Total revenue from contracts with customers	12,38,32,687	10,40,08,143

The company collects GST on behalf of the Government on sale of certain books and on services. Hence, GST is not included in Revenue from operations.

b) Contract Balances

	As at 31st March, 2019	As at 31st March, 2018
Trade receivables	14,93,44,660	14,65,88,249
Contract assets	-	-
Contract liabilities	-	-

Trade receivables are non-interest bearing and are generally on terms of 180 days. In March 2019, INR 2,04,13,491 (March 2018: INR 1,80,17,054) was recognised as provision for expected credit losses on trade receivables.

c) Right of return assets and refund liabilities

	As at 31st March, 2019	As at 31st March, 2018
Refund liabilities	-	-
Arising from retrospective volume rebates	-	-
Arising from rights of return	-	-

d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	As at 31st March, 2019	As at 31st March, 2018
Revenue as per contracted price	13,99,99,770	18,31,14,311
Adjustments		
Sales return	1,44,42,416	7,15,24,534
Discount	17,24,676	75,81,634
Revenue from contract with customers	12,38,32,678	10,40,08,143

e) Performance obligation

Information about the Company's performance obligations are summarised below:

Books and Educational Kits

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 an 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 turnover and additional discounts based on achievement of revenue targets as may be agreed.



44 Changes in accounting policies and disclosures

A. New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

a) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

These amendments do not have any impact on the Company's financial statements.

b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in the following accounting standards. These are:

- i. Ind AS 20 Government grant related to non-monetary asset
- ii. Ind AS 38 Intangible asset acquired free of charge
- iii. Ind AS 40 Transfers of Investment Property
- iv. Ind AS 28 Investments in Associates and Joint Ventures
- v. Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The effect on adoption of above mentioned amendments were insignificant the financial Statements.

B. Standards issued but not yet effective

The amendments to the standards are issued, but not yet effective, upto the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

a) Ind AS 116 - Leases:

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede the current lease guidance including Ind AS 17 Leases and the related interpretations when it becomes effective for accounting periods beginning on or after April 01, 2019. The date of initial application of Ind AS 116 for the Company will be April 01, 2019.

The Company is in the process of making an assessment of the impact of IND AS 116 upon initial recognition, which is subject to changes arising from more detailed ongoing analysis. The management cannot provide a reasonable estimate of effects of the application of the Standard as they have not completed their impact assessment as at the reporting date.

b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in following accounting standards. These are:

- i. Ind AS 12 Income taxes to insert of Appendix C Uncertainty over income tax treatments.
- ii. Ind AS 19 Employee Benefits
- iii. Ind AS 23 Borrowing Costs
- iv. Ind AS 28 Investments in Associates and Joint Ventures
- v. Ind AS 109 Financial Instruments
- vi. Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Company's financial statements

45 Previous Figures

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

For JP Chawla & Co. LLP
Chartered Accountants
FRN:-001875N/NS00025

Rajat Chawla
Partner
Membership No.: 610745

Place : New Delhi
Date: 17-05-2019



For and on behalf of the Board of Directors of
BPI (INDIA) Private Limited

Jai Saxena
Director
(DIN:00215033)

Place : New Delhi
Date: 17-05-2019

Vidya Saxena
Director
(DIN:00215116)

Place : New Delhi
Date: 17-05-2019

For BPI India Pvt. Ltd.
Vidya Saxena
Director

1. Company Information

BPI (India) Private Limited (the company) is a private company incorporated under the provisions of the Companies Act, 1956. The company is subsidiary of Blackie & Sons (Calcutta) Private Limited. S Chand and Company Private Limited is ultimate holding company for all publishing business of S Chand Group.

The company is primarily engaged for printing and binding of books as well as manufacturing of board games.

2. Significant Accounting Policies

2.1.1 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- a. Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)
- b. Defined benefit and other long term employee benefits are measured at fair value.

2.1.2 Use of significant accounting estimates, judgement and assumptions

In the application of the Company's accounting policies, which are described below, the directors of the company is required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- a. The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.

- b. In case of Property, plant and equipment, the charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.
- c. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which this entity operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.
- d. Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.
- e. Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- f. The cost of the defined benefit gratuity plan / other long term benefits and the present value of the gratuity obligation / other long term benefits 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 / other long term benefits is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.2 Property, Plants and Equipments

These tangible assets are held for use in supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

- a) For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 01, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- b) Subsequent to transition date, property, plant and equipment are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase cost, freight, duties, taxes and other expenses directly incidental

to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

- c) When a major inspection/repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognized.
- d) Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- e) Depreciation on property, plant and equipment
 - i. Upto 31.03.2017 company has provided Depreciation on property, plant and equipment (other than freehold land and capital work in progress) on WDV over the useful life of the relevant assets net of residual value whose life is in consonance with the life mentioned in Schedule II of the Companies Act, 2013.

From the 01.04.2017 company has decided to change the accounting estimate for depreciation method to streamline company estimates with the group company estimates accordingly company has changed the depreciation method from WDV to SLM as adopted by the ultimate holding company S chand Group.

From 01.04.2017 Depreciation has been provided on straight line method in terms of expected life span of assets as referred to in Schedule - II of the Companies Act, 2013.
 - ii. In the case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.
 - iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each balance sheet date and in case of any changes, effect of the same is given prospectively.
- f) Components relevant to fixed assets, where significant, are separately depreciated on SLM basis in terms of their rate specified in the schedule II of the companies act, 2013.
- g) Gains or losses arising from de-recognition/ sale of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized/ sold.

2.3 Intangible Assets

- a) For transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as of April 01, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
- b) Subsequent to transition date, Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
- c) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
- d) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- e) In case the assets are internally generated then they are capitalized at development cost subject to satisfaction of criteria of recognition (identify, control and future economic benefit) laid down from clause 11 to 17 of IND AS 38.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

f) *Research and development costs*

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

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

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated

amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit & loss. During the period of development, the asset is tested for impairment annually.

- g) The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.
- h) Intangible assets are amortised on a straight line basis over their estimated useful live. The amortization period and the amortization method are reviewed at least at each financial year end. For in house development intangibles are amortized on straight line basis over 10 years and all other Intangible assets are amortized on a straight line basis over 5 years or life of particular assets whichever is lower and on the basis of their flow of future economic benefit to the company.

2.4 Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.5 Financial instruments

1) Financial assets

Initial Recognition and Measurement

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

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model Test:** The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics Test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Impairment of financial assets:-

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II) Financial Liabilities

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

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

2.6 Revenue Recognition

Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

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

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

Sale of goods

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

Sale of services

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

Interest income

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

Other incomes have been recognized on accrual basis in financial statements.

2.7 Employee Bonofits

Liabilities in respect of employee benefits to employees are provided for as follows:

a) Short-term employee benefits

All employee benefits falling due wholly within twelve months after the end of the reporting period are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the statement of profit and loss in the period in which the employee renders the related service.

a) Post-employment benefits

i) Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the statement of profit and loss in the period in which the employee renders the related services.

ii) Defined benefit plan

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services

Actuarial gain / loss and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

iii) Other long-term benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company present the entire leave as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement for 12 month after the reporting date.

2.8 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax asset are recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realised. 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 income tax asset to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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 assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.9 Foreign Currency Translation

i) Function currency

The company's financial statements are presented in INR, which is also the company's functional currency.

ii) Initial Recognition

Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.

iii) Subsequent Recognition

Monetary Assets in foreign currencies are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss, is accounted for in the Statement of Profit & Loss.

Non-Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iv) Impact of exchange fluctuation is separately disclosed in notes to accounts.

2.10 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

2.11 Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

2.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Inventories

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

Work In Progress and finished goods are valued at lower of cost and net realizable value. The cost includes direct materials and labour and a proportion of overheads. Cost is determined on the basis of retail method viz. considering the ratio of cost incurred to the MRP value of goods manufactured. However goods purchased for trading are valued at lower of purchase cost and net realizable value.

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

2.14 Provisions and Contingencies

Provisions: Provisions are recognised when there is 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are discounted to its present value as appropriate.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent Liabilities: 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 a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Contingent Assets are neither recognised nor disclosed.

2.15 Segment policy

Identification of segments

The company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different product and serves different market. The analysis of geographical segment is based on the area in which major operating division of the company operate

Segments accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statement of the company as a whole.

2.16 Leases

As a lessee:

Operating Lease:

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