

INDEPENDENT AUDITOR'S REPORT

To the Members of Chhaya Prakashani Private Limited

Report on the Audit of the Ind AS Financial Statements**Qualified Opinion**

We have audited the accompanying Ind AS financial statements of Chhaya Prakashani Private Limited ("the Company"), which comprise the Balance sheet as at 31st March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As explained in the note 45 of the financial statement, due to travel restrictions and impracticability to travel on account of COVID-19 as at 31st March 2020 and due to significant business activities subsequent to year-end, the management could not perform physical count of inventory as at 31st March 2020 through to the date of approval of these financial statements. Accordingly, we were not able to observe the physical count of inventory, therefore, we were unable to verify the existence/condition of inventories of ₹ 57.38 million raw material, ₹ 150.41 million finished goods, ₹3.05 million traded goods & ₹ 6.87 million semi finished goods to determine adjustments that may be required to be made in the value of inventory and consequential effect thereof to the financial statements as at 31st March 2020.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Emphasis of Matter - COVID-19

We draw attention to Note 44 to the financial statement for the year ended 31st March 2020, which describes the uncertainties and the impact of COVID 19 on i) carrying value of receivables, inventory, Right to Use assets and ii) Company's ability to meet contractual obligations including debt repayments, as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter

Other Information

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



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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board of Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Ind AS 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures



in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - i) In our opinion, the managerial remuneration for the year ended 31st March 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.



S.R. BATLIBOI & ASSOCIATES LLP


Chartered Accountants

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 36 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Saughey Bachchani
Partner
Membership Number: 400419
UDIN: 20400419AAAACW5560



Place of Signature: Gurugram
Date: 25th June, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHHAYA PRAKASHANI PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Chhaya Prakashani Private Limited ("the Company") as of 31st March 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



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

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

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements as at 31st March 2020:

- a) As explained in the note 45 to the financial statements for the year ended 31st March 2020. The Company, could not perform physical verification of inventory at the year end, due to which we are unable to comment on operative ineffectiveness of internal controls in relation to physical verification of inventory and reconciliation of physically inventory with the inventory records, which may potentially result in material misstatement of inventory values in the books of account.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements as of 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these financial statements were operating effectively as of 31st March 2020.



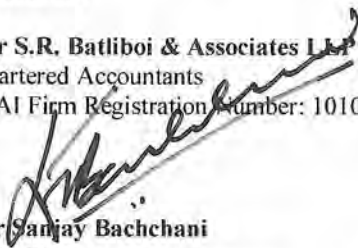
S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Chhaya Prakashani Private Limited, which comprise the Balance Sheet as at 31st March 2020, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2020 financial statements of Chhaya Prakashani Private Limited and this report affect our report dated 25th June, 2020, which expressed a qualified opinion on those financial statements.

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


per **Sanjay Bachchani**
Partner
Membership Number: 400419
UDIN: 20400419AAAACW5560



Place of Signature: Gurugram
Date: 25th June, 2020

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

Re: Chhaya Prakashani Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company as part of its policy performs physical verification of inventory bi-annually in September and March every year. In our opinion, the frequency of verification is reasonable. The management had carried out physical verification of inventory as at 30th September, 2019. No material discrepancies were noticed on such physical verification. However as explained in the note 45, the management could not perform physical verification of inventory as at 31st March 2020, therefore, we are unable to comment on discrepancies, if any, between physical and book records as at 31st March 2020.
- (iii) (a) The Company has granted loans to three firms covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act 2013, for the product/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in income tax and goods and service tax in few cases.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, dues of income tax, sales-tax, service tax/goods and service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount Yet to be paid	Amount paid under protest	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS deduction	INR 7.5 million	INR 1.79 million	AY 2013-14 to 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax Demand	INR 3.2 million	INR 0.65 million	AY 12-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax Demand	INR 0.3 million	INR 0.07 million	AY 14-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax Demand	INR 6.2 million	-	AY 15-16	Assessing office
Income Tax Act, 1961	Tax Demand	INR 0.3 million	-	AY 16-17	Assessing office
Income Tax Act, 1961	Tax Demand	INR 0.49 million	-	AY 18-19	Assessing office

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.



S.R. BATLIBOI & ASSOCIATES LLP


Chartered Accountants

- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid/ provided for in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per **Sanjay Bachchani**

Partner

Membership Number: 400419

UDIN: 20400419AAAACW5560



Place: Gurugram

Date: 25th June, 2020

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets:			
Property, plant and equipment	3	7.08	9.09
Intangible assets	4	3.54	5.61
Right-of-use assets	4A	52.90	-
Financial assets:			
- Investments	5A	2.26	2.26
- Loans	5C	401.35	160.98
- Other financial assets	5E	26.91	4.88
Deferred tax assets (net)	8	4.33	0.84
Other non-current assets	7	73.96	45.10
Total non-current assets		572.33	228.76
Current assets:			
Inventories	6	217.71	175.90
Financial assets:			
- Investments	5A	155.46	177.60
- Trade receivables	5B	96.68	284.21
- Loans	5C	1.87	2.93
- Cash and cash equivalents	5D	65.97	46.15
- Other financial assets	5E	0.36	0.05
Other current assets	7	14.51	11.68
Total current assets		552.56	698.52
Total assets		1,124.89	927.28
Equity and liabilities			
Equity:			
Equity share capital	9	14.83	14.83
Other equity:			
- Retained earnings	10	831.33	728.28
- Other reserves		40.66	40.66
Total equity		886.82	783.77
Non-current liabilities:			
Financial liabilities			
- Lease liability	11	52.05	-
Total non current liabilities		52.05	-
Current liabilities:			
Financial liabilities			
- Trade payables	12		
Micro & Small enterprise		11.62	8.58
Other than Micro & Small enterprise		143.15	108.85
- Others financial liabilities	13	2.91	9.24
- Lease liability	11	4.38	-
Provisions	14	1.18	-
Other current liabilities	15	22.78	16.84
Total current liabilities		186.02	143.51
Total equity and liabilities		1,124.89	927.28
Summary of significant accounting policies			
	2.1		

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

As per our report of even date

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

Dr. Sanjay Bachchani
Partner

Membership No.: 400419



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

Himanshu Gupta
Director
DIN:00054015
Place: New Delhi
Date: 25 June 2020

Dinesh Kumar Jhunjhnuwala
Director
DIN:00282988
Place: New Delhi
Date: 25 June 2020

Place: Gurugram
Date: 25 June 2020

Prateek Dhanuka
Chief Executive Officer
Place: New Delhi
Date: 25 June 2020

Sudakshina Saha
Financial Controller
Place: Kolkata
Date: 25 June 2020

(₹ in Million)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
I Revenue from contracts with customers	16	874.36	1,024.91
II Finance income	17A	29.06	5.70
III Other income	17B	13.33	18.48
IV Total income (I+II+III)		916.75	1,049.09
V Expenses			
Cost of published goods/materials consumed	18	313.90	301.75
Purchases of traded goods	19	15.81	10.60
Decrease/(increase) in inventories of finished goods and traded goods	20	(61.20)	(3.24)
Publication expenses	21	181.82	208.77
Employee benefits expenses	22	112.60	122.91
Selling and distribution expenses	23	124.52	139.33
Finance costs	24	5.76	-
Depreciation and amortization expense	25	11.79	4.65
Other expenses	26	65.61	59.40
Total expenses (V)		770.61	844.17
VI Profit before tax (IV-V)		146.14	204.92
VII Tax expenses:	29		
1) Current tax		35.75	60.07
2) Adjustment of tax relating to earlier year		9.56	8.75
3) Deferred tax		(3.17)	(1.44)
VIII Profit for the year (VI-VII)		104.00	137.54
IX Other comprehensive income	27		
- Items that will not be reclassified to profit or loss			
Re-measurement (gain)/loss on defined benefits plans		(1.27)	(0.51)
Income tax effect		0.32	0.15
X Total comprehensive income for the year (VIII+IX)		103.05	137.18
XI Earnings per equity share (in ₹)	28		
1) Basic		693	917
2) Diluted		693	917

Summary of significant accounting policies 2.1

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

As per our report of even date

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

per Sanjay Bachchani
 Partner
 Membership No.: 400419



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

Himanshu Gupta
 Director
 DIN:00054015

Place: New Delhi
 Date: 25 June 2020

Dinesh Kumar Jhunjhnuwala
 Director
 DIN:00282988

Place: New Delhi
 Date: 25 June 2020

Place: Gurugram
 Date: 25 June 2020

Prateek Dhanuka
 Chief Executive Officer
 Place: New Delhi
 Date: 25 June 2020

Sudakshina Saha
 Financial Controller
 Place: Kolkata
 Date: 25 June 2020

	(₹ in Million)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	146.14	204.92
Adjustment to reconcile profit before tax to net cash flows:-		
Depreciation and amortization	11.79	4.65
Fair value loss/(gain) on investment	1.09	(4.47)
Interest income	(28.77)	(5.70)
Interest on Unwinding Of Security Deposits	(0.29)	-
Liabilities written back	-	-
Loss on sale of property, plant and equipment	0.36	2.96
(Profit) on sale of investment	(13.66)	(13.49)
Finance cost	5.76	-
Trade receivable balance written off	0.83	-
Expected credit loss	7.84	-
Operating profit before working capital changes	131.09	188.87
Adjustments for changes in working capital :		
Decrease/(Increase) in trade receivables	179.02	60.75
(Increase)/decrease in other non-current assets, in other current assets and loan and advances	2.92	(16.34)
Increase in inventories	(41.80)	(29.27)
(Decrease)/Increase in non current trade payables and current trade payables	37.34	(18.41)
(Decrease)/Increase in other payables, others financial liabilities and Provision	(0.49)	(3.21)
Cash generated from operations	308.08	182.39
Income tax paid	(79.11)	(126.11)
Net cash generated from operation	(A) 228.97	56.28
B. Cash flow from investing activities		
Purchase of property, plant & equipment and intangible assets	(0.70)	(5.99)
Proceeds from sale of property, plant and equipment	0.11	0.77
Loan given	(240.00)	(158.00)
Purchase of investment	(116.16)	129.99
Proceeds of investment	150.87	-
Interest received	6.44	0.76
Dividend received	-	-
Net cash used in investing activities	(B) (199.44)	(32.47)
C. Cash flow from financing activities		
Payment of principal portion of lease liabilities	(9.71)	-
Net cash from financing activities	(C) (9.71)	-
Net decrease in cash & cash equivalents	(A+B+C) 19.82	23.81
Cash and cash equivalents - at the beginning of the year	46.15	22.34
Cash and cash equivalents - at the end of the year	65.97	46.15
Components of cash and cash equivalents		
Cash in hand	1.37	2.11
Deposits with original maturity of less than three months	35.83	5.12
Balance with banks on current accounts	28.77	38.92
Total Cash and cash equivalents (refer note 5D)	65.97	46.15

Summary of significant accounting policies

2.1

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

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration No. 401049W/E300004

Chartered Accountants

Prateek Dhanuka

Partner

Membership No.: 400419



Place: Gurugram

Date: 25 June 2020

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

Himanshu Gupta

Director

DIN:00054015

Place: New Delhi

Date: 25 June 2020

Dinesh Kumar Jhunjhnuwala

Director

DIN:00282988

Place: New Delhi

Date: 25 June 2020

Prateek Dhanuka

Chief Executive Officer

Place: New Delhi

Date: 25 June 2020

Sudakshina Saha

Financial Controller

Place: Kolkata

Date: 25 June 2020

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 100 each)	No. of shares	(₹ in Million)
At 1 April 2018	1,48,284	14.83
Issued during the year	-	-
At 31 March 2019	1,48,284	14.83
Issued during the year	-	-
At 31 March 2020	1,48,284	14.83

B. Other equity

	Reserve & Surplus				(₹ in Million)
	Retained earnings	General reserve	Security Premium	Capital Reserve	Total
As at 1 April 2018	591.10	30.00	11.31	(0.65)	631.76
Profit for the year	137.54	-	-	-	137.54
Other comprehensive income for the year	(0.36)	-	-	-	(0.36)
Total Comprehensive Income for the year	137.18	-	-	-	137.18
As at 31 March 2019	728.28	30.00	11.31	(0.65)	768.94
Profit for the year	104.00	-	-	-	104.00
Other comprehensive income for the year	(0.95)	-	-	-	(0.95)
Total Comprehensive Income for the year	103.05	-	-	-	103.05
As at 31 March 2020	831.33	30.00	11.31	(0.65)	871.99

Summary of significant accounting policies

2.1

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101449 W/E300004
Chartered Accountants

per Samanvay Chachani
Partner
Membership No.: 400419



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

Himanshu Gupta
Director
DIN:00054015
Place: New Delhi
Date: 25 June 2020

Dinesh Kumar Jhunjhunwala
Director
DIN:00282988
Place: New Delhi
Date: 25 June 2020

Place: Gurugram
Date: 25 June 2020

Prateek Dhanuka
Chief Executive Officer
Place: New Delhi
Date: 25 June 2020

Sudakshina Saha
Financial Controller
Place: Kolkata
Date: 25 June 2020

1. Corporate information

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

The Company is primarily engaged in publishing of educational books with products ranging from School Books, Competition Books and Reference Books, largely for the West Bengal State Board School Curriculum affiliated schools and students.

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) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

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

The financial statements are presented in INR "(Indian Rupees)" or "₹" and all values are rounded to the nearest million, 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 is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

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

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



11/11/20

11/11/20

2.3 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.4 Fair value measurement

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

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

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

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

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

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

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

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

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



9-15

1-1

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.

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

- i. Disclosures for valuation methods, significant estimates and assumptions (Note 2.18)
- ii. Quantitative disclosures of fair value measurement hierarchy (Note 40)
- iii. Financial instruments (including those carried at amortised cost) (Note 40)

2.5 Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognised.

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.18.

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 the books.

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).

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

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some of the contracts with customer provide a right to customer of cash rebate/discount if payment is cleared within specified due dates.



Handwritten signature.

Handwritten signature.

- **Rights of return**

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

- **Volume rebates**

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

- **Cash rebates**

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

Contract Balances

Contract assets

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

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

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.



Handwritten signature in blue ink, consisting of a large initial 'S' followed by a surname, and a horizontal line at the end.

Dividends

Dividend Income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Sale of services

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

Interest income

Interest income is recognized on time proportion basis considering the amount outstanding and the rate applicable. For all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

2.6 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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



Handwritten signature and initials in blue ink, appearing to be 'J. S.' followed by a large flourish.

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

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

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

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

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

2.7 Property, plant and equipment

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

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

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

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

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



Handwritten signature and initials.

Depreciation

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Office Equipment	5 years	5 years
Furniture & fixture	10 years	10 years
Vehicle	8 years	8 years
Electrical Installation	10 years	10 years
Computer	3 years	3 years

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.

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

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

2.8 Intangible assets

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

Amortisation and useful lives

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

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

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



Handwritten signature and initials, including a large checkmark and the letters 'H' and 'I'.

Chhaya Prakashani Private Limited
Notes to financial statements for the year ended 31 March 2020
(Amounts in Indian Rupees, unless otherwise stated)

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

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

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (5 years)	Amortized on straight line basis over the period of useful lives	Acquired
Trademark	Finite (5 years)	Amortized on straight line basis over the period of useful lives	Acquired
Copyrights	Finite (3-5 years)	Amortized on straight line basis over the period of copyright	Acquired

Research and development costs

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

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

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



Handwritten marks including a large checkmark and a signature.

2.9 Leases

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

Company as a lessee

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

Right-of-use assets

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

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

IND AS 116 adoption:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method (alternative II). Consequently, the Company recorded



Handwritten signature and scribbles.

the lease liability at the present value of the lease payments discounted at the incremental borrowing rate with equal amount of right to use asset at the date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted

2.10 Inventories

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

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

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

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

2.11 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 considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company



Handwritten signature and initials, including a large checkmark-like symbol and the letters "S.R.B.".

estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.12 Financial Instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at fair value through profit or loss



Financial assets at amortised cost (debt instruments)

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

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

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

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

Equity instruments at FVTOCI

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the 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 P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

Financial assets at 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 group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:



Handwritten signature and initials.

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

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

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

Impairment of financial assets

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

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are measured as at FVTOCI
- Lease receivables under Ind-AS 116.
- Contract assets and trade receivables under Ind-AS 115.
- Loan commitments which are not measured as at FVTPL.
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables, and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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

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



A handwritten signature in blue ink, consisting of a large checkmark followed by a stylized name. To the right of the signature, there are several horizontal lines, possibly representing a signature or a set of initials.

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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



Handwritten signature and initials.

Financial liabilities at fair value through profit or loss

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

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

De-recognition

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

Re-classification of Financial Assets

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

Offsetting of Financial Instruments

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

2.13 Retirement and other employee benefits

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

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



✓

Handwritten signature in black ink.

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 unconsolidated statement of profit and loss:

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

Compensated absences

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

2.14 Provisions

General

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

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

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



Handwritten signature and initials in black ink, consisting of a large 'J' followed by 'H' and 'R'.

2.16 Earnings Per Share (EPS)

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

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

2.17 Cash dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 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:

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

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

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

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) of S Chand's group to measure lease liabilities. The IBR is the rate of interest that the S Chand's group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the S Chand's group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available.



9

Handwritten signature

Revenue from contracts with customers

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

Determining method to estimate variable consideration and assessing the constraint

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

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

B. Estimates and assumptions

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 30.



A simple handwritten checkmark in blue ink.

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a horizontal line and a vertical line.

A handwritten signature in blue ink, consisting of a vertical line followed by a diagonal line and a horizontal line.

Provision for expected credit losses of trade receivables and contract assets

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. For details of allowance for doubtful debts please refer Note 5b.

Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For 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 consider experience and represent management's best estimate about future developments.

Estimating variable consideration for right of return, volume rebates and cash rebates

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

The Company estimates variable considerations to be included in the transaction price for the sale of goods with a right of return, volume rebates and cash rebates.

2.19 New and Amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes because of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified

a. Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17



Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective Alternative 2 method of adoption with the date of initial application of 01 April 2019 and accordingly comparative figures are not restated. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Accordingly, the Company has recognised a lease liability as at April 01, 2019 for leases previously classified as an operating lease applying Ind AS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. Further, an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as Right to Use ("ROU").

b. Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

The Appendix did not have an impact on the financial statements of the Company.

c. Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

There were no such transactions in the company accordingly, these amendments had no impact on the financial statements of the Company.

d. Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using



A handwritten signature in black ink, appearing to be "S.R. Batliboi".

Chhaya Prakashani Private Limited
Notes to financial statements for the year ended 31 March 2020
(Amounts in Indian Rupees, unless otherwise stated)

the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period

(This space has been intentionally left blank)



g.

Handwritten signature and scribbles.

3. Property, plant and equipment

(₹ in Million)

	Plant & Equipment	Furniture & Fixture	Vehicles	Electrical Installations	Computer	Total
Cost:						
As at 1 April 2018	2.92	5.63	3.33	1.22	2.62	15.72
Additions	0.81	1.46	2.02	-	1.35	5.64
Disposal	(0.85)	(4.42)	(0.27)	(0.70)	(0.34)	(6.58)
As at 31 March 2019	2.88	2.67	5.08	0.52	3.63	14.78
Additions	0.11	0.03	-	0.07	0.25	0.46
Disposal	(0.16)	(0.36)	-	(0.32)	-	(0.84)
As at 31 March 2020	2.83	2.34	5.08	0.27	3.88	14.40
Depreciation:						
As at 1 April 2018	1.54	1.81	1.43	0.40	1.47	6.65
Charge during the year	0.39	0.40	0.42	0.08	0.60	1.89
Disposal	(0.57)	(1.71)	(0.14)	(0.26)	(0.17)	(2.85)
As at 31 March 2019	1.36	0.50	1.71	0.22	1.90	5.69
Charge during the year	0.39	0.23	0.58	0.03	0.77	2.00
Disposal	(0.06)	(0.16)	-	(0.15)	-	(0.37)
As at 31 March 2020	1.69	0.57	2.29	0.10	2.67	7.32
Net block:						
As at 31 March 2019	1.52	2.17	3.37	0.30	1.73	9.09
As at 31 March 2020	1.14	1.77	2.79	0.17	1.21	7.08

4. Intangible assets

(₹ in Million)

	Mobile Application	Trade Mark	Copyright	Computer Software	Total
Cost:					
As at 1 April 2018	2.21	0.36	1.73	12.60	16.90
Additions	0.32	0.03	-	-	0.35
Disposal	-	-	-	-	-
As at 31 March 2019	2.53	0.39	1.73	12.60	17.25
Additions	0.24	0.00	-	-	0.24
Disposal	-	-	-	-	-
As at 31 March 2020	2.77	0.39	1.73	12.60	17.49
Amortization:					
As at 1 April 2018	0.08	0.09	1.45	7.26	8.88
Charge during the year	0.51	0.07	0.27	1.91	2.76
Disposal	-	-	-	-	-
As at 31 March 2019	0.59	0.16	1.72	9.17	11.64
Charge during the year	0.55	0.07	-	1.69	2.31
Disposal	-	-	-	-	-
As at 31 March 2020	1.14	0.23	1.72	10.86	13.95
Net block:					
As at 31 March 2019	-	1.94	0.23	0.01	3.43
As at 31 March 2020	-	1.63	0.16	0.01	3.54

4A. Right-of-use assets

(₹ in Million)

	Right-of-use Assets	Total
As at 1 April 2019	-	-
Additions	60.38	60.38
Disposal	-	-
As at 31 March 2020	60.38	60.38
Amortization:		
As at 1 April 2019	-	-
Charge during the year	7.48	7.48
Disposal	-	-
As at 31 March 2020	7.48	7.48
Net block:		
As at 31 March 2019	-	-
As at 31 March 2020	52.90	52.90



J N S II

5. Financial assets

5A. Investments

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
a. Investments at cost		
i Investments in equity shares (unquoted)		
Investments in subsidiary		
1,171 (31 March 2019: 1,171) equity shares in Indian Progressive Publishing Co. Private Limited	0.12	0.12
	<u>0.12</u>	<u>0.12</u>
ii Investments in government and trust securities (unquoted)		
Investment in Tax Free Bonds of Power Finance Corporation	2.14	2.14
	<u>2.14</u>	<u>2.14</u>
b. Investments at fair value through profit and loss		
12,67,918 (31 March 2019: 6,135,628 units) units of Rs.10 each SBI Savings Fund - Regular Plan - Growth	39.30	177.60
44,629 (31 March 2019: Nil) units of Rs.10 each SBI Magnum Low Duration Fund - Regular - Growth	116.16	-
	<u>155.46</u>	<u>177.60</u>
Total	<u>157.72</u>	<u>179.86</u>
Aggregate value of quoted investment	155.46	177.60
Market value of quoted investment	155.46	177.60
Aggregate value of unquoted investment	2.25	2.26
Current	155.46	177.60
Non-Current	2.26	2.26

5B. Trade receivables

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Trade receivables		
Considered good - Secured	-	-
Considered good - Unsecured	104.52	284.21
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	<u>104.52</u>	<u>284.21</u>
Less: allowance for expected credit loss		
Considered good - Secured	-	-
Considered good - Unsecured	7.84	-
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	<u>7.84</u>	<u>-</u>
Net trade receivables		
Considered good - Secured	-	-
Considered good - Unsecured	96.68	284.21
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
Total	<u>96.68</u>	<u>284.21</u>
Trade receivable from related parties (refer note 32)	-	0.21
Current	96.68	284.21

The movement of impairment of trade receivable as follows:

	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
Additions	7.84	-
Write off (net of recovery)	-	-
Closing balance	<u>7.84</u>	<u>-</u>

Trade receivable are dues from director or other officers of the Company either severally or jointly with any other person.



Handwritten signatures and initials are present at the bottom of the page.

5C. Loans

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Security deposits - Non-current	3.35	2.98
Security deposits - Current	1.52	1.82
Loan to related entities	398.00	158.00
Other advances	0.35	1.11
Total	403.22	163.91
Loans to related entities and other advances		
Considered good, secured	-	-
Considered good, unsecured	398.35	159.11
Recoverable which have significant increase in credit risk	-	-
Recoverable credit impaired	-	-
	398.35	159.11
Less: allowance for expected credit loss	-	-
	398.35	159.11
Current	1.87	2.93
Non-Current	401.35	160.98

5D. Cash and cash equivalents

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- In current accounts	28.77	38.92
- Deposits with original maturity of less than three months	35.83	5.12
Cash in hand	1.37	2.11
Total Cash and cash equivalents	65.97	46.15
Current	65.97	46.15
Non-Current	-	-

5E. Other financial assets

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Interest accrued	27.27	4.93
Total other financial assets	27.27	4.93
Current	0.36	0.05
Non-current	26.91	4.88

6. Inventories

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Finished goods (at lower of cost and net realisable value)	150.41	96.94
Raw materials (at cost)	57.38	76.77
Semi finished goods (at cost)	6.87	2.05
Traded goods - books (at cost)	3.05	0.14
Total inventories	217.71	175.90
Current	217.71	175.90
Non-current	-	-



Handwritten signature and initials, possibly 'S.R. Bahlwal', with a checkmark above it.

7. Other assets:

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	11.56	16.43
Tax paid under protest (refer note 36)	1.79	1.79
Advance tax (net)	71.87	38.06
Gratuity fund (net of provision for gratuity)	-	0.50
Others *	3.25	-
Total	88.47	56.78
Current	14.51	11.68
Non-Current	73.96	45.10

* Pertains to the amount indemnified by the sellers of Chhaya Prakashani Private Limited for tax demand against Chhaya Prakashani Private Limited.

8. Deferred taxes

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Items leading to creation of deferred tax assets		
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	2.02	2.14
Right-of-use assets (net)	0.89	-
Expected credit loss of Trade receivables	1.97	-
Others	0.45	0.28
Total deferred tax assets	5.33	2.42
Items leading to creation of deferred tax liabilities		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	1.00	1.58
Total deferred tax liabilities	1.00	1.58
Net deferred tax assets	4.33	0.84

(This space has been intentionally left blank)



✓

Handwritten signature and initials.

9 a. Share capital

	(₹ in Million)	
	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
555,000 (March 31, 2019: 550,000) Equity Shares of Rs. 100/- each	55.50	55.50
Issued, subscribed and fully paid up		
148,284 (March 31, 2019: 148,284) Equity Shares of Rs. 100/- each	14.83	14.83
	<u>14.83</u>	<u>14.83</u>

b. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year

	(₹ in Million)	
	Number	Amount
As at 1 April 2018	1,48,284	14.83
Issued during the year	-	-
As at 31 March 2019	<u>1,48,284</u>	<u>14.83</u>
Issued during the year	-	-
As at 31 March 2020	<u>1,48,284</u>	<u>14.83</u>

The Company has only one class of equity shares having a par value of Rs 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 2020 (31 March 2019: 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. Shares held by holding company and their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its holding company and their subsidiaries are as follow:

	As at 31 March 2020	As at 31 March 2019
S Chand And Company Limited, Ultimate holding company	69.53%	69.53%
Eurasia Publishing House Private Limited	30.47%	30.47%

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

	As at 31 March 2020	As at 31 March 2019
	% of holding	% of holding
S Chand And Company Limited, Ultimate holding company	69.53%	69.53%
Eurasia Publishing House Private Limited	30.47%	30.47%

(This space has been intentionally left blank)



Handwritten signatures and initials in blue ink, including a large checkmark and several scribbles.

10. Other equity

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Capital reserve (refer note 44)		
Balance at the beginning of the year	(0.65)	(0.65)
Add: Pursuant to scheme of amalgamation	-	-
Balance at the end of the year	(0.65)	(0.65)
General reserve (refer note 44)		
Balance at the beginning of the year	30.00	30.00
Increase/ (decrease) during the year	-	-
Balance at the end of the year	30.00	30.00
Security premium (refer note 44)		
Balance at the beginning of the year	11.31	11.31
Increase/ (decrease) the year	-	-
Balance at the end of the year	11.31	11.31
	40.66	40.66
Retained earnings		
Balance at the beginning of the year	728.28	591.10
Add: Profit for the year	104.00	137.54
Add: Other comprehensive income for the year	(0.95)	(0.36)
Balance at the end of the year	831.33	728.28

Nature and purpose of reserves:

Security premium reserve

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

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital reserve

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

11. Lease liability

	(₹ in Million)	
	As at 31 March 2020	As at 31 March 2019
Lease Liability recognised (refer note 31)	60.38	
Add: Finance cost	5.76	
Less: Lease paid during the period	(9.71)	
Total	56.43	-
Current	4.38	-
Non-current	52.05	-



Handwritten signatures and initials in blue ink, including a large 'J' and a signature that appears to be 'H. K.' with a horizontal line underneath.

12. Trade payables

	(₹ in Million)	
	As at	As at
	31 March 2020	31 March 2019
Trade payables of micro enterprises and small enterprises (refer note 33)	11.62	8.58
Trade payables of related entities (refer note 32)	34.77	21.52
Trade payables other than micro enterprises and small enterprises	108.38	87.33
Total	154.77	117.43
Current	154.77	117.43
Non-current	-	-

13. Other financial liabilities

	(₹ in Million)	
	As at	As at
	31 March 2020	31 March 2019
Employee payable	2.91	9.24
Total	2.91	9.24
Current	2.91	9.24
Non-current	-	-

14. Provisions

	(₹ in Million)	
	As at	As at
	31 March 2020	31 March 2019
Provision for gratuity	1.18	-
Total provisions	1.18	-

15. Other liabilities

	(₹ in Million)	
	As at	As at
	31 March 2020	31 March 2019
Statutory dues payable	14.11	15.12
Contract liabilities	7.81	0.79
Other payables	0.86	0.93
Total Other liabilities	22.78	16.84
Current	22.78	16.84
Non-current	-	-

(This space has been intentionally left blank)



g

Handwritten signature

Handwritten signature

16. Revenue from contracts with customers

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products		
Finished goods	906.24	1,071.21
Trading goods	14.60	12.75
Less: Discounts	(48.64)	(60.41)
	<u>872.20</u>	<u>1,023.55</u>
Other operating revenue		
Sale of Paper	1.75	-
Scrap sales	0.41	1.36
Total	<u>874.36</u>	<u>1,024.91</u>
Timing of revenue recognition		
Goods transferred at a point in time	874.36	1,024.91
Services transferred over time	-	-
Total revenue from contracts with customers	<u>874.36</u>	<u>1,024.91</u>

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

	(₹ in Million)	
	March 31, 2020	March 31, 2019
Contract balances		
Trade receivables	96.68	284.21
Contract liabilities	7.81	0.79

Trade receivables are non-interest bearing and are generally on terms of 45 days. For the year ended March 31, 2020 INR 7.84 million (March 31, 2019: INR Nil) was recognised as provision for expected credit losses on trade receivables.

	(₹ in Million)	
	March 31, 2020	March 31, 2019
Right to return asset and refund liability		
Refund liabilities		
Arising from discounts	18.66	-
Arising from rights of return	71.46	47.57
	<u>90.12</u>	<u>47.57</u>

	Reconciling the amount of revenue recognised in the statement of Profit and Loss with the contracted price	
	March 31, 2020	March 31, 2019
Revenue as per contracted price	1,040.46	1,211.66
Adjustments		
Sales return	(118.23)	(127.70)
Discount	(48.64)	(60.41)
	<u>873.59</u>	<u>1,023.55</u>

Performance obligation

The performance obligation is satisfied upon transfer of ownership of the goods to the buyer and payment is generally due within 45 days from delivery. 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 intentionally left blank)



Handwritten signatures and initials in blue ink.

17. Other income

(₹ in Million)

	Year ended 31 March 2020	Year ended 31 March 2019
17A. Finance income		
Interest income		
- On bonds	0.18	0.18
- On term deposits	0.32	0.12
- On fixed deposits	0.80	-
- On unsecured loan	27.47	5.40
Unwind of interest on security deposits	0.29	-
	29.06	5.70
17B. Other income		
Fair value gain on financial instruments at fair value through profit or loss	(1.09)	4.47
Profit on sales of investment (net)	13.66	13.49
Miscellaneous income	0.76	0.52
	13.33	18.48

18. Cost of Raw Material Consumed

(₹ in Million)

	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the beginning of the year	76.77	50.74
Add : Purchases during the year	294.51	327.78
	371.28	378.52
Less : Inventories at the end of the year	(57.38)	(76.77)
	313.90	301.75
Details of raw material purchased		
Paper	294.51	327.78
	294.51	327.78

19. Purchase of traded goods

	Year ended 31 March 2020	Year ended 31 March 2019
Traded goods purchases	15.81	10.60
	15.81	10.60

(This space has been intentionally left blank)



Handwritten signature and initials in blue ink.

20. (Increase)/Decrease in Inventories

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Inventories at the end of the year		
Finished goods	153.46	97.08
Work in progress	6.87	2.05
	<u>160.33</u>	<u>99.13</u>
Inventories at the beginning of the year		
Finished goods	97.08	95.14
Work in progress	2.05	0.75
	<u>99.13</u>	<u>95.89</u>
(Increase)/decrease in inventories	<u>(61.20)</u>	<u>(3.24)</u>
Details of Inventories at the end of the year:		
Finished goods:		
- Manufactured goods		
Books	150.41	96.94
- Traded goods		
Books	3.05	0.14
	<u>153.46</u>	<u>97.08</u>
Work in progress:		
- Manufactured goods		
Books	6.87	2.05
	<u>6.87</u>	<u>2.05</u>

21. Publication expenses

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Printing and binding charges	116.48	135.99
Royalty	55.25	63.06
Other publishing expenses	10.09	9.72
Total	<u>181.82</u>	<u>208.77</u>
Details of Printing and binding charges		
Printing Charges	95.80	114.99
Book Binding Charges	18.69	18.55
Composing Charges	-	0.50
Lamination Charges	1.99	1.95
	<u>116.48</u>	<u>135.99</u>

22. Employee benefits expenses

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	105.13	115.62
Contribution to provident and other funds	4.89	4.43
Gratuity expense (refer note 30)	1.39	1.13
Staff welfare expenses	1.19	1.72
Total	<u>112.60</u>	<u>122.91</u>

23. Selling and distribution expenses

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Advertisement	53.37	66.60
Freight and forwarding charges	29.60	29.26
Business promotion	24.66	24.82
Canvassing expenses	16.89	18.65
Total	<u>124.52</u>	<u>139.33</u>



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

24. Finance cost

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest on Lease liability	5.76	-
Total	5.76	-

25. Depreciation and amortisation expenses

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant & equipment	2.00	1.89
Amortisation of intangible assets	2.31	2.76
Depreciation of of Right-of-use assets	7.48	-
Total	11.79	4.65

26. Other Expenses

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Rent	13.45	16.70
Communication cost	0.81	0.84
Insurance	0.98	1.45
Travelling and conveyance	1.41	1.06
Power and fuel	2.08	2.21
Repairs and maintenance:		
-Others	7.45	5.86
Legal and professional fee (refer note 42)	17.84	13.22
Payment to auditor (refer details below)	2.17	1.99
Corporate social responsibility expenses (refer note 37)	3.50	5.09
Loss on sale of property, plant and equipment (net)	0.36	2.96
Sundry balances written off	0.67	
Advance write off	0.16	0.00
Expected credit loss	7.84	-
Miscellaneous expenses	6.89	8.02
Total other expenses	65.61	59.40
Payment to auditor		
As auditor		
- For statutory audit	1.20	1.20
- For limited review	0.60	0.60
- For certification	0.10	-
In other capacity		
- Out of pocket expenses	0.27	0.19
	2.17	1.99

27. Components of Other Comprehensive Income (OCI)

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

	(₹ in Million)	
	Year ended 31 March 2020	Year ended 31 March 2019
Re-measurement gains/(losses) on defined benefit plans	(1.27)	(0.51)
Tax impact on re-measurement gains/(losses) on defined benefit plans	0.32	0.15
	(0.95)	(0.36)



Handwritten initials and a signature.

28. Earnings per share

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

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

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

	Year ended 31 March 2020	Year ended 31 March 2019
Profit attributable to equity shareholders of the Company	104.00	137.54
Weighted average number of equity shares	0.15	0.15

29. Income tax

The major components of income tax expense for the year ended March 31, 2020 are:

Profit or loss section	Year ended 31 March 2020	Year ended 31 March 2019
(₹ in Million)		
Income tax:		
Current income tax charge	35.75	60.07
Income tax adjustment related to earlier years	9.56	8.75
Deferred tax:		
Relating to origination and reversal of temporary differences	(3.17)	(1.44)
Income tax expense reported in the statement of profit or loss	42.15	67.38

OCI section

Deferred tax related to items recognised in OCI during the year :	Year ended 31 March 2020	Year ended 31 March 2019
(₹ in Million)		
Net gain/(loss) on revaluation of cash flow hedges	-	-
Net gain/(loss) on remeasurements of defined benefit plans	0.32	0.15
Income tax charged to OCI	0.32	0.15

Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	Year ended 31 March 2020	Year ended 31 March 2019
(₹ in Million)		
Accounting profit before income tax	146.14	204.92
At statutory income tax rate of 25.168% (March 31, 2019 : 29.12%)	36.78	59.67
Adjustments in respect of current income tax of previous years	9.56	8.75
Effect on changes in Tax rate	(1.52)	-
Non deductible expenses for tax purpose	(2.68)	(1.05)
At the effective income tax rate of 28.83% (31 March 2019: 32.88%)	42.14	67.38
Income tax expense reported in the statement of profit or loss	42.14	67.38

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax asset basis the rate prescribed in the said section.



Handwritten signature and initials in blue ink.

30. Gratuity and other post-employment benefits plan

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of Rs. 2 million. The scheme is funded with an insurance company in the form of qualifying insurance policy. The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet for gratuity plan.

Statement of profit & loss account

Net employee benefit expense recognised in employee cost:

(₹ in Million)

	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	1.42	1.16
Interest cost on defined obligation	(0.04)	(0.03)
Expected return on plan assets	-	-
	1.38	1.13

Amount recognised in Other Comprehensive Income:

(₹ in Million)

	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gains) / losses on obligation	1.13	0.47
Actuarial gains / (losses) on assets	(0.15)	(0.04)
	0.98	0.43

Balance sheet

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

(₹ in Million)

	Year ended 31 March 2020	Year ended 31 March 2019
Opening defined benefit obligation	8.04	4.76
Current service cost	1.42	1.16
Interest cost	0.60	0.37
Acquisition	-	1.29
Benefits paid	(1.08)	(0.01)
Actuarial (gains) / losses on obligation	1.13	0.47
Closing defined benefit obligation	10.11	8.04

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

(₹ in Million)

	Year ended 31 March 2020	Year ended 31 March 2019
Opening fair value of plan assets	8.54	5.06
Expected return	0.64	0.39
Contributions by employer	0.97	1.74
Fund Transfer	-	1.40
Benefits paid	(1.08)	(0.01)
Actuarial gain/(loss)	(0.15)	(0.04)
Closing fair value of plane assets	8.92	8.54

The expected contribution for the next annual reporting period is ₹ 3.03 million (31 March 2019: ₹ 0.90 million)

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

	Year ended 31 March 2020	Year ended 31 March 2019
Investments with insurer	100%	100%

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

	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate	6.60%	7.50%
Expected rate of return on assets	7.50%	7.50%
Expected rate of salary increase	7.00%	7.00%
Retirement age (in years)	60	60
Mortality Rate	100.00%	100.00%

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

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

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

(₹ in Million)

		Year ended 31 March 2020	Year ended 31 March 2019
Discount rate	+ 1%	9.01	7.19
	- 1%	11.41	9.04
Expected rate of salary increase	+ 1%	11.42	8.98
	- 1%	8.98	7.23

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.



Handwritten signatures and initials.

31. Leases

Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective (alternative II) approach. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted.

Transition

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 60.38 million with a corresponding lease liability. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. The company has applied modified retrospective alternative 2 approach.

The following is the summary of practical expedients elected on initial application:

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17. Determining whether an Arrangement contains a Lease.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10% with maturity between 2021-2028.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ in Millions)

As at 1 April 2019	-
Additions (Note 4)	60.38
Deletions	-
Depreciation expense (Note 21)	(7.48)
As at 31 March 2020	52.90

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(₹ in Millions)

As at 1 April 2019	-
Additions	60.38
Accretion of interest	5.76
Deletion during the year	-
Payments	(9.71)
As at 31 March 2020	56.43
Current	4.38
Non-current	52.05

The following are the amounts recognised in Profit or Loss:

(₹ in Millions)

	31 March 2020
Depreciation expense of right-of-use assets	7.48
Interest expense on lease liabilities	5.76
Expense relating to short-term leases (included in other expenses)	13.45
Total amount recognised in Profit or Loss	26.69

The Company had total cash outflows for leases of INR 9.71 Mn in 31 March 2020 (31 March 2019 INR- NIL). The Company also had non-cash additions to lease liabilities of INR 60.38 Mn in 31 March 2020 (31 March 2019 INR- NIL).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

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.

Rental expense recorded for short-term leases was INR 13.45 million for the year ended 31 March 2020

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Standalone Statement of Profit and Loss.



Chhaya Prakashani Private Limited

CIN: U22122WB2006PTC111821

Notes to financial statements for the year ended 31 March 2020

32. Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

Holding Company

S Chand And Company Limited

Fellow Subsidiary Company

Vikas Publishing House Private Limited
New Saraswati House (India) Private Limited
S. Chand Edutech Private Limited
Safari Digital Education Initiatives Private Limited
DS Digital Private Limited
Eurasia Publishing House Private Limited

Subsidiary Companies

Indian Progressive Publishing Co Private Limited

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

Easy Note Stationery Private Limited
(Formerly Chhaya Stationeries Private Limited upto Feb 01, 2020)

Key management personnel

Mr. Himanshu Gupta (Non executive director)
Mr. Sanjay Vijay Bhandarkar (Independent director)
Mr. Dinesh Kumar Jhunjhnuwala (Non executive director)
Mr. Rajagopalan Chandrashekar (Independent director)
Mr. Naveen Rajlani (Non executive director) (w.e.f. March 09, 2019)
Mr. Prateek Dhanuka (CEO) (w.e.f Feb 07, 2020)
Mr. Sumit Biswas (Non executive director) (resigned on Feb 01,2020)
Mr. Samir Khurana (Non executive director) (resigned on May 20, 2019)

(This space has been intentionally left blank)



A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line and a vertical line.

b. Related party transactions

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

(₹ in Million)

	Period	Holding Company	Enterprises where Control exists	Subsidiaries	Fellow Subsidiaries	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel & their relatives	Total
Sales								
Easy Note Stationery Private Limited	31-Mar-20	-	-	-	-	0.01	-	0.01
	31-Mar-19	-	-	-	-	0.23	-	0.23
Indian Progressive Publishing Co. Private Limited	31-Mar-20	-	-	1.96	-	-	-	1.96
	31-Mar-19	-	-	-	-	-	-	-
Vikas Publishing House Private Limited	31-Mar-20	-	-	-	3.46	-	-	3.46
	31-Mar-19	-	-	-	0.05	-	-	0.05
Reimbursement of expenses								
Sumit Biswas*	31-Mar-20	-	-	-	-	-	0.82	0.82
	31-Mar-19	-	-	-	-	-	-	-
Vikas Publishing House Private Limited	31-Mar-20	-	-	-	0.01	-	-	0.01
	31-Mar-19	-	-	-	0.05	-	-	0.05
S Chand and Company Ltd.	31-Mar-20	0.15	-	-	-	-	-	0.15
	31-Mar-19	0.04	-	-	-	-	-	0.04
Interest on Unsecured Loan								
DS Digital Private Limited	31-Mar-20	-	-	-	6.78	-	-	6.78
	31-Mar-19	-	-	-	2.10	-	-	2.10
Safari Digital Education Initiatives Private Limited	31-Mar-20	-	-	-	14.21	-	-	14.21
	31-Mar-19	-	-	-	3.11	-	-	3.11
S Chand Edutech Private Limited	31-Mar-20	-	-	-	2.55	-	-	2.55
	31-Mar-19	-	-	-	0.22	-	-	0.22
New Saraswati House (India) Pvt. Ltd.	31-Mar-20	-	-	-	3.93	-	-	3.93
	31-Mar-19	-	-	-	-	-	-	-
Sale of Scraped Assets								
Noyanka Biswas	31-Mar-20	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	0.31	0.31
Purchase of Books/Paper/Plant, Property & Equipment								
Indian Progressive Publishing Co. Private Limited	31-Mar-20	-	-	15.81	-	-	-	15.81
	31-Mar-19	-	-	10.60	-	-	-	10.60
S.Chand and Company Ltd.	31-Mar-20	0.15	-	-	-	-	-	0.15
	31-Mar-19	-	-	-	-	-	-	-
Vikas Publishing House Private Limited	31-Mar-20	-	-	-	76.17	-	-	76.17
	31-Mar-19	-	-	-	83.41	-	-	83.41
Contract Job work								
Vikas Publishing House Private Limited	31-Mar-20	-	-	-	41.46	-	-	41.46
	31-Mar-19	-	-	-	69.29	-	-	69.29
S.Chand and Company Ltd.	31-Mar-20	1.29	-	-	-	-	-	1.29
	31-Mar-19	-	-	-	-	-	-	-
Management Services (Refer note 42)								
S Chand and Company Ltd.	31-Mar-20	12.72	-	-	-	-	-	12.72
	31-Mar-19	9.64	-	-	-	-	-	9.64
Exercise Book Purchases								
Easy Note Stationery Private Limited	31-Mar-20	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	0.12	-	0.12
Director Remuneration								
Sumit Biswas	31-Mar-20	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	9.00	9.00
Director Sitting Fees								
Sanjay Vijay Bhandarkar	31-Mar-20	-	-	-	-	-	0.25	0.25
	31-Mar-19	-	-	-	-	-	0.28	0.28
Rajagopalan Chandrashekar	31-Mar-20	-	-	-	-	-	0.20	0.20
	31-Mar-19	-	-	-	-	-	0.05	0.05
Samir Khurana	31-Mar-20	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	0.05	0.05
Rentals paid								
Sumit Biswas	31-Mar-20	-	-	-	-	-	0.60	0.60
	31-Mar-19	-	-	-	-	-	0.60	0.60
Noyanka Biswas	31-Mar-20	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	0.61	0.61

Balances outstanding at the Year end

(₹ in Million)

	Period	Holding Company	Enterprises where Control exists	Subsidiaries	Fellow Subsidiaries	Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence	Key Management Personnel & their relatives	Total
Loans and advances								
DS Digital Private Limited	31-Mar-20	-	-	-	85.00	-	-	85.00
	31-Mar-19	-	-	-	50.00	-	-	50.00
Safari Digital Education Initiatives Private Limited	31-Mar-20	-	-	-	210.50	-	-	210.50
	31-Mar-19	-	-	-	91.00	-	-	91.00
S Chand Edutech Private Limited	31-Mar-20	-	-	-	25.00	-	-	25.00
	31-Mar-19	-	-	-	17.00	-	-	17.00
New Saraswati House (India) Pvt. Ltd.	31-Mar-20	-	-	-	77.50	-	-	77.50
	31-Mar-19	-	-	-	-	-	-	-
Trade payables								
Vikas Publishing House Private Limited	31-Mar-20	-	-	-	8.08	-	-	8.08
	31-Mar-19	-	-	-	7.93	-	-	7.93
Indian Progressive Publishing Co. Private Limited	31-Mar-20	-	-	13.98	-	-	-	13.98
	31-Mar-19	-	-	4.76	-	-	-	4.76
S Chand and Company Ltd.	31-Mar-20	12.71	-	-	-	-	-	12.71
	31-Mar-19	8.83	-	-	-	-	-	8.83
Trade Receivables								
Easy Note Stationery Private Limited	31-Mar-20	-	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	0.21	-	0.21
Other financial assets								
Accrued Interest on Unsecured Loan (DS Digital)	31-Mar-20	-	-	-	7.99	-	-	7.99
	31-Mar-19	-	-	-	1.89	-	-	1.89
Accrued Interest on Unsecured Loan (Safari Digital)	31-Mar-20	-	-	-	12.89	-	-	12.89
	31-Mar-19	-	-	-	2.80	-	-	2.80
Accrued Interest on Unsecured Loan (S Chand Edutech)	31-Mar-20	-	-	-	2.50	-	-	2.50
	31-Mar-19	-	-	-	0.20	-	-	0.20
Accrued Interest on Unsecured Loan (New Saraswati House)	31-Mar-20	-	-	-	3.54	-	-	3.54
	31-Mar-19	-	-	-	-	-	-	-

* Amount indemnified by Sumit biswas (seller of Chhaya Prakashani Private Limited) for the tax paid under protest for the appeal filed against orders received from income tax authorities.



Handwritten signature and initials in blue ink, appearing to be 'S.R. Batliboi' and 'M.I.'.

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

(₹ in Million)

	31 March 2020	31 March 2019
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	11.62	8.58
- Interest due on above	-	-
	<u>11.62</u>	<u>8.58</u>

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

34. Expenditure in foreign currency (accrual basis)

(₹ in Million)

	31 March 2020	31 March 2019
Paper purchase	23.28	-
Selling and distribution	0.31	0.32
Repair & Maintenance	1.83	-
Royalty expenses	0.00	0.02
	<u>25.42</u>	<u>0.34</u>

35. Segment reporting

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services and major customers. The Company's operations pre-dominantly relate to publishing of books. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators pertaining to business as a single segment. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

36. Contingent liabilities

Income Tax demands:

The Company has some ongoing disputes with Income Tax Authorities relating to INR 16.78 million (31 March 2019 INR 9.29 million) owing to certain disallowances of expenses and non allowance of credit in advance tax and TDS receivable. The Company has recognised a contingent liability in respect of tax demands which are being contested by the Company based on the management evaluation and advice of tax consultants. The amounts includes indemnification from the sellers to Chhaya Prakashani Private Limited

37. Corporate Social Responsibility (CSR)

(₹ in Million)

	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	6.00	8.01
b) Amount spent during the year	3.50	5.09

During the year company has contributed INR 3.50 million (31 March 2019: INR 5.09 million) out of the total contributable amount of INR 6.00 million (31 March 2019: 8.01 million) in accordance with Section 135 read with Schedule VII to the Companies Act, 2013 through Shyam Lal Charitable Trust and Nav Chetna Educational Trust. Management has not spent the remaining amount of INR 2.50 million (31 March 2019: INR 2.92 million). Unspent amount has not been recognized in books in accordance with the ICAI guidance note on accounting for expenditure on Corporate Social Responsibility (CSR) Activities under Section 135 of the Companies Act, 2013.

(This space has been intentionally left blank)



Handwritten signature in blue ink.

38. 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:-

- a.) Interest rate risk, and
- b.) commodity risk

Financial instruments affected by market risk include loans and borrowings, investments, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2020.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. The Company does not have outstanding borrowings as on March 31, 2020 and March 31, 2019, hence there is no impact of change in interest rate on the profits of the Company.

(This space has been intentionally left blank)



A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by a horizontal line and a vertical line, resembling the letters 'SRI'.

B. Credit Risk

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

The ageing analysis of trade receivables (net) as of the reporting date is as follows:

Age Bracket						(₹ in Million)
	0-90 Days	90-180 Days	180-365 Days	365-730 Days	More than 730 Days	Total
As at 31 March 2019	273.02	8.54	1.93	0.73	-	284.21
As at 31 March 2020	80.85	9.11	4.18	2.54	-	96.68

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. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

	(₹ in Million)	
	As at 31 March, 2020	As at 31 March, 2019
Less than 1 year		
- Trade payables	154.77	117.43
- Other financial liabilities	-	-
	<u>154.77</u>	<u>117.43</u>

39. 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.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

Company's adjusted net debt to equity ratio as at 31 March 2020 is as follow:

	(₹ in Million)	
	As at 31 March, 2020	As at 31 March, 2019
Borrowings	-	-
Less: cash and cash equivalents (Note 5D)	(65.97)	(46.15)
Adjusted net debt (A)	<u>(65.97)</u>	<u>(46.15)</u>
Equity	886.82	783.77
Total equity (B)	<u>886.82</u>	<u>783.77</u>
Total equity and net debt [C = (A+B)]	820.85	737.62
Gearing ratio (A/C)	0%	0%

40. Fair value of financial assets and liabilities

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

	(₹ in Million)					
	31 March 2020			31 March 2019		
	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI
Assets						
Non current financial assets						
- Investments	-	2.26	-	-	2.26	-
- Loans	-	401.35	-	-	160.98	-
Current financial assets						
- Investments	155.46	-	-	177.60	-	-
- Loans	-	1.87	-	-	2.93	-
- Other financial assets	-	0.36	-	-	0.05	-
Liabilities						
Current financial liabilities						
- Other financial liabilities	-	2.91	-	-	9.24	-

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

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

(This space has been intentionally left blank)



Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020: (₹ in Million)			
	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Mutual Funds	155.46	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2019: (₹ in Million)			
	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:			
Mutual Funds	177.60	-	-

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

Included in loans and advances are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013: (₹ in Million)				
Name of the loanee	Rate of Interest/ Due Date	Secured/ unsecured	31 March 2020	31 March 2019
Safari Digital Education Initiatives Private Limited	SBI 2 year MCLR + 250 Bps.	Unsecured	210.50	91.00
D S Digital Private Limited	SBI 2 year MCLR + 250 Bps.	Unsecured	85.00	50.00
S Chand Edutech Private Limited	SBI 2 year MCLR + 250 Bps.	Unsecured	25.00	17.00
New Saraswati House (India) Pvt. Ltd.	SBI 2 year MCLR + 250 Bps.	Unsecured	77.50	-

The loans have been utilized for meeting their working capital requirements.

42. The ultimate holding Company renders various administrative and management services to its subsidiaries companies to facilitate the day-to-day operations. Accordingly, the ultimate holding Company has charged INR 12.72 million (31 March 2019: INR 9.64 million) towards such services rendered during the year ended March 31, 2020.
43. The Board of Directors of Chhaya Prakashani Private Limited ("Chhaya"), in its meeting held on November 07, 2019 approved the scheme of amalgamation with Eurasia Publishing House Private Limited ("Eurasia"), both wholly owned subsidiaries of S Chand And Company Limited. However, due to Covid19 pandemic and nationwide lockdown Chhaya could not file the application with National Company Law Tribunal of Kolkata for approval. The Board of Directors of Chhaya has again approved this scheme of amalgamation with appointed date as April 1, 2020 in its meeting held on June 25, 2020. Chhaya shall file the application with National Company Law Tribunal of Kolkata under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions and rules thereunder, for amalgamation of Eurasia with Chhaya.
44. The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity including India. This event has significantly effected economic activities and the impact of coronavirus on our business will depend on future developments that cannot be reliably predicted. Post the outbreak, certain premises (including warehouse) of the Company and third party (used for job work purposes) have been closed since March 22, 2020, however, effective May 08, 2020, operations have commenced in a phased manner as per the directives from the government.

In developing the assumptions relating to possible uncertainties in the business conditions because of the pandemic, the Company, as on the date of approval of these financials results have used variable information as available and considered the possible effects that may result from COVID-19 on the carrying amount of its assets i.e. assessing counterparty credit risk in case of financial assets (comprising cash and cash equivalents, bank deposits and investments in mutual funds) and subsequent recoveries, past trends, credit risks profile of customers in case of trade receivables and advances to vendors. The company expects to recover the carrying amount of the assets and investment. The Company while assessing Right to Use Asset and Investment in Subsidiaries, has considered past trend, future business projections, performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of other assets will be recovered and does not foresee either significant down-sizing in the operations or any changes in lease terms.

The management, based on its current and future business plans, after considering COVID 19 impact, has assessed that the Company's ability to meet its contractual obligations and liabilities that fall due in near future is dependent upon timely realization of debtors collections and subsequent sales of inventory. The management has assessed that it will be able to realize the collections on timely basis despite COVID 19 challenges and would be able to arrange sufficient working capital facilities from banks/ financial institutions, if required, to ensure continuity of operations.

45. Physical verification of inventories:

The Company as part of its policy performs physical verification of inventory bi-annually in September and March every year. Accordingly, the management, had carried out physical verification of inventory as at September 30, 2019, however, as at March 31, 2020, due to travel restrictions on account of COVID-19 and due to significant business activities subsequent to year-end in the post-lock down period, the management could not perform physical count of inventory as at March 31, 2020 through to the date of approval of these financial statements. The management has, therefore, relied upon the inventory count reflected in its books of accounts, which is the balancing figure for the opening, purchases and the inventory consumed / sold during the financial year. The management intends to complete the physical verification process in the subsequent quarter and doesn't expect any significant impact which could arise on completion of this process.

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants
Dr. Sanjay Bachhani
Partner
Membership No.: 400419



Place: Gurugram
Date: 25 June 2020

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

Himanshu Gupta
Director
DIN:00034015
Place: New Delhi
Date: 25 June 2020

Dinesh Kumar Jhunjhunwala
Director
DIN:00282988
Place: New Delhi
Date: 25 June 2020

Prateek Dhanuka
Chief Executive Officer
Place: New Delhi
Date: 25 June 2020

Sudakshina Saha
Financial Controller
Place: Kolkata
Date: 25 June 2020