

Walker Chandio & Co LLP

Walker Chandio & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
India

T +91 124 462 8099
F +91 124 462 8001

Independent Auditor's Report

To the Members of Chhaya Prakashani Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Chhaya Prakashani Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



Walker Chandio & Co LLP

Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited, on the financial statements for the year ended 31 March 2023 (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. 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

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited, on the financial statements for the year ended 31 March 2023 (Cont'd)

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 23 May 2022.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



Walker Chandiok & Co LLP

Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited, on the financial statements for the year ended 31 March 2023 (Cont'd)

- i. The Company, as detailed in note 48 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023.;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023.;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.;
- iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 53(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 53(vi) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Tarun Gupta
Partner
Membership No.: 507892

UDIN: 23507892BGXQVV2658

Place: New Delhi
Date: 25 May 2023



Walker Chandio & Co LLP

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Companies Auditor Report Order Rules (hereinafter referred to as 'the Order') is not applicable to the Company.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, including inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

- (b) As disclosed in note 50 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs 50.00 millions, by banks and financial institutions on the basis of security of current assets. Pursuant to the terms of the sanction letters, till the time such limit remains unutilised/undrawn the Company is not required to file any quarterly return or statement with such banks or financial institutions.

- (iii) (a) The Company has provided loans to Others during the year as per details given below:

₹ in millions	
Particulars	Loans
Aggregate amount provided/granted during the year:	
- Others	35.00*
Balance outstanding as at balance sheet date in respect of above cases:	
- Others#	37.53#

* excluding loans extended during the year

including interest accrued



Walker Chandiook & Co LLP

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited on the financial statements for the year ended 31 March 2023 (Cont'd)

- (b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. The Company has not made any investment or given any security or provided any guarantee or granted any advances in the nature of loans during the year.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has granted loans which had fallen due during the year and such loans were renewed during the year. The details of the same has been given below:

₹ in millions

Name of the party	Total loan amount granted during the year (A)	Aggregate amount of overdues of existing loans renewed (B)	Nature of extension (i.e. renewed/ extended/fresh loan provided)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [(B)/ Total of (A)]
DS Digital Private Limited	5.00	71.85	Extension of loan tenure	205.20%
Safari Digital Education Initiatives Private Limited	-	194.97		557.06%
S Chand Edutech Private Limited	-	17.00		48.57%
Convergia Digital Education Private Limited	30.00	-	NA	NA
Total	35.00	283.82		810.83%

- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act and section 186 of the Act in respect of security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



Walker Chandiook & Co LLP

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited on the financial statements for the year ended 31 March 2023 (Cont'd)

- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in millions)	Amount paid under Protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	0.37	Nil	AY 2014-15	Commissioner of Income Tax (Appeals)	NA
		0.38	Nil	AY 2016-17		NA
		3.03	0.61	AY 2018-19		NA
		7.43	1.79	AY 2013-14 to AY 2018-19	Assessing Officer	NA

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

Walker Chandio & Co LLP

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited on the financial statements for the year ended 31 March 2023 (Cont'd)

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and associate company.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary and associate company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act]. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv)(a) According to the information and explanations given to us, the Company is not required to have an internal audit system as per the provisions of section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.



Walker Chandiok & Co LLP

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited on the financial statements for the year ended 31 March 2023 (Cont'd)

- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Tarun Gupta
Partner



Membership No.: 507892

UDIN: 23507892BGXQVV2658

Place: New Delhi
Date: 25 May 2023

Walker Chandiook & Co LLP

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Chhaya Prakashani Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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



Walker Chandiok & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Chhaya Prakashani Limited on the financial statements for the year ended 31 March 2023 (Cont'd)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Tarun Gupta
Partner



Membership No.: 507892

UDIN: 23507892BGXQVV2658

Place: New Delhi
Date: 25 May 2023

		(₹ in millions)	
	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets:			
Property, plant and equipment	3	14.76	7.69
Right-of-use assets	4	79.14	38.75
Intangible assets	5	2.35	1.99
Financial assets:			
- Investments	6	132.96	200.60
- Loans	7	102.85	506.70
- Other financial assets	8	58.50	2.26
Deferred tax assets (net)	9	23.50	9.28
Other non-current assets	10	11.78	4.35
Total non-current assets		425.84	771.62
Current assets:			
Inventories	11	237.36	161.76
Financial assets:			
- Investments	12	206.01	14.50
- Trade receivables	13	166.31	252.95
- Loans	7	781.52	306.55
- Cash and cash equivalents	14	97.64	86.11
- Bank balances other than cash and cash equivalents	15	-	31.90
- Other financial assets	8	15.70	11.26
Other current assets	10	4.82	2.76
Total current assets		1,509.36	867.79
Total assets		1,935.20	1,639.41
Equity and liabilities			
Equity:			
Equity share capital	16	11.14	11.14
Other equity	17	1,373.35	1,111.54
Total equity		1,384.49	1,122.68
Non-current liabilities:			
Financial liabilities			
- Borrowings	18	282.85	330.02
- Lease liabilities	19	75.85	41.53
Provisions	20	1.17	1.43
Total non current liabilities		359.87	372.98
Current liabilities:			
Financial liabilities			
- Borrowings	21	38.91	20.00
- Lease liabilities	19	4.40	6.33
- Trade payables	22	32.12	23.98
total outstanding dues of micro enterprises and small enterprises		66.02	65.93
total outstanding dues of creditors other than micro enterprises and small enterprises		4.43	11.45
- Others financial liabilities	23	19.46	16.06
Other current liabilities	24	25.49	-
Current tax liabilities (net)	25	190.83	143.75
Total current liabilities		1,935.20	1,639.41
Total equity and liabilities			

Summary of significant accounting policies

2

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

As per our report of even date

For Walker Chandio & Co. LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No.: 507892

Place: New Delhi
Date: 25 May 2023



For and on behalf of the Board of Directors of
Chhaya Prakashani Limited

Himanshu Gupta
Director
DIN:00054015

Place: New Delhi
Date: 25 May 2023

Prateek Dhanuka
Chief Executive Officer

Place: New Delhi
Date: 25 May 2023

Dinesh Kumar Jhunjhunwala
Director
DIN:00282988

Place: New Delhi
Date: 25 May 2023

Sudakshina Saha
Financial Controller

Place: Kolkata
Date: 25 May 2023

Chhaya Prakashani Limited
CIN : U22122WB2006PLC111821
Statement of Profit and Loss for the year ended 31 March 2023

			(₹ in millions)
	Notes	Year ended 31 March 2023	Year ended 31 March 2022
I Revenue from operations	26	1,153.89	863.27
II Other income	27	127.81	73.20
III Total income		<u>1,281.70</u>	<u>936.47</u>
IV Expenses			
Cost of materials consumed	28	375.50	206.90
Purchase of stock-in-trade	29	18.79	10.46
(Increase)/decrease in inventories of finished goods and work-in-progress	30	(53.56)	24.71
Employee benefits expense	31	108.81	97.29
Finance costs	32	51.34	36.68
Depreciation and amortization expenses	33	11.09	10.44
Other expenses	34	351.67	275.90
Total expenses		<u>863.64</u>	<u>662.38</u>
V Profit before exceptional item and tax		<u>418.06</u>	<u>274.08</u>
Exceptional items	35	50.00	-
VI Profit before tax		<u>368.06</u>	<u>274.08</u>
VII Tax expense:			
1) Current tax	36	111.00	83.33
2) Adjustment of tax relating to earlier periods		2.64	18.04
3) Deferred tax		(14.11)	(2.48)
Total tax expense		<u>99.53</u>	<u>98.89</u>
VIII Profit for the year		<u>268.53</u>	<u>175.19</u>
IX Other comprehensive income			
- Items that will not be reclassified to profit or loss			
Re-measurement (loss)/gain on defined benefits plans		(0.42)	(0.66)
Income tax effect		0.11	0.16
X Total comprehensive income for the year		<u>268.22</u>	<u>174.69</u>
XI Earnings per equity share (in ₹)	37		
1) Basic		2,409.75	1,592.64
2) Diluted		1,625.64	1,005.95

Summary of significant accounting policies

2

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

For Walker Chandio & Co. LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Tarun

Tarun Gupta
Partner

Membership No.: 507892

Place: New Delhi
Date: 25 May 2023



For and on behalf of the Board of Directors of
Chhaya Prakashani Limited

Himanshu Gupta
Himanshu Gupta
Director
DIN:00054015

Place: New Delhi
Date: 25 May 2023

Prateek Dhanuka
Prateek Dhanuka
Chief Executive Officer

Place: New Delhi
Date: 25 May 2023

Dinesh Kumar Jhunjhnuwala
Dinesh Kumar Jhunjhnuwala
Director
DIN:00282988

Place: New Delhi
Date: 25 May 2023

Sudakshina Saha
Sudakshina Saha
Financial Controller

Place: Kolkata
Date: 25 May 2023

(₹ in millions)

For the year ended
31 March 2023

For the year ended
31 March 2022

Cash flow from operating activities		
Profit before tax		
Adjustment to reconcile profit before tax to net cash flows:-	368.06	274.08
Depreciation and amortisation expense		
Fair value gain on financial instruments at fair value through profit or loss	11.09	10.44
Interest income	(2.41)	5.10
Interest on unwinding of security deposits	(88.63)	(64.45)
Reversal of financial liability	0.54	0.09
Profit on sale of property, plant and equipment	(0.09)	(0.27)
Net gain on sale of investments	(0.07)	(0.03)
Provision for diminution in value of investments	(26.91)	(8.42)
Profit on cancellation of lease	50.00	-
Deemed capital contribution	(9.77)	-
Foreign exchange fluctuation loss	0.08	0.34
Finance costs	0.05	0.03
Provision for expected credit loss, advances and bad debts written-off	47.56	35.35
Operating profit before working capital changes	3.66	1.57
Adjustments for movement in:	353.16	253.83
Trade receivables		
Other assets	82.98	(72.49)
Inventories	(33.67)	(2.73)
Trade payables	(75.60)	(14.97)
Other liabilities and provisions	8.32	(37.65)
Cash generated from operations	(4.96)	2.34
Direct taxes paid (net of refunds)	330.23	128.33
Net cash generated from operation	(92.80)	(66.28)
(A)	237.43	62.05
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(10.34)	(3.16)
Proceeds from sale of property, plant and equipment	0.17	0.14
Loans to related parties (net)	(71.12)	(118.91)
Purchase of non-current investments	-	(100.01)
Purchase of current investments	(196.40)	(25.26)
Proceeds from non-current investments	44.55	-
Proceeds from current investments	7.29	149.22
Interest received	88.10	25.88
Net cash used in investing activities	(137.75)	(72.10)
(B)		
C. Cash flow from financing activities		
Repayment of non-current borrowings	(19.04)	(8.33)
Proceeds from non-current borrowings	-	107.94
Payment for principal portion of lease liabilities	(6.60)	(5.01)
Payment for interest portion of lease liabilities	(5.40)	(4.96)
Repayment of principal portion of debenture	(40.00)	-
Interest paid on debentures	(1.34)	(13.83)
Interest paid on borrowings	(15.77)	(13.96)
Net cash (used in)/generated from financing activities (C)	(88.15)	61.85
(C)		
Net increase in cash and cash equivalents	(A+B+C)	
Cash and cash equivalents - at the beginning of the year	11.53	51.80
Cash and cash equivalents - at the end of the year	86.11	34.31
	97.64	86.11
Components of cash and cash equivalents		
Cash in hand		
Balances with banks:	3.91	2.07
- On current accounts		
- Deposits with original maturity of less than three months	93.73	55.11
Total Cash and cash equivalents (Refer note 14)	-	28.93
	97.64	86.11

(This space has been left blank intentionally)



Notes:

1. Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March 2022	Cash flows	Non-cash changes	As at 31 March 2023
Non-current borrowings (including current maturities)	350.02	(59.03)	11.86	302.85
Short term borrowings (excluding current maturities)	-	-	18.91	18.91
Lease liabilities (refer note 39)	47.86	(12.01)	44.40	80.25
	397.88	(71.04)	75.17	402.01

Particulars	As at 31 March 2021	Cash flows	Non-cash changes	As at 31 March 2022
Non-current borrowings (including current maturities)	240.77	99.61	9.64	350.02
Lease liabilities (refer note 39)	52.51	(9.97)	5.32	47.86
	293.28	89.64	14.96	397.88

Summary of significant accounting policies

2

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

For Walker Chandio & Co. LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun

Tarun Gupta
Partner
Membership No.: 507892

Place: New Delhi
Date: 25 May 2023



For and on behalf of the Board of Director of
Chhaya Prakashani Limited

Himanshu Gupta
Himanshu Gupta
Director
DIN:00054015

Place: New Delhi
Date: 25 May 2023

Prateek Dhanuka

Prateek Dhanuka
Chief Executive Officer

Place: New Delhi
Date: 25 May 2023

Dinesh Kumar Jhunjhnuwala

Dinesh Kumar Jhunjhnuwala
Director
DIN:00282988

Place: New Delhi
Date: 25 May 2023

Sudakshina Saha

Sudakshina Saha
Financial Controller

Place: Kolkata
Date: 25 May 2023



A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 100 each)	
As at 31 March 2021	No. of shares
Issued during the year	1,11,437
At 31 March 2022	1,11,437
Issued during the year	1,11,437
At 31 March 2023	1,11,437
	₹ in millions
	11.14
	11.14
	11.14

B. Other equity

	Reserve & Surplus					Total
	Capital reserve	Security premium	General reserve	Debt redemption reserve	Equity component of 2% debentures	
As at 31 March 2021	(696.86)	11.31	76.50	22.96	489.85	936.46
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Shared based charge during the year	-	-	-	-	-	-
As at 31 March 2022	(696.86)	11.31	76.50	22.96	489.85	1,111.54
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Adjustment for prepayment of debentures	-	-	-	-	-	-
Transfer to debt redemption reserve	-	-	-	-	(7.08)	-
Shared based charge during the year	-	-	-	(1.07)	-	-
As at 31 March 2023	(696.86)	11.31	76.50	21.89	482.77	1,373.35

Summary of significant accounting policies

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

For Walker Chandiook & Co. LLP
Chartered Accountants
Firm Registration No.: 001076N/500013

Tarun Gupta
Partner
Membership No.: 507892

Place: New Delhi
Date: 25 May 2023



For and on behalf of the Board of Director of
Chhaya Prakashani Limited

Himanshu Gupta
Director
DIN: 00054015

Place: New Delhi
Date: 25 May 2023

Prateek Dhanuka
Chief Executive Officer

Place: New Delhi
Date: 25 May 2023



Dinesh Kumar Jhunjhuwala
Director
DIN: 00282988

Place: New Delhi
Date: 25 May 2023

Sudakshina Saha
Financial Controller

Place: Kolkata
Date: 25 May 2023

1. Corporate information

Chhaya Prakashani Limited (the Company) (formerly known as Chhaya Prakashani Private Limited) is a public company domiciled in India and incorporated under the provision of the companies Act, 1956 and subsequently converted into a public company under section 18 of the Companies Act, 2013. The registered office of the Company is located at 1, Bidhan Sarani College Street, Kolkata, West Bengal- 700073.

The Company is primarily engaged in printing, publishing and sale of books.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and the guidelines issued by Securities and Exchange Board of India, as applicable to the financial statements.

The financial statements have been prepared on a historical cost convention, except for the following assets and liabilities:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- ii) Equity settled employee share-based payment plan measured at fair value.
- iii) Defined benefit liabilities are measured at present value of defined benefit obligation.
- iv) Certain financial assets and liabilities at amortised cost.

The financial statements have been prepared on accrual and going concern basis.

The financial statements are presented in INR “(Indian Rupees)” or “₹”. All values are rounded to the nearest million, and two decimals thereof, except when otherwise indicated.

2.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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



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

2.3 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.4 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date.

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

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

- i. Disclosures for significant estimates and assumptions (refer note 2.18 A(ii))
- ii. Disclosures of fair value measurement hierarchy (note 43)
- iii. Investment in unquoted and quoted equity shares (note 12)

2.5 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Sale of goods

Revenue from sale of books is recognised at the point in time when control of the asset is transferred to the customer, i.e. on delivery of books to customer.

Sale of services

Revenue from sale of service is recognised on accrual basis and when services are provided.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of books, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).



(This space has been left blank intentionally)



Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

- **Rights of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The provision for anticipated returns is made primarily on the basis of historical return rates as this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

- **Turnover discounts**

The Company provides turnover discounts to certain customers once the value of products purchased during the period exceeds a threshold specified in the contract. Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Company applies the most likely amount method for contracts with a single-turnover threshold and the expected value method for contracts with more than one turnover threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of turnover thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future discounts.

- **Cash discounts**

The Company provides cash discounts to certain customers if customers make the payment within the stipulated time given in the contract. The provision for cash discount is made on estimated basis based on historical trends. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future discounts.

- **Additional discounts**

Further, at the time of annual settlement with customers, which may not coincide with the financial year, additional discounts are offered based on the negotiations agreed with respective customers. The provision for additional discount is made on estimated basis based on historical trends. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future discounts.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other income

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets. Interest income is



recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

2.6 Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity) are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Deferred tax

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

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

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

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

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

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



Handwritten signature.

Handwritten signature.

Handwritten signature.

Handwritten signature.



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

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

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

2.7 Property, plant and equipment

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

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

Property, plant and equipments which are not ready for intended use as on the date of balance sheet are disclosed as capital work-in-progress.

Depreciation

Depreciation on property, plant and equipment, other than leasehold improvements, have been provided on pro-rata basis, on the straight line method, using rates determined based on management's technical assessment of useful economic lives of the asset. The management has adopted life of assets as suggested by Schedule II of the Act.

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

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

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

2.8 Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit and loss when it is incurred.



Amortisation and useful lives

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

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Applications	Finite (4-5 years)	Amortised on straight line basis over the period of useful lives	Acquired
Trade mark	Finite (5 years)	Amortised on straight line basis over the period of useful lives	Acquired
Copyright	Finite (5 years)	Amortised on straight line basis over the period of useful lives	Acquired
Software	Finite (3-5 years)	Amortised on straight line basis over the period of useful lives	Acquired

2.9 Investment in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

2.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

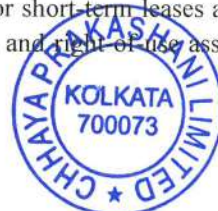


✓

ME

11

8



Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Inventories

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

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

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

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



(This space has been left blank intentionally)



2.12 Impairment of non-financial assets

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

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

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

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

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

2.13 Financial instruments

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

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. The general terms of the payment is between 60-90 days. Refer to the accounting policies in section Revenue from contracts with customers.



Handwritten signatures and initials in blue ink.



In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

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

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A "financial asset" is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



(This space has been left blank intentionally)



Financial assets at fair value through OCI (FVTOCI) (equity instruments)

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

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

De-recognition

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

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

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

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Contract assets and trade receivables under Ind-AS 115.



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

- Trade receivables

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

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

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

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

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



(This space has been left blank intentionally)



Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Borrowings

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

De-recognition

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

Re-classification of financial assets

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



✓

✓

✓

✓



Offsetting of financial instruments

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

2.14 Employee benefits

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

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

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

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

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

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

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

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

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

2.15 Provisions, contingent liabilities and contingent assets

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



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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company, and requires interpretation of laws and past legal rulings.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

2.16 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.17 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

2.18 Significant accounting judgements, estimates and assumptions

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

A. Judgement

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

i) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For the lease contracts that includes extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers



Handwritten signatures and initials in blue ink.



all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

ii) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of books include cash discounts and turnover discounts and a right to return the goods that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

B. Estimates and assumptions

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

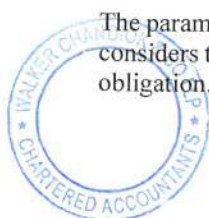
i) Deferred tax assets

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

ii) Defined employee benefits plans

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

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



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

Further details about defined employee benefit plans are given in note 38.

iii) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. For details of allowance of expected credit loss(ECL), please refer note 13.

iv) Impairment of financial and non-financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

v) Useful lives of depreciable/amortisable assets

Management reviews the estimated useful lives and residual value of property, plant and equipment and intangibles at the end of each reporting period. Factors such as changes in the expected level of usage could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(This space has been left blank intentionally)



2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director assesses the financial performance and position of the Company, and makes strategic decision and has been identified as the chief operating decision maker. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., publishing of books. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. The Company primarily operates in India. Refer note 45 for segment reporting.

2.20 Accounting Standards (Ind AS) and interpretations effective during the year

a) Ind AS 103 Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The amendment did not have any material impact on financial statements of the Company.

b) Ind AS 16 Proceeds before intended use

The amendment specify that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The amendment did not have any material impact on financial statements of the Company.

c) Ind AS 37 Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the amendment did not have any material impact on financial statements of the Company.

d) Ind AS 109 Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The amendment did not have any material impact on financial statements of the Company.

Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

a) Ind AS 1 Presentation of Financial Statement

Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not.



✓

✓

11

✓



b) Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors

Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies.

c) Ind AS 12 Income Taxes

Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences.

The Company is currently evaluating the impact of amendments to the aforementioned accounting standards on its financial statements.



A handwritten signature in blue ink, consisting of a stylized 'W' followed by a checkmark-like flourish.

A handwritten signature in blue ink, appearing to be "H. I." with a horizontal line through it.

(This space has been left blank intentionally)

A handwritten signature in blue ink, consisting of a vertical line with a hook at the top and a horizontal line at the bottom.



3. Property, plant and equipment

	Office equipments	Furniture and fixtures	Vehicles	Electrical installations	Computers	Total
(₹ in millions)						
Gross block						
As at 31 March 2021	2.27	2.49	6.85	0.56	4.00	16.17
Additions	0.57	-	1.01	-	0.08	1.66
Disposals	-	-	(0.77)	-	-	(0.77)
As at 31 March 2022	2.84	2.49	7.09	0.56	4.08	17.06
Additions	0.21	4.14	1.01	1.97	1.72	9.05
Disposals	(0.06)	(0.34)	(0.81)	-	(0.47)	(1.68)
As at 31 March 2023	2.99	6.29	7.29	2.53	5.33	24.43
Accumulated depreciation						
As at 31 March 2021	1.45	0.78	2.66	0.14	3.39	8.42
Charge for the year	0.30	0.23	0.59	0.05	0.47	1.64
Disposal	-	-	(0.68)	-	-	(0.68)
As at 31 March 2022	1.75	1.01	2.57	0.19	3.86	9.38
Charge for the year	0.32	0.28	0.80	0.07	0.20	1.67
Disposals	(0.05)	(0.15)	(0.72)	-	(0.46)	(1.38)
As at 31 March 2023	2.02	1.14	2.65	0.26	3.60	9.67
Net block:						
As at 31 March 2022	1.09	1.48	4.52	0.37	0.22	7.69
As at 31 March 2023	0.97	5.15	4.64	2.26	1.73	14.76

Note - The Company has not revalued its property, plant and equipment during the year.

(This space has been left blank intentionally)

g

12 = 3



4. Right-of-use assets

	Right-of-use assets	Total
(₹ in millions)		
Gross block		
As at 31 March 2021	60.88	60.88
Additions	0.37	0.37
As at 31 March 2022	61.25	61.25
Additions	80.22	80.22
Disposals	(56.53)	(56.53)
As at 31 March 2023	84.94	84.94
Accumulated amortisation		
As at 31 March 2021	15.04	15.04
Amortisation for the year	7.46	7.46
As at 31 March 2022	22.50	22.50
Amortisation for the year	8.37	8.37
Disposals	(25.07)	(25.07)
As at 31 March 2023	5.80	5.80
Net block:		
As at 31 March 2022	38.75	38.75
As at 31 March 2023	79.14	79.14

Note - The Company has not revalued its Right-of-use assets during the year.

(This space has been left blank intentionally)



[Handwritten signature]



5. Intangible assets

	Application	Trade Mark	Copyright	Software	Total
(₹ in millions)					
Gross block					
As at 31 March 2021	2.77	0.39	1.73	12.60	17.49
Additions	1.31	0.18	-	-	1.49
As at 31 March 2022	4.08	0.57	1.73	12.60	18.98
Additions	0.22	0.05	-	1.14	1.41
As at 31 March 2023	4.30	0.62	1.73	13.74	20.39
Accumulated amortisation					
As at 31 March 2021	1.72	0.30	1.72	11.90	15.64
Amortisation for the year	0.67	0.08	-	0.60	1.35
As at 31 March 2022	2.39	0.38	1.72	12.50	16.99
Amortisation for the year	0.78	0.07	-	0.20	1.05
As at 31 March 2023	3.17	0.45	1.72	12.70	18.04
Net block:					
As at 31 March 2022	1.69	0.19	0.01	0.10	1.99
As at 31 March 2023	1.13	0.17	0.01	1.04	2.35

Note - The Company has not revalued its intangible assets during the year.

(This space has been left blank intentionally)



6. Non-current investments		₹ in millions	
		As at 31 March 2023	As at 31 March 2022
i	Investment in unquoted equity shares, valued at cost		
	Investment in subsidiary		
	1,171 (31 March 2022: 1,171) shares of ₹ 100 each fully paid up in M/S Indian Progressive Publishing Co. Private Limited	0.12	0.12
	Investment in associate		
	1,089,087 (31 March 2022: 10,89,087 shares) shares of ₹ 2 each fully paid up in M/S Edutor Technologies India Private Limited.	100.00	100.00
	Less : Impairment of investment (refer note 49)	(50.00)	-
		50.12	100.12
ii	Investment in unquoted equity shares, valued at fair value through profit and loss		
	Nil (31 March 2022: 1) share of ₹ 10 each fully paid up in iNeuron Intelligence Private Limited.	-	0.01
		-	0.01
iii	Investment in unquoted preference shares, valued at cost		
	8,069,982 (31 March 2022 : 8,069,982) 0.01% Non Cumulative, Non-Participating, Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up in M/s New Saraswati House (India) Private Limited	80.70	80.70
		80.70	80.70
iv	Investment in unquoted preference shares, valued at fair value through profit and loss		
	Nil (31 March 2022 : 2,204) Series A compulsarily convertible preference share of ₹ 10 each fully paid up in iNeuron Intelligence Private Limited	-	17.63
		-	17.63
v	Investments in unquoted government and trust securities		
	2,136 (31 March 2022 : 2,136) Tax Free Bonds of ₹ 1000 each of Power Finance Corporation Limited	2.14	2.14
		2.14	2.14
	Total	132.96	200.60
	Aggregate value of unquoted investment	182.96	200.60
	Aggregate value of impairment in value of investments	50.00	-

7. Loans		₹ in millions	
		As at 31 March 2023	As at 31 March 2022
Non-current:			
Loans to related parties (refer note 40)		102.85	506.70
Current:			
Loans to related parties (refer note 40)		781.52	306.55
Total		884.37	813.25
Considered good, unsecured		884.37	813.25
Recoverable which have significant increase in credit risk		-	-
		884.37	813.25

Notes:

1. Disclosure required under Sec 186(4) of the Companies Act 2013:

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of the borrower	Purpose	Rate of Interest	Tenure*	Secured/ Unsecured	As at 31 March 2023	As at 31 March 2022
DS Digital Private Limited (refer note 3 below)	General business purpose	9.70% - 11.10% p.a.	2 Year	Unsecured	248.61	222.30
Safari Digital Education Initiatives Private Limited (refer note 3 below)			2 Year		497.96	484.18
S Chand Edutech Private Limited			2 Year		34.95	31.95
New Saraswati House Private Limited			3 Years		-	10.00
Convergia Digital Education Private Limited.			3 Years		102.85	64.82
Total					884.37	813.25

* Tenure from date of agreement.

2. There are no loan or advances in the nature of loans, granted to promoters, directors, KMPs and related parties, either severally or jointly with any other person, that are either repayable on demand or without specifying any terms or period of repayment.

3. Based on management's internal assessment and based on the guarantee letter received from the principal promoter of the Holding Company, the Company has assumed that the aforesaid loan balances are fully recoverable as at 31 March 2023.

4. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

5. There is no amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans granted to such companies.

(This space has been left blank intentionally)



Handwritten signatures and initials in blue ink.



8. Other financial assets

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Non-current:		
(Unsecured, considered good)		
Security deposits	3.50	2.26
Deposits with original maturity of more than 12 months	55.00	-
	58.50	2.26
Current:		
(Unsecured, considered good)		
Security deposits	7.06	3.14
Interest accrued but not due on deposits	0.52	-
Receivables from related parties (refer note 40) *	4.87	4.87
Others receivables #	3.25	3.25
	15.70	11.26
Total	74.20	13.52
Non-current	58.50	2.26
Current	15.70	11.26

* Receivables from related parties pertains to receivables from group companies for reimbursements and other recoveries.

Other receivables pertains to ₹ 3.25 millions to be indemnified by the erstwhile promoters of Chhaya Prakashani Limited for a tax demand against Chhaya Prakashani Limited.

9. Deferred taxes

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Items leading to creation of deferred tax assets		
Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements	1.76	2.02
Impact of right of use assets and lease liabilities	0.28	2.29
Provision for sales returns, discounts and doubtful debts	21.95	4.10
Impact of non deductible expenses	0.31	1.02
Total deferred tax assets	24.30	9.43
Items leading to creation of deferred tax liabilities		
Impact of fair value gain on current investment	0.80	0.15
Total deferred tax liabilities	0.80	0.15
Net deferred tax assets	23.50	9.28

Note:

Movement of deferred tax assets tax assets/ liabilities presented in balance sheet

	As at 31 March 2022	Recognised in		As at 31 March 2023
		Profit and loss	OCI	
Items leading to creation of deferred tax assets				
Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements	2.02	(0.26)	-	1.76
Impact of right of use assets and lease liabilities	2.29	(2.01)	-	0.28
Provision for sales returns, discounts and doubtful debts	4.10	17.85	-	21.95
Impact of non deductible expenses	1.02	(0.82)	0.11	0.31
Total deferred tax assets	9.43	14.76	0.11	24.30
Items leading to creation of deferred tax liabilities				
Impact of fair value gain on current investment	0.15	0.65	-	0.80
Total deferred tax liabilities	0.15	0.65	-	0.80
Net deferred tax assets	9.28	14.11	0.11	23.50
	As at 31 March 2021	Recognised in		As at 31 March 2022
		Profit and loss	OCI	
Items leading to creation of deferred tax assets				
Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements	2.09	(0.07)	-	2.02
Impact of right of use assets and lease liabilities	1.68	0.61	-	2.29
Provision for sales returns, discounts and doubtful debts	4.10	-	-	4.10
Impact of non deductible expenses	0.19	0.66	0.16	1.01
Total deferred tax assets	8.06	1.20	0.16	9.43
Items leading to creation of deferred tax liabilities				
Impact of fair value gain on current investment	1.43	(1.28)	-	0.15
Total deferred tax liabilities	1.43	(1.28)	-	0.15
Net deferred tax assets	6.63	2.48	0.16	9.28

Note - Refer note 36 for effective tax reconciliation.



Handwritten signatures and initials.



10. Other assets:

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Non-current		
(Unsecured considered good)		
Prepaid expenses	4.02	1.21
Tax paid under protest (refer note 48)	2.40	2.40
Tax receivable	5.36	0.74
	11.78	4.35
Current		
(Unsecured considered good)		
Prepaid expenses	1.81	1.41
Advances to vendors	2.64	1.14
Advances to employees	0.37	0.21
	4.82	2.76
Total	16.60	7.11
Current	4.82	2.76
Non-Current	11.78	4.35

11. Inventories

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Raw materials (at cost)	99.22	77.16
Work-in-progress (at lower of cost and net realisable value)	8.07	0.72
Finished goods - stock-in-trade (at lower of cost and net realisable value)	0.08	5.77
Finished goods (at lower of cost and net realisable value)	129.99	78.11
Total	237.36	161.76

Notes:

Inventories have been reduced by ₹ 18.15 millionss (31 March 2022: ₹ 15.79 millionss) as a result of write-down to net realisable value.

12. Current investment

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Investment valued at fair value through profit and loss		
Investments in mutual fund (Quoted)		
453.84 (31 March 2022: 2,061) units of ₹ 2982.85 each SBI Magnum Low Duration Fund - Regular - Growth	1.35	6.04
11,34,319.27 (31 March 2022: 95,987.07) units of ₹ 41.75 of HDFC Floating Rate Debt Fund - Regular - Growth	47.36	0.09
27,79,252.67 (31 March 2022: 1,61,102.93) units of ₹ 49.08 each HDFC Low Duration Fund - Regular - Growth	136.41	7.54
1,727.70 (31 March 2022: 3,856) units of ₹ 24.83 of Templeton India Corporate Bond Opportunities - Growth	0.04	0.11
Nil (31 March 2022: 2,354.22) units of Franklin India Ultra Short Bond Fund - Super Institutional Plan	-	0.08
7,54,890.04 (31 March 2022: Nil) units of ₹ 26.82 of HDFC Short Term Debt Fund - Regular - Growth	20.25	-
	205.41	13.86
Investments in equity shares (Quoted)		
40 (31 March 2022: 40) shares of ₹ 10 each fully paid up in M/s Reliance Industries Limited	0.09	0.11
21,600 (31 March 2022: 21,600) shares of ₹ 10 each fully paid up in M/s Winsome Breweries Limited	0.24	0.27
500 (31 March 2022: 500) shares of ₹ 10 each fully paid up in M/s State Bank of India Limited	0.26	0.25
230 (31 March 2022: 200) shares of ₹ 10 each fully paid up in M/s Punjab National Bank	0.01	0.01
	0.60	0.64
Total	206.01	14.50
Aggregate book value of quoted investment	202.99	13.90
Aggregate market value of quoted investment	206.01	14.50

* fair value gain recognised ₹ 3.02 millions (31 March 2022: ₹ 0.60 millions).

(This space has been left blank intentionally)



[Handwritten signature]



13. Trade receivables

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	166.31	252.95
Receivable which have significant increase in credit risk	19.28	16.29
Receivable credit impaired	-	-
	185.59	269.24
Less: Allowance for expected credit loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	19.28	16.29
Receivable credit impaired	-	-
	19.28	16.29
Secured, considered good	-	-
Unsecured, considered good	166.31	252.95
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
Total	166.31	252.95
Trade receivable from related parties (Refer note 40b)	1.88	-

The movement in impairment of trade receivables as follow:

	As at 31 March 2023	As at 31 March 2022
Opening balance	16.29	16.29
Additions/ (write-back) (net)	2.99	-
Closing balance	19.28	16.29

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

Below table represents the trade receivables ageing:

As at 31 March 2023	Outstanding for following periods from the bill date						Total
	Not Due	Less than 6 month	6 month to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables							
- considered good	69.23	85.43	11.65	-	-	-	166.31
- which have significant increase in credit risk	-	1.09	4.98	6.02	2.06	1.10	15.25
- which are credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	0.05	3.98	4.03
- which are credit impaired	-	-	-	-	-	-	-
	69.23	86.52	16.63	6.02	2.11	5.08	185.59
Less: Loss allowance	-	(1.09)	(4.98)	(6.02)	(2.11)	(5.08)	(19.28)
Total trade receivables	69.23	85.43	11.65	-	-	-	166.31

As at 31 March 2022	Outstanding for following periods from the bill date						Total
	Not Due	Less than 6 month	6 month to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables							
- considered good	207.48	41.94	3.53	-	-	-	252.95
- which have significant increase in credit risk	-	-	2.96	5.79	2.54	0.97	12.26
- which are credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	0.05	-	2.28	1.71	4.04
- which are credit impaired	-	-	-	-	-	-	-
	207.48	41.94	6.54	5.79	4.82	2.68	269.25
Less: Loss allowance	-	-	(3.01)	(5.79)	(4.82)	(2.68)	(16.29)
Total trade receivables	207.48	41.94	3.53	-	-	-	252.95

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(This space has been left blank intentionally)



[Handwritten signature]



14. Cash and cash equivalents

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Balances with banks:		
- On current accounts	93.73	55.11
- Deposits with original maturity of less than 3 months	-	28.93
Cash on hand	3.91	2.07
Total	97.64	86.11

15. Bank balances other than cash and cash equivalents

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity of more than 3 months and less than 12 months	-	31.90
Total	-	31.90

(This space has been left blank intentionally)



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



16. Share capital

	₹ in millions	
	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
555,000 (31 March 2022: 555,000) equity shares of ₹ 100/- each	55.50	55.50
Total	55.50	55.50
Issued, subscribed and fully paid equity capital		
1,11,437 (31 March 2022: 1,11,437) equity shares of ₹ 100/- each	11.14	11.14
	11.14	11.14

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

	No. of shares	₹ in millions
Authorised share capital		
As at 31 March 2021	5,55,000	55.50
Increase/(decrease) during the year	-	-
As at 31 March 2022	5,55,000	55.50
Increase/(decrease) during the year	-	-
As at 31 March 2023	5,55,000	55.50
Issued equity capital		
Equity share of ₹ 100/- each issued, subscribed and fully paid (31 March 2022: Equity share of ₹ 100 each)		
As at 31 March 2021	1,11,437	11.14
As at 31 March 2022	1,11,437	11.14
As at 31 March 2023	1,11,437	11.14

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. No dividend has been proposed by the Board of Directors during the year ended 31 March 2023 (31 March 2022: Nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

c. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding 31 March 2023:

	For the year ended				
	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019
Equity shares allotted as fully paid up	-	-	8335*	-	-

* issued pursuant to order received from NCLT for amalgamation of Eurasia Publishing House (Eurasia) with the Company, allotted on 23 May 2022.

d. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

e. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% of holding	No. of shares*	% of holding
S Chand And Company Limited (including nominee shareholders)	1,11,437	100.00%	1,11,437	100.00%

*includes shares issued pursuant to order received from NCLT for amalgamation of Eurasia Publishing House (Eurasia) with the Company, allotted on 23 May 2022.

f. Details of shares held by promoters (Holding Company) in the Company

	As at 31 March 2023		As at 31 March 2022		
	No. of shares	% of holding	No. of shares	% of holding	% change in shareholding
S Chand And Company Limited	1,11,437	100.00%	1,11,437	100.00%	-

(This space has been left blank intentionally)



Handwritten signatures and initials in blue ink.



17. Other equity

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
a. Capital reserve		
Balance as the beginning of reporting year	(696.86)	(696.86)
Balance as the end of reporting year	(696.86)	(696.86)
b. Security premium		
Balance as the beginning of reporting year	11.31	11.31
Balance as the end of reporting year	11.31	11.31
c. General reserve		
Balance as the beginning of reporting year	76.50	76.50
Balance as the end of reporting year	76.50	76.50
d. Debenture redemption reserve		
Balance as the beginning of reporting year	22.96	22.96
Less: Decrease during the year	(1.07)	-
Balance as the end of reporting year	21.89	22.96
e. Equity component of 2% optionally convertible debentures		
Balance as the beginning of reporting year	489.85	489.85
Less: Decrease during the year	(7.08)	-
Balance as the end of reporting year	482.77	489.85
f. Retained earnings		
Balance as the beginning of reporting year	1,207.39	1,032.70
Add: Profit for the year	268.53	175.19
Less: Other comprehensive loss for the year (net)	(0.31)	(0.50)
Add: Adjustment for prepayment of debentures	0.63	-
Add: Transfer from debenture redemption reserve	1.07	-
Balance as the end of reporting year	1,477.32	1,207.39
g. Deemed capital contribution		
Balance as the beginning of reporting year	0.34	-
Add: Increase during the year	0.08	0.34
Balance as the end of reporting year	0.42	0.34
Total	1,373.35	1,111.54

Nature and purpose of reserves:

Capital reserve

The Board of Directors of Chhaya Prakashani Limited ("Company"), in its meeting held on 08 August 2017 approved the scheme of amalgamation of Publishing Services Limited ("PSPL"), a wholly owned subsidiary of the Company with Company. Thereafter, Company in accordance with the provisions of Section 233 of The Companies Act, 2013, had filed an application dated 12 December 2017 with the Regional Director, Eastern Region, for amalgamation of PSPL with the Company, which was sanctioned by the Regional Director vide its Confirmation Order dated 03 August 2018 and received by the Company on 09 August 2018. Considering the effect of the said amalgamation an adjustment of ₹ 0.65 millions resulted into capital reserves in accordance with IND-AS 103.

The Company had received Merger Order from NCLT Kolkata dated 28-04-2022, filed under a scheme of amalgamation of Eurasia Publishing House (Eurasia) with appointed date as 1 April 2020 under sections 230 to 232 of the Companies Act, 2013. Before the merger, Eurasia held an investment of ₹ 700.00 millions in Chhaya Prakashani Limited, which now stands cancelled as per the order. As a result, a capital reserve of ₹ 696.21 millions had been created giving effect of the investment held into the merged entity.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve represents amount appropriated out of retained earnings.

Debenture redemption reserve

The Company has issued optionally convertible redeemable debentures. The Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the Company to create Debenture Redemption Reserve of 25% (10% as per MCA notification dated 16 August 2019), of the value of the debentures issued, either by a public issue or a private placement basis out of profits of the Company available for payment of dividend. The amounts credited to the debenture redemption reserve cannot be utilized by the Company except to redeem debentures. Accordingly, the Company has created Debenture redemption reserve at the rate of 10% of financial component of outstanding debentures.

Equity component of 2% optionally convertible debentures

The 2% Optionally convertible debentures have been classified as compound financial instruments. This instrument has been split between equity and liability by primarily valuing the liability portion without equity conversion options. The balance between instrument value and liability component had been treated as the value of equity component.

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities. Also includes re-measurement gains on defined benefit plans.

Deemed capital contribution

Deemed capital contribution represents Employee stock option (ESOP) cost allocated by the Holding Company for stock options issued to employees of the Company.



18. Non-current borrowings

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Debentures		
6,516 (31 March 2022: 6,916) 2% optionally convertible redeemable debentures of ₹ 1,00,000 each issued at par (refer note b below)	231.19	240.41
Term loans		
Indian rupee loan from financial institutions (refer note a below)	71.66	91.67
Loans from related parties		
Nirja Publishers & Printers Private Limited (refer note c below)	-	17.94
Less: Current maturities of non-current borrowings (refer note 21)		
Term loans		
Indian rupee loan from financial institutions (refer note a below)	20.00	20.00
	<u>20.00</u>	<u>20.00</u>
Total	<u>282.85</u>	<u>330.02</u>
Secured	51.66	71.67
Unsecured	231.19	258.35

- | | |
|---|---|
| Nature of security: | Terms of repayment: |
| <p>a. Term loan
Term loan from Tata Capital Financial Services Limited has been obtained in financial year 2022. The loan has been secured against: (i) First and exclusive charge over the current assets and movable fixed assets of the Chhaya Prakashani Limited, (ii) Negative lien on property located at plot no. 20/4, Sahibabad Industrial Area, Site IV, Ghaziabad (UP), owned by Vikas Publishing House Private Limited (fellow subsidiary), (iii) Irrevocable and unconditional corporate guarantee of S Chand and Company Limited (holding company) and Vikas Publishing House Private Limited (fellow subsidiary) and (iv) Irrevocable and unconditional personal guarantee by Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhunwala.</p> | <p>Repayable in 60 equal monthly instalment beginning from 5 November 2021</p> <p>Rate of interest 9.75% - 11.30% p.a.
(31 March 2022: 9.75% floating.)</p> |
| <p>b. Debentures
2% optionally convertible debentures issued to S Chand And Company Limited (Holding Company), are unsecured and redeemable within a period of 20 years from the date of allotment (7 February 2018). Compound financial instrument has been bifurcated between equity and liability by primarily valuing the liability portion without equity conversion options. During the year, the Company has made pre-payment of debenture amounting ₹ 40.00 millions which is adjusted against financial liability component by ₹ 33.54 millions and equity component by ₹ 6.46 millions.</p> | |
| <p>c. The Company has obtained unsecured loan from Nirja Publishers & Printers Private Limited and carries interest rate equal to State Bank of India's 2 Year MCLR plus 250 BPS p.a. The facility will be convertible at the option of the Company after 1 year from agreement date and if not converted on or before 3 years from agreement date, the loan shall be repaid by the Company on completion of 3 years.</p> | |
| <p>d. Loan covenants
The Company is required to comply with certain debt covenants as mentioned in the loan agreement for term loans, failure of which makes the loan to be repaid on demand at the discretion of the bank. During the current financial year, there have been no default in repayment and no breaches in the financial covenants of any borrowings.</p> | |
| <p>e. The money raised by way of term loans were applied for the purposes for which these were obtained.</p> | |

(This space has been left blank intentionally)



Handwritten signatures in blue ink.



19. Lease liabilities		(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022	
Lease liabilities - non-current (refer note 39)	75.85	41.53	
Lease liabilities - current (refer note 39)	4.40	6.33	
Total	80.25	47.86	
20. Provisions		(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022	
Provision for gratuity (Refer note 38)	1.17	1.43	
Total	1.17	1.43	
Non-current	1.17	1.43	
Current	-	-	
21. Current borrowings		(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022	
Loans from related parties			
Nirja Publishers & Printers Private Limited (refer note a below)	18.91	-	
	18.91	-	
Current maturities of non-current borrowings (refer note 18)			
Term loans	20.00	20.00	
Total	38.91	20.00	
Secured	20.00	20.00	
Unsecured	18.91	-	

- a. The Company has obtained unsecured loan from Nirja Publishers & Printers Private Limited and carries interest rate equal to State Bank of India's 2 Year MCLR plus 250 BPS p.a. The facility will be convertible at the option of the Company after 1 year from agreement date and if not converted on or before 3 years from agreement date, the loan shall be repaid by the Company on completion of 3 years.

(This space has been left blank intentionally)



[Handwritten signatures]



22. Trade payables

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Trade payables of micro enterprises and small enterprises (Refer note 46)	32.12	23.98
Trade payables of related entities (Refer note 40b)	6.54	4.96
Trade payables other than micro enterprises and small enterprises	59.48	60.98
Total	98.14	89.91

Trade payables ageing schedule as at 31 March 2023 and 31 March 2022:

Particulars	As at 31 March 2023				
	Outstanding for following periods from date of billing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023:					
Undisputed trade payables					
outstanding due to micro enterprises and small enterprises	32.12	-	-	-	32.12
others	63.23	1.57	1.05	0.17	66.02
Disputed trade payables					
outstanding due to micro enterprises and small enterprises	-	-	-	-	-
others	-	-	-	-	-
Total	95.35	1.57	1.05	0.17	98.14

Particulars	As at 31 March 2022				
	Outstanding for following periods from date of billing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022:					
Undisputed trade payables					
outstanding due to micro enterprises and small enterprises	23.98	-	-	-	23.98
others	65.90	0.00	0.00	0.03	65.93
Disputed trade payables					
outstanding due to micro enterprises and small enterprises	-	-	-	-	-
others	-	-	-	-	-
Total	89.88	0.00	0.00	0.03	89.91

There are no "unbilled" and "not due" trade payables, hence the same are not disclosed in the ageing schedule.

23. Other financial liabilities

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Interest accrued but not due on borrowings	1.83	1.12
Employee related liabilities	2.60	10.33
Total	4.43	11.45
Current	4.43	11.45
Non-current	-	-

24. Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	18.11	15.67
Revenue received in advance	1.35	0.39
Total	19.46	16.06

25. Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for income tax	25.49	-
Total	25.49	-

(This space has been left blank intentionally)



(Handwritten signature)



26. Revenue from operations

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products		
Finished goods (net of returns)	1,161.39	884.82
Traded goods (net of returns)	21.23	12.11
Less: Discounts	(32.45)	(37.30)
	1,150.17	859.63
Sale of services		
License fees	3.43	2.86
Subscription of mobile application	0.01	0.01
	3.44	2.87
Other operating revenue		
Scrap sales	0.28	0.56
Others	0.00	0.21
	0.28	0.77
Total	1,153.89	863.27
Timing of revenue recognition		
Goods transferred at a point in time	1,150.45	860.40
Services transferred at a point in time	3.44	2.87
Total	1,153.89	863.27

The Company operates in only one business segment and has entire sale in India.

Contract balances

	For the year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities		
Revenue received in advance (refer note 24) *	1.35	0.39
Opening balance of contract liabilities	0.39	0.51
Less: Amount of revenue recognised against opening contract liabilities	(0.39)	(0.51)
Add: Addition in balance of contract liabilities for current year (net of refunds)	1.35	0.39
Closing balance of contract liabilities	1.35	0.39

* The increase in contract liability is on account of increased operations in the normal course of business.

(This space has been left blank intentionally)



Handwritten signature and initials in blue ink.



Chhaya Prakashani Limited

CIN: U22122WB2006PLC111821

Notes to financial statements for the year ended 31 March 2023

Right to return asset and refund liability

	As at 31 March 2023	As at 31 March 2022
Refund liabilities		
Arising from discounts	37.06	37.77
Arising from rights of return	57.60	60.10
	94.66	97.87

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted price	1,229.78	952.89
Adjustments		
Sales return	(43.44)	(52.32)
Discount	(32.45)	(37.30)
	1,153.89	863.27

Performance obligation

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

Sale of products

Revenue from sale of books is recognised at the point in time when control of the asset is transferred to the customer, i.e. on delivery of books to customer.

Sale of services

Revenue from sale of service is recognised on accrual basis and when services are provided.

The customer has a right to return material to an extent as may be agreed upon with each customer or within the limits as may be determined by the Company.
The customer is also eligible for discounts based on achievement of revenue targets as may be agreed.

(This space has been left blank intentionally)



Handwritten signatures in blue ink.



27. Other income

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income on:		
- Bank deposits *	1.78	2.41
- Bonds	0.18	0.18
- Loans to related parties #	85.09	61.86
- Income tax refund	1.58	-
Profit on cancellation of lease	9.77	-
Profit on sales of investment	26.91	8.42
Others	2.50	0.33
Total	127.81	73.20

* underlying assets on which income is recognised are carried at amortised cost.

Interest income on unsecured loan includes interest accrued in relation to unsecured loan given to related parties. For details Refer note 40b.

28. Cost of materials consumed

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	77.16	37.47
Add : Purchases during the year	397.56	246.59
	474.72	284.06
Less : Inventory at the end of the year	(99.22)	(77.16)
Cost of raw material consumed	375.50	206.90

29. Purchase of stock-in-trade

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of stock-in-trade	18.79	10.46
	18.79	10.46

30. (Increase)/decrease in inventories of finished goods and work-in-progress

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the end of the year		
Finished goods	130.07	83.88
Work-in-progress	8.07	0.72
	138.14	84.60
Inventories at the beginning of the year		
Finished goods	83.88	108.09
Work-in-progress	0.72	1.22
	84.60	109.31
(Increase)/decrease in inventories of finished goods and work-in-progress	(53.56)	24.71

(This space has been left blank intentionally)



(Handwritten signatures and initials)



31. Employee benefits expense

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, bonus and allowances	97.00	88.57
Contribution to provident and other funds (refer note 38)	6.57	6.34
Employee stock option expense	0.08	0.34
Staff welfare expenses	5.16	2.04
Total	108.81	97.29

32. Finance costs

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense		
- On debentures	25.68	24.63
- On borrowings	9.60	4.67
- On unsecured loans	2.12	1.02
- On lease liability (refer note 39)	5.40	4.96
Loan processing fee	4.76	1.40
Interest on statutory dues	3.78	-
Total	51.34	36.68

33. Depreciation and amortization expenses

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3)	1.67	1.63
Amortisation on intangible assets (refer note 5)	1.05	1.35
Amortisation on right-of-use assets (refer note 4)	8.37	7.46
Total	11.09	10.44

(This space has been left blank intentionally)



[Handwritten signature]



34. Other expenses

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Publication expenses:		
Printing and binding charges	130.87	93.48
Royalty	56.98	52.64
Other publishing expenses	6.71	5.75
Total (A)	194.56	151.87
Other expenses:		
Rent (refer note 39)	15.67	11.45
Communication cost	0.73	0.76
Insurance	0.92	0.95
Travelling and conveyance	1.99	1.90
Power and fuel expenses	2.77	1.69
Repairs and maintenance	11.31	9.01
Management expenses (refer note a below)	11.63	7.23
Legal and professional fee	11.09	5.70
Payment to auditor (refer note b below)	2.10	1.88
Corporate social responsibility expenses (refer note 44)	4.36	3.96
Bad debts written off	0.76	1.57
Provision for expected credit loss	2.99	-
Advertisement, publicity and exhibition	55.66	45.01
Freight and cartage outward	26.73	22.14
Miscellaneous expenses	8.39	10.78
Total (B)	157.11	124.03
Total other expenses (A+B)	351.67	275.90

a. Management expenses

The Holding Company renders various administrative and management services to its subsidiaries companies to facilitate its day to day operations. Accordingly, the Holding Company has charged ₹ 11.63 million (31 March 2022: ₹ 7.23 million) towards such services rendered during the year ended 31 March 2023.

b. Payment to auditors:

As auditor

- For statutory audit	1.18	1.27
- For limited review*	0.83	0.60
- Out of pocket expenses	0.09	0.01
	2.10	1.88

* Includes payment of audit fees amounting ₹ 0.24 million paid to erstwhile auditors.

35. Exceptional items

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Provision for diminution in value of investments (refer note 49)	50.00	-
	50.00	-

(This space has been left blank intentionally)



Handwritten signatures and initials in blue ink.



36. Income tax

Tax expense recognised in Statement of Profit and Loss	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax:		
Current income tax charge	111.00	83.33
Tax relating to earlier years	2.64	18.04
Deferred tax:		
Relating to origination and reversal of temporary differences	(14.11)	(2.48)
	<u>99.53</u>	<u>98.89</u>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before income tax	368.06	274.08
Tax at India's statutory income tax rate of 25.168% (31 March 2022: 25.168%)	92.63	68.98
Adjustments in respect of current income tax of previous years	2.64	18.04
Tax impact of non-deductible expenses	3.66	11.63
Effect on changes in tax rate	-	0.24
Other adjustments	0.60	-
Income tax expense reported in the statement of profit or loss	<u>99.53</u>	<u>98.89</u>
At the effective income tax rate of 27.04% (31 March 2022: 36.08%)	<u>99.53</u>	<u>98.89</u>

37 Earnings per share

Basic earning per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

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

The following reflects the income and share data used in the basic and diluted EPS computations

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity shareholders of the Company	268.53	175.19
Weighted average number of equity shares for Basic EPS	0.11	0.11
Weighted average number of equity shares for Diluted EPS	0.18	0.19
Basic EPS (in ₹)	2,409.75	1,592.64
Diluted EPS (in ₹)	1,625.64	1,005.95

(This space has been left blank intentionally)



(Handwritten signature/initials)



38. Employee benefits

a. Defined contribution plan

An amount of ₹ 4.58 million (31 March 2022 : ₹ 4.37 million) for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹ 0.19 million (31 March 2022 : ₹ 0.31 million) for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

b. Gratuity

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age.

Under the Company's gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of ₹ 2.00 million. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for Gratuity Plan.

Statement of profit & loss account

Net employee benefit expense recognised in employee cost:

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	1.70	1.61
Net Interest cost on defined obligation	0.10	0.05
Expected return on plan assets	-	-
	<u>1.80</u>	<u>1.66</u>

Amount recognised in Other Comprehensive Income:

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial gains on obligation	0.35	0.49
Actuarial gains on assets	0.07	0.16
	<u>0.42</u>	<u>0.65</u>

Balance sheet

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

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening defined benefit obligation	10.33	9.03
Current service cost	1.70	1.61
Interest cost	0.74	0.62
Benefits paid from plan assets	(0.47)	(1.42)
Actuarial gains on obligation	0.35	0.49
Closing defined benefit obligation	<u>12.66</u>	<u>10.33</u>
Non - Current	12.66	10.33
Current	-	-

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

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening fair value of plan assets	8.89	8.30
Expected return	0.65	0.57
Contributions by employer	2.49	1.60
Benefits paid	(0.47)	(1.42)
Actuarial gain/(loss)	(0.07)	(0.16)
Closing fair value of plan assets	<u>11.49</u>	<u>8.89</u>
Provision for gratuity (net of plan assets)		
Non-current	1.17	1.43
Current	-	-

The expected contribution to the defined benefit plan in future years ₹ 3.29 millions (31 March 2022: ₹ 3.07 millions).

(This space has been left blank intentionally)



Handwritten signatures and initials in blue ink.



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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Investments with insurer	100%	100%

The economic and demographic assumptions used in determining gratuity obligations for the Company's plans are shown below:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	7.20%	7.20%
Expected rate of return on assets	7.31%	6.90%
Expected rate of salary increase	7.00%	7.00%
Retirement age (in years)	60	60
Employee turnover :-		
- For service upto 5 years	5.00%	5.00%
- For service more than 5 years	1.00%	1.00%
Mortality Rate	100% of IALM 2012-	100% of IALM 2012-

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The impact of sensitivity analysis due to changes in the significant actuarial assumptions on the defined benefit obligations is given in below table:

		As at 31 March 2023	As at 31 March 2022
Discount rate	+ 1%	11.28	9.17
	- 1%	14.29	11.70
Expected rate of salary increase	+ 1%	14.24	11.67
	- 1%	11.27	9.14

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

The above defined benefit plan exposes the Company to following risks:

Investment risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market risk (interest risk):

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity risk:

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Actuarial risk:

Salary increase assumption

Actual salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Attrition/withdrawal assumption

If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

Regulatory risk:

Any changes to the current Regulations by the Government, will increase (in most cases) or decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

The following are expected future cash flows to the defined benefit plan (undiscounted):

	For the year ended 31 March 2023	For the year ended 31 March 2022
Year 1	0.45	0.49
Year 2 to 5	2.13	1.60
Year 6 to 10	4.99	4.23
Above 10 years	27.06	22.87

(This space has been left blank intentionally)



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



39. Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2023:

	(₹ in millions)	
	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of reporting year	38.75	45.84
Additions (note 4)	80.23	0.37
Deletions	(31.46)	-
Depreciation expense (note 33)	(8.37)	(7.46)
Balance at the end of reporting year	79.15	38.75

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance as at the beginning of reporting year	47.86	52.51
Additions	80.22	0.37
Accretion of interest	5.40	4.96
Deletion during the year	(51.00)	-
Profit on cancellation of lease	9.77	-
Payments	(12.01)	(9.97)
Balance as at the end of reporting year	80.25	47.86
Non-current	75.85	41.53
Current	4.40	6.33

Contractual maturities of lease liabilities

	For the year ended 31 March 2023	For the year ended 31 March 2022
- Within one year	4.40	6.33
- 1-5 years	0.30	31.75
- More than 5 years	75.55	9.78
	80.25	47.86

The following are the amounts recognised in Statement of Profit or Loss:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets	8.37	7.46
Interest expense on lease liabilities	5.40	4.96
Expense relating to other than non-current leases (included in other expenses) #	15.67	11.45
Total amount recognised in Statement of Profit or Loss	29.44	23.87

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for current leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

Total cash outflow for current leases and leases of low value for the year ended 31 March 2023 was ₹ 15.67 millions (31 March 2022 : ₹ 11.45 millions).

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term	No of leases with extension options	No of leases with termination options
Buildings					
Termination options expected to be exercised					
- 31 March 2023	10	0-9 years	1.89	None	None
- 31 March 2022	10	0-6 years	1.50	None	None

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on Right-of-use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.



(This space has been left blank intentionally)

[Handwritten signature]



40. Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

Holding company	:	S Chand And Company Limited
Fellow Subsidiaries Company	:	Vikas Publishing House Private Limited
	:	New Saraswati House (India) Private Limited
	:	Nirja Publishers & Printers Private Limited
	:	Safari Digital Education Initiatives Private Limited
	:	Blackie & Son (Calcutta) Private Limited
	:	BPI (India) Private Limited
	:	DS Digital Private Limited
	:	S. Chand Edutech Private Limited
	:	Convergia Digital Education Private Limited (with effect from 1 July 2021)
Subsidiary company	:	Indian Progressive Publishing Co Private Limited
Associate company	:	Edutor Technologies India Private Limited
Associate of Holding company	:	Smartivity Labs Private Limited (upto 21 June 2022)

Related parties with whom transactions have taken place during the year

Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	:	Bombay Aesthetics
	:	Blacklead Learning Solutions
	:	Shaara IT Services Private Limited

Key Management Personnel (KMP) & their relatives

Mr. Himanshu Gupta	:	Executive Director
Mr. Dinesh Kumar Jhunjhnuwala	:	Non-Executive Director
Mr. Naveen Rajalani	:	Non-Executive Director
Mr. Rajagopalan Chandrashekar	:	Independent Director
Mr. Prateek Dhanuka	:	Chief Executive Officer



(This space has been left blank intentionally)





Chhaya Prakashani Limited

CIN: U22122WB2006PTC111821

Notes to financial statements as at year ended 31 March 2023

b. Details of related party transactions

The following table provides the total amount of transactions that have been entered into with related parties during the period:
(₹ in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations		
Sale of products		
Vikas Publishing House Private Limited	11.47	7.16
Sale of services		
S Chand And Company Limited	3.43	2.86
Subtotal	14.90	10.02
Other income		
Interest income on unsecured loan		
DS Digital Private Limited	23.68	16.05
Safari Digital Education Initiatives Private Limited	49.08	40.40
Convergia Digital Education Private Limited	8.93	2.01
S Chand Edutech Private Limited	3.35	2.43
New Saraswati House (India) Private Limited	0.06	0.97
Subtotal	85.09	61.86
Expenses		
Interest on debentures		
S Chand And Company Limited	13.61	13.83
Interest on unsecured loan		
Nirja Publishers & Printers Private Limited	1.96	1.02
Vikas Publishing House Private Limited	0.16	-
Commission on sale of shares		
S Chand And Company Limited	0.46	-
Purchase of books:		
Indian Progressive Publishing Co. Private Limited	18.79	5.46
Edutor Technologies India Private Limited	-	1.11
Vikas Publishing House Private Limited	2.00	59.91

(This space has been left blank intentionally)



Handwritten signatures and initials in blue ink.



Chhaya Prakashani Limited

CIN: U22122WB2006PTC111821

Notes to financial statements as at year ended 31 March 2023

Details of related party transactions

(₹ in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Printing charges		
Vikas Publishing House Private Limited	8.35	24.18
S Chand And Company Limited	-	0.34
Freight and cartage outward		
Vikas Publishing House Private Limited	-	0.00
Management expenses		
S Chand And Company Limited	11.63	7.23
Advertisement, publicity and exhibition		
Vikas Publishing House Private Limited	-	0.08
Bombay Aesthetics	2.81	-
Repair & maintenance expense		
Edutor Technologies India Private Limited	1.15	-
Professional fee		
Safari Digital Education Initiatives Private Limited	4.25	2.12
Employee benefit		
S Chand And Company Limited	0.42	0.34
Remuneration to KMP *		
Mr. Prateek Dhanuka	7.50	6.32
Rent paid (including lease liabilities payment)		
Shaara IT Services Private Limited	1.82	-
Director sitting fees		
Rajagopalan Chandrashekar	0.18	0.15
Editing charges		
Blacklead Learning Solutions	0.38	-
Subtotal	75.47	122.10
Loans given		
Safari Digital Education Initiatives Private Limited	-	5.00
DS Digital Private Limited	5.00	40.00
Convergia Digital Education Private Limited	30.00	63.00
Subtotal	35.00	108.00



Chhaya Prakashani Limited

CIN: U22122WB2006PTC111821

Notes to financial statements as at year ended 31 March 2023

Details of related party transactions

(₹ in millions)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans repayment received		
Safari Digital Education Initiatives Private Limited	22.32	-
New Saraswati House (India) Private Limited	10.00	-
Subtotal	32.32	-
Loan taken		
Vikas Publishing House Private Limited	25.00	-
Subtotal	25.00	-
Loan repaid		
Vikas Publishing House Private Limited	25.00	-
Subtotal	25.00	-
Debenture repayment made		
S Chand And Company Limited	40.00	-
Subtotal	40.00	-

(This space has been left blank intentionally)

✓ H 11



Chhaya Prakashani Limited

CIN: U22122WB2006PTC111821

Notes to financial statements as at year ended 31 March 2023

Balances outstanding at the year end

(₹ in millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Assets		
Investments		
Investment in unquoted equity shares		
Indian Progressive Publishing Co Private Limited	0.12	0.12
Edutor Technologies India Private Limited (net of impairment)	50.00	100.00
Subtotal	50.12	100.12
Investment in unquoted preference shares		
New Saraswati House (India) Private Limited	80.70	80.70
Subtotal	80.70	80.70
Trade receivables		
Vikas Publishing House Private Limited	1.88	-
Subtotal	1.88	-
Loans and advances receivable		
DS Digital Private Limited	248.61	222.30
Safari Digital Education Initiatives Private Limited	497.96	484.18
S Chand Edutech Private Limited	34.95	31.95
Convergia Digital Education Private Limited	102.85	64.82
New Saraswati House (India) Private Limited	-	10.00
Subtotal	884.37	813.25
Security deposit given		
Shaara IT Services Private Limited (Security Deposit)	8.00	-
Subtotal	8.00	-
Receivables from related parties		
Safari Digital Education Initiatives Private Limited	1.33	1.33
Convergia Digital Education Private Limited	3.54	3.54
Subtotal	4.87	4.87



Handwritten signatures and initials in blue ink.



Chhaya Prakashani Limited

CIN: U22122WB2006PTC111821

Notes to financial statements as at year ended 31 March 2023

Balances outstanding at the year end

(₹ in millions)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to vendors		
S Chand And Company Limited	1.39	-
Subtotal	1.39	-
Other advances		
Indian Progressive Publishing Co. Private Limited	-	0.53
Subtotal	-	0.53
Liabilities		
Trade payables		
Indian Progressive Publishing Co. Private Limited	6.43	-
S Chand And Company Limited	-	4.96
Edutor Technologies India Private Limited	0.11	-
Subtotal	6.54	4.96
Optionally convertible debenture issued		
S Chand And Company Limited (liability portion)	231.18	240.41
S Chand And Company Limited (equity portion)	482.77	489.85
Subtotal	713.95	730.26
Loans payable		
Nirja Publishers & Printers Private Limited	18.91	17.94
Subtotal	18.91	17.94
Accrued interest on loan payable		
Nirja Publishers & Printers Private Limited	1.27	0.48
Subtotal	1.27	0.48
Employee related liabilities		
Mr. Prateek Dhanuka	-	0.64
Subtotal	-	0.64



Handwritten signatures in blue ink.



Chhaya Prakashani Limited

CIN: U22122WB2006PTC111821

Notes to financial statements as at year ended 31 March 2023

Key managerial remuneration

	For the year ended 31 March 2023	For the year ended 31 March 2022
Short term employee benefits	7.50	6.32
Post-employment benefits*	-	-
Other long-term benefits*	-	-
	7.50	6.32

* Does not include gratuity, since the provision is based upon actuarial for the Company as a whole.

Terms of conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. The settlement of outstanding balances as at year end occurs in cash.

(This space has been left blank intentionally)



Handwritten signatures in blue ink, including a large 'J' and several other stylized marks.



41. Financial Instruments: Financial risk management objectives and policies

The Company's principal financial liabilities trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in equity shares, mutual fund and government securities, advances to related party, trade and other receivables, security deposits, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises two types of risk:-

- Interest rate risk,
- Other price risk; and
- Commodity risk

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and other parameters are all constant in place at 31 March 2023.

The analyses exclude the impact of movements in market variables on: the carrying values of employee benefits provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with fixed interest rates.

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

	Increase/decrease in basis points	Effect on profit before tax
As at 31 March 2023		
INR Borrowings	+0.50%	0.45
	-0.50%	(0.45)
As at 31 March 2022		
INR Borrowings	+0.50%	1.75
	-0.50%	(1.75)

b. Other price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The price risk related to investment in mutual fund schemes is not significant considering the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested.

The price risk related to investment in quoted equity instruments is not significant since such investments are not material.

The following table summarises the sensitivity to change in the price of investment in unlisted equity securities (other than investment in subsidiaries and associate) held by the Company:

	Changes in prices	Effect on profit before tax
For the year ended 31 March 2023		
Unlisted equity instruments	+15%	-
	-15%	-
For the year ended 31 March 2022		
Unlisted equity instruments	+15%	0.00
	-15%	(0.00)

c. Commodity risk

Commodity price risk arises due to fluctuation in prices of papers. The Company has risk management framework aimed at prudently managing the risk arising from volatility in the commodity prices. The Company's commodity risk is managed centrally through well established control processes. Further the selling price of finished goods fluctuates due to fluctuation in price of papers and the Company expects that the net impact of such fluctuation would not be material.

(This space has been left blank intentionally)



Notes to financial statements as at year ended 31 March 2023

B. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any significant credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The carrying amount of financial assets represent the maximum credit risk exposure.

The ageing analysis of trade receivable(net) before adjustment of expected credit loss provision of Rs. 19.28 million (31 March 2022: Rs. 16.29 million) as of the reporting date is as follows:

Age bracket	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Trade receivable (gross)	69.23	86.52	16.63	6.02	2.11	5.08	185.59
Less: Allowance for expected credit loss	-	(1.09)	(4.98)	(6.02)	(2.11)	(5.08)	(19.28)
Trade receivable (net)	69.23	85.43	11.65	-	-	-	166.31
Expected credit loss %	0.00%	1.26%	29.93%	100.00%	100.00%	100.00%	10.39%
As at 31 March 2022							
Trade receivable (gross)	207.48	41.94	6.54	5.79	4.82	2.68	269.25
Less: Allowance for expected credit loss	-	-	(3.01)	(5.79)	(4.82)	(2.68)	(16.29)
Trade receivable (net)	207.48	41.94	3.53	-	-	-	252.95
Expected credit loss %	0.00%	0.00%	46.02%	100.00%	100.00%	100.00%	6.05%

The movement in the allowance for expected credit loss in respect of trade receivables is as follows:

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	16.29	16.29
Expected credit loss during the year (net of reversal)	2.99	-
Balance at the end of the year	19.28	16.29

(This space has been left blank intentionally)



U. H. = ✓



Chhaya Prakashani Limited

CIN: U22122WB2006PLC111821

Notes to financial statements as at year ended 31 March 2023**C. Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations, also to maintain adequate sources of financing Company has taken a term loan during this year from financial institution at on optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

	(₹ in millions)	
	As at	As at
	31 March 2023	31 March 2022
Less than 1 year		
- Borrowings (excluding interest)	38.91	20.00
- Trade payables	98.14	89.91
- Lease liabilities	4.40	6.33
- Other financial liabilities	4.43	11.45
	145.89	127.69
More than 1 year		
- Borrowings (excluding interest)	282.85	330.02
- Lease liabilities	75.85	41.53
	358.71	371.55

Details of undrawn facilities of the Company from banks and financial institutions (fund based as well as non fund based):

	(₹ in millions)	
	As at	As at
	31 March 2023	31 March 2022
Working capital demand loans and cash credit	100.00	-
	100.00	-

(This space has been left blank intentionally)



Handwritten signature and initials in blue ink.

42. Capital management

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

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

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

Company's adjusted net debt to equity ratio as at 31 March 2023 is as follow:

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
Borrowings (including current maturities)		
Less: Cash and cash equivalents (Refer note 14)	321.76	350.02
Adjusted net debt (A)	224.12	(86.11)
Equity		263.91
Total equity (B)	1,384.49	1,122.68
Total equity and net debt [C = (A+B)]	1,384.49	1,122.68
Gearing ratio (A/C)	14%	19%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.



Handwritten signature and initials in blue ink.

(This space has been left blank intentionally)



Notes to financial statements as at year ended 31 March 2023

43. Fair value of financial assets and liabilities

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

Particulars	31 March 2023			31 March 2022		
	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI
Assets						
Non current financial assets						
- Investments*	82.84	-	-	200.60	17.64	-
- Loans	102.85	-	-	506.70	-	-
- Other financial assets	58.50	-	-	2.26	-	-
Current financial assets						
- Investments	-	206.01	-	-	14.50	-
- Trade receivables	166.31	-	-	252.95	-	-
- Loans	781.52	-	-	306.55	-	-
- Bank balance other than cash and cash equivalents	-	-	-	31.90	-	-
- Cash and cash equivalents	97.64	-	-	86.11	-	-
- Other financial assets	15.70	-	-	11.26	-	-
Liabilities						
Non-current financial liabilities						
- Borrowings	282.85	-	-	330.02	-	-
- Lease liabilities	75.85	-	-	41.53	-	-
Current financial liabilities						
- Borrowings	38.91	-	-	330.02	-	-
- Lease liabilities	4.40	-	-	6.33	-	-
- Trade payables	98.14	-	-	89.91	-	-
- Other financial liabilities	4.43	-	-	11.45	-	-

*excludes investments in subsidiaries and associates, valued at cost

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

- The fair values of trade receivables, cash and cash equivalents, other current financial assets, trade payable and other current financial liabilities are considered to be same as their carrying values
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the quoted notes and bonds are based on price quotations at the reporting date.



Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023:

	(₹ in millions)		
	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Investments	206.01	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:

	(₹ in millions)		
	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Investments	14.50	-	17.64

Valuation inputs and relationships to fair value

Name of securities	Fair values		Valuation techniques/ methodology	Unobservable input
	As at 31 March 2023	As at 31 March 2022		
Investments in quoted financial instruments (Level 1)	206.01	14.50	The fair values are based on quoted market prices as at the reporting date.	Not applicable
Investments in unquoted equity instruments (Level 3)	-	17.64	Price of recent investment (PRI method).	This is the transaction price of investment made near to year end.



(Handwritten signature)



(This space has been left blank intentionally)

44. Corporate Social Responsibility (CSR)

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022
a) Gross amount required to be spent by the Company during the year		
b) Amount spent during the year	4.10	3.68
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above *	-	-
(c) Shortfall at the end of the year	4.36	3.96
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	-	-
(f) Details of related party transactions		
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not applicable	Not applicable
	Not applicable	Not applicable
	Not applicable	Not applicable

* Amount was spent for promoting education through implementing agencies.

45. Segment reporting

The Company's primary business segment is reflected based on principal business activities carried on by the company. Directors and CEO has been identified as Chief Operating Decision Maker (CODM) and evaluated company's performance and allocate resources based on analysis of various performance indicators of the company as a single unit. As per Indian Accounting Standard 108, Operating Segment as defined under the Companies (Indian Accounting Standard Rules) 2015, the Company operates in one reportable segment i.e. publishing of books. Company operates totally in India.

Information about major customers

No single external customer amounts to 10% or more of the total revenue

(This space has been left blank intentionally)



9 15 11 8

Chhaya Prakashani Limited

CIN: U22122WB2006PLC111821

Notes to financial statements as at year ended 31 March 2023

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

	(₹ in millions)	
	As at 31 March 2023	As at 31 March 2022

The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:

- Principal amount due to micro and small enterprises
- Interest due on above

32.12 23.98
- -

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

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

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

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

47 Disclosure required under Sec 186(4) of the Companies Act 2013

Particulars of loans given, investments made and guarantees provided as required by clause (4) of Section 186 of the Companies Act, 2013, have been given under following schedules -

- Loans schedule, refer note 7;
- Non current investments schedule, refer note 6; and
- Related party schedule, refer note 40b.



(This space has been left blank intentionally)

[Handwritten signature]

(i) Claims against the Company not acknowledged as debts

	(₹ in millions)	
	As at 31 March 2023	31 March 2022
Claims made by direct tax authorities:		
Income tax demand (refer note 'a' below)	11.21	14.72

Note:

a The Company has some ongoing disputes with Income Tax Authorities relating to ₹ 11.21 million (31 March 2022: ₹ 14.72 million) owing to certain disallowances of expenses and non allowance of credit in advance tax and TDS payable. The Company has recognised a contingent liability in respect of tax demands which are being contested by the Company based on the management evaluation. The Company has paid tax under protest amounting ₹ 2.40 millions (31 March 2022: ₹ 2.40 millions).

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company.

49 During the current year, diminution in the carrying value of investment in respect of Edutor Technologies India Private Limited amounting to ₹ 50 million (31 March 2022 Nil) (represented by Investment in Equity Shares) had been made to recognise a decline in the value of its investments in resultant business, other than temporary in the value of the investment.

50 During the current year, the Company has been sanctioned working capital demand loan upto an amount of Rs. 150 million from Citibank. However, the limit remains unreleased during the year, hence the Company is not required to file any quarterly returns or statements with the bank.

(This space has been left blank intentionally)



51 Ratio analysis

	Numerator	Denominator	Year ended 31 March 2023	Year ended 31 March 2022	Variance	% Variance
i) Current ratio	Current Assets	Current Liabilities	7.91	6.04	1.87	31% Refer a.
ii) Debt-equity ratio	Total debt	Shareholder's equity	0.23	0.46	-0.23	-50% Refer b.
iii) Debt service coverage ratio	Earnings available for debt service (Profit after taxes + Non-cash operating expenses like depreciation and other amortisation + Interest + other adjustments like loss on sale of property, plant and equipment etc.)	Debt service (Interest and lease payments + Principal repayments)	5.19	6.12	-0.93	-15%
iv) Return on equity ratio	Profit after taxes	Average Shareholder's equity	21%	17%	0.04	27% Refer c.
v) Inventory turnover ratio	Cost of Goods Sold	Average inventory	2.68	2.55	0.13	5%
vi) Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	5.50	3.71	1.80	48% Refer d.
vii) Trade payables turnover ratio	Net purchases	Average Trade Payables	4.43	3.76	0.67	18%
viii) Net capital turnover ratio	Revenue from operations	Average working capital	0.99	1.25	-0.26	-21%
ix) Net profit ratio	Profit after taxes	Revenue from operations	23%	19%	0.04	20%
x) Return on capital employed	Earnings before interest and taxes	Capital employed (Tangible net worth + Total debt)	25%	21%	0.04	18%
xi) Return on investment *	Change in fair value of quoted non-current investments	Opening value of quoted non- current investments	-	-	-	-



* All non-current investments of the Company are in unquoted securities, thus reported as Nil.



Handwritten signature and initials.

Reasons for variance

- Increase in current asset owing to increase in loans given and accordingly increase in current ratio.
- Decline due to repayment of existing borrowings.
- Increased profitability owing to incremental sales, lower finance costs and capital gain on sales of investment.
- Improved realisation due to normalisation of business post COVID-19 pandemic and impact of conservative approach in sales to credit worthy customers.

[Handwritten signature]

(This space has been left blank intentionally)



52 Employee stock option plans

In 2012 and 2018, the Holding Company instituted the ESOP Scheme 2012 (the "ESOP 2012") and the ESOP Scheme 2018 (the "ESOP 2018") respectively (together referred as "the ESOP plan"). Under the ESOP plan, the committee may grant awards of equity based stock options being Growth options to the employees of Holding Company and its subsidiaries. As per the Indian Accounting Standard (Ind AS) 102 "Share based payments", the Company receiving the services shall measure the services received as an equity settled transaction and required to record compensation cost and disclose information relating to the shares granted to the employees of the Company, under the above Plan. Since, the plan is assessed, managed and administered by the Holding Company, the Company has taken stock option cost pertains to options granted to the employees of the Company as calculated by the Holding Company under Ind AS 102.

Following are the relevant terms of the grants in respect of both schemes outstanding as at 31 March 2023 (previous year 31 March 2022) pertaining to options granted to the employees of the Company

Scheme 2012 and Scheme 2018

	Grant IX
Date of grant	9 June 2021
Date of Board approval	9 June 2021
Date of Shareholder's approval	25 September 2018
Total number of options granted	1,90,000
Number of options granted to employees of the Company	7,000
Method of settlement (Cash/Equity)	Equity
Vesting Period	Year 1- 100%
Exercise price	80.19
Fair value of shares at the time of grant (in ₹)	60.36

The details of activities under Grant IX are summarised below:

(This space has been left blank intentionally)



	31 March 2023		31 March 2022	
	No. of options	WAP (in ₹)	No. of options	WAP (in ₹)
Outstanding at the beginning of the year	7,000	80.19	-	-
Granted during the year	-	-	7,000	80.19
Forfeited/ expired during the year	-	-	-	-
Exercised during the year	3,000	80.19	-	-
Outstanding at the end of the year	4,000	80.19	7,000	80.19
Exercisable at the end of the year	4,000	80.19	7,000	80.19

The weighted average remaining contractual life for option outstanding under Grant IX as at 31 March 2023 is 1.19 years.

The expense recognised in the Statement of Profit and Loss arising from Scheme 2012 and Scheme 2018 amounted to ₹ 0.08 million (31 March 2022: 0.34 millions).

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

	Grant IX 31 March 2022
Dividend yield (%)	0.31%
Expected volatility	71.54%
Risk-free interest rate	4.51%
Weighted average fair market price (₹)	115.55
Exercise price (₹)	80.19
Expected life of options granted in years	2.00
Weighted average fair value of option at the time of grant (₹)	60.36

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

The volatility for periods corresponding to the respective expected lives of the different vests, prior to the grant date has been considered. The daily volatility of the Holding Company's stock price on NSE over these years has been considered.



(This space has been left intentionally)



Chhaya Prakashani Limited

CIN: U22122WB2006PLC111821

Notes to financial statements as at year ended 31 March 2023

53. Other statutory information

- (i) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) The Company does not have transactions with companies struck-off from Register of Companies.
- (iii) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

54. Reclassification of financial information of previous year ended 31 March 2022

The comparative financial information for the year ended 31 March 2022 included in this financial statements have been restated in accordance with the requirements of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", the impact of which is detailed below. The impact of such reclassifications is not material with respect to the balances as at 1 April 2021.

Details	Nature of reclassification	(₹ in millions)
Deposits with original maturity for more than 3 months but less than 12 months	Reclassified from 'Other financial asset' disclosed under note 8 to 'Bank balances other than cash and cash equivalents' disclosed under Note 15.	31.92
Interest accrued on loans and advances (current and non-current assets)	Reclassified from 'Other financial assets' disclosed under note 8 to 'Loans to related parties' disclosed under Note 7.	106.25
Other advances	Reclassified from 'Loans' disclosed under note 7 to 'Other assets' disclosed under Note 10.	1.35
Other receivables	Reclassified from 'Other assets' disclosed under note 10 to 'Other financial assets' disclosed under Note 8.	8.12



U. P. S. = ✓

Chhaya Prakashani Limited
CIN: U22122WB2006PLC111821

Notes to financial statements as at year ended 31 March 2023

55. Disclosure required under Sec 186(4) of the Companies Act 2013

Particulars of loans given, investments made and guarantees provided as required by clause (4) of Section 186 of the Companies Act, 2013, have been given under following schedules -

- Loans schedule, refer note 9;
- Non current investments schedule, refer note 8; and
- Contingent liabilities schedule, refer note 48.

56. The financial statements were approved for issue by the board of directors on 25 May 2023.

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

For Walker Chandiook & Co. LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Tarun Gupta

Partner

Membership No.: 507892

Place: New Delhi

Date: 25 May 2023



**For and on behalf of the Board of Directors of
Chhaya Prakashani Limited**


Himanshu Gupta
Director
DIN:00054015

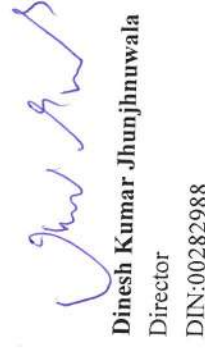
Place: New Delhi

Date: 25 May 2023


Prateek Dhanuka
Chief Executive Officer

Place: New Delhi

Date: 25 May 2023


Dinesh Kumar Jhunjnuwala
Director
DIN:00282988

Place: New Delhi

Date: 25 May 2023


Sudakshina Saha
Financial Controller

Place: Kolkata

Date: 25 May 2023

