

**Independent Auditor's Report**

To the Members of New Saraswati House (India) Private Limited

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

We have audited the accompanying standalone Ind AS financial statements of **New Saraswati House (India) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements" or "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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 audit opinion on the Ind AS financial statements.

**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(S) 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:

# J P Chawla & Co. LLP

Chartered Accountants

- 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.

## **Other Matters**

The financial statements of the company for the year ended March 31, 2020, were audited by another auditor who expressed a modified opinion on those statements through their audit report dated June 25, 2020.


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

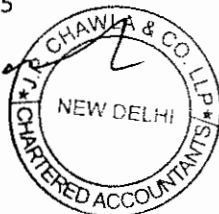
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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Chartered Accountants

2. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including 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) In our opinion, the aforesaid Standalone 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) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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;
  - h) 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 does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
**per Rajat Chawla**  
Partner



Membership No. 510745  
Place: New Delhi  
Date: 16<sup>th</sup> June 2021

**“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory requirement’ of our report of even date to the financial statements of **New Saraswati House (India) Private Limited** (‘the Company’) for the year ended 31<sup>st</sup> March, 2021:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) All fixed assets were physically verified by the management periodically in the previous years in accordance with the planned programme of verifying them once in three years which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noted 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and all material discrepancies noticed on physical verification of inventories have been properly dealt within in the books of account.
- iii. According to the information and explanation given to us, the Company has not granted any loan secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause iii(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanation given to us, there are no loan, investment guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees’ State Insurance, Income-tax, Goods and Services tax, Cess and Other Statutory Dues applicable to it. The provisions relating to excise duty are not applicable to the Company.

# J P Chawla & Co. LLP

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(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, 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 except the following:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates
Labour Laws	Contribution towards Labour welfare Fund	8,726.00	FY 2019-20

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

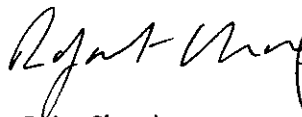
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company does not have outstanding borrowing against government or dues to debenture holders.
- ix. 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. The Company has utilised the monies raised by way of term loans for the purpose for which they were raised.
- 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 on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations provided by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.  
According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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.

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



per Rajat Chawla  
Partner



Membership No. 510745  
Place: New Delhi  
Date: 16<sup>th</sup> June 2021

**Annexure “B” to the Independent Auditor’s report**

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

We have audited the internal financial controls over financial reporting of **New Saraswati House (India) Private Limited** (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

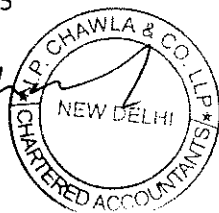
### **Opinion**

As per Information and explanation given to us and related documents provided to us, in our opinion, the Company has, in material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**per Rajat Chawla**  
**Partner**



Membership No. 510745  
Place: New Delhi  
Date: 16<sup>th</sup> June 2021

**New Saraswati House (India) Private Limited**  
**Balance Sheet as at 31st March 2021**  
**CIN: U22110DL2013PTC262320**

(₹ in millions)

Particulars	Notes	As at	As at
		31 March 2021	31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	33.10	38.68
Intangible assets			
- Goodwill	4A	56.73	56.73
- Other intangible assets	4A	102.15	127.26
- Right to Use Assets	4B	74.70	119.22
Capital work-in-progress		1.52	0.64
Financial assets			
- Loans	5B	3.84	3.38
- Other financial assets	5D	0.10	0.10
Deferred tax assets (net)	8	-	-
Income tax assets (net)	7	-	-
Other non-current assets	7C	1.50	1.10
<b>Total non-current assets</b>		<b>273.64</b>	<b>347.11</b>
<b>Current assets</b>			
Inventories	6	257.26	368.41
Financial assets			
- Trade receivables	5A	600.61	658.79
- Loans	5B	12.73	20.28
- Cash and cash equivalents	5C	94.16	3.43
Income tax assets (net)	7	0.15	21.12
Other current assets	7	4.28	4.87
<b>Total current assets</b>		<b>969.19</b>	<b>1,076.90</b>
<b>Total assets</b>		<b>1,242.83</b>	<b>1,424.01</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share Capital	9	136.68	0.28
Other equity			
- Retained earnings	10	(897.98)	(860.20)
- General reserves	10	390.00	390.00
- Other reserves	10	671.39	671.39
<b>Total equity</b>		<b>300.09</b>	<b>201.47</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	11A	202.26	271.59
- Trade payables	12	-	-
- Lease liability	13	69.27	108.24
Provisions	14	0.56	5.58
<b>Total non current liabilities</b>		<b>272.09</b>	<b>385.41</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	11B	128.26	179.31
- Trade payables			
Trade payables of micro enterprises and small enterprises	12	28.25	22.14
Trade payables other than micro enterprises and small enterprises	12	380.18	475.41
- Lease liability	13	14.60	25.04
- Other financial liabilities	13	92.19	101.17
Provisions	14	3.56	3.07
Other current liabilities	15	23.61	30.99
<b>Total current liabilities</b>		<b>670.65</b>	<b>837.13</b>
<b>Total equity and liabilities</b>		<b>1,242.83</b>	<b>1,424.01</b>

Summary of significant accounting policies

2.1

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

As per our report of even date

For J P Chawla & Co. LLP  
 ICAI Firm Registration No. 001875N/N500025  
 Chartered Accountants

per Rajat Chawla  
 Partner  
 Membership No.: 510745

Place : New Delhi  
 Date: June 16, 2021



For and on behalf of the Board of Directors of  
 New Saraswati House (India) Private Limited

Himanshu Gupta  
 Director  
 DIN:00054015  
 Place: New Delhi  
 Date: June 16, 2021

Ankita Gupta  
 Director  
 DIN:00054090  
 Place: New Delhi  
 Date: June 16, 2021

Shammi Manik  
 CEO  
 Place: New Delhi  
 Date: June 16, 2021

Narinder Kumar  
 Chief Financial Officer  
 Place: New Delhi  
 Date: June 16, 2021

Varsha Maheshwari  
 Company Secretary  
 Place: New Delhi  
 Date: June 16, 2021

New Saraswati House (India) Private Limited  
Statement of Profit and Loss for year ended 31st March 2021  
CIN: U22110DL2013PTC262320

(₹ in millions)

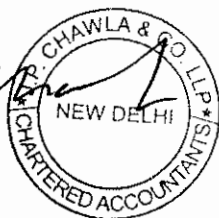
	Notes	For the Year Ended	
		Mar'21	Mar'20
<b>I</b> Revenue from contract with customers	16	782.34	687.62
<b>II(a)</b> Finance income	17.1	2.26	1.68
<b>II(b)</b> Other income	17.2	17.71	13.76
<b>III Total Income (I+II)</b>		<b>802.31</b>	<b>703.06</b>
<b>IV Expenses</b>			
Cost of published goods/raw material consumed	18	250.90	260.69
Purchase of traded books	19	-	0.10
(Increase)/decrease in inventories of finished goods and work in progress	20	78.37	121.25
Publication expenses	21	55.04	45.98
Employee benefit expenses	22	185.06	230.57
Selling and distribution expenses	23	51.45	91.42
Finance cost	24	63.43	69.83
Depreciation and amortisation expense	25	59.09	74.24
Other expenses	26	101.48	129.45
<b>Total expenses</b>		<b>844.82</b>	<b>1,023.53</b>
<b>V Loss before tax and exceptional items (III-IV)</b>		<b>(42.51)</b>	<b>(320.47)</b>
<b>VI Exceptional Items</b>	26A	-	(27.00)
<b>VII Loss before tax (V-VI)</b>		<b>(42.51)</b>	<b>(347.47)</b>
<b>VIII Tax expense:</b>			
Current tax		-	-
Income tax adjustment related to earlier year		-	0.68
Deferred tax charge/(credit)		-	176.46
<b>Total tax expenses</b>		<b>-</b>	<b>177.14</b>
<b>IX Loss for the year (VII-VIII)</b>		<b>(42.51)</b>	<b>(524.61)</b>
<b>X Other Comprehensive Income</b>			
- Items that will not be reclassified to profit or loss	27		
Re-measurement gains/(losses) on defined benefit plans		4.73	(1.90)
Tax impact on re-measurement gain/(loss) on defined benefit plans		-	-
<b>XI Total Comprehensive Loss for the year (IX+X)</b>		<b>(37.78)</b>	<b>(526.51)</b>
<b>Earnings per equity share:</b>	28		
(1) Basic		(1,561)	(19,261)
(2) Diluted		(169)	(19,261)
Summary of significant accounting policies	2.1		

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

For J P Chawla & Co. LLP  
ICAI Firm Registration No. 001875N/N500025  
Chartered Accountants

per Rajat Chawla  
Partner  
Membership No.: 510745

Place : New Delhi  
Date: June 16, 2021



For and on behalf of the Board of Directors of  
New Saraswati House (India) Private Limited

Himanshu Gupta  
Director  
DIN:00054015  
Place: New Delhi  
Date: June 16, 2021

Ankita Gupta  
Director  
DIN:00054090  
Place: New Delhi  
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CEO  
Place: New Delhi  
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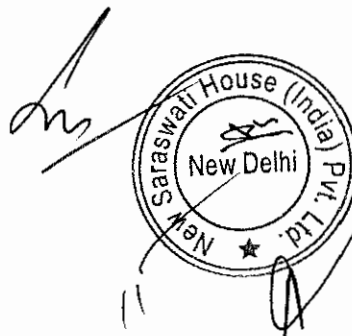
Narinder Kumar  
Chief Financial Officer  
Place: New Delhi  
Date: June 16, 2021

Varsha Maheshwari  
Company Secretary  
Place: New Delhi  
Date: June 16, 2021

New Saraswati House (India) Private Limited  
Statement of Cash Flow for the year ended 31st March 2021  
CIN: U22110DL2013PTC262320

	(₹ in millions)	
	For the period ended 31st March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Loss before tax	(42.51)	(347.47)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization	59.09	74.24
Interest expense	61.98	68.51
Interest income	(1.10)	(0.41)
Interest income on security deposit	(1.16)	(1.27)
Loss on sale of property, plant and equipment	0.06	0.47
Miscellaneous amount written back	(5.45)	(4.90)
Adjustments for loss/gain in leases	(8.46)	-
Bad debts written off	0.46	2.19
Provision for slow moving inventory	-	27.00
Provision for advances	-	0.03
Provision for bad & doubtful debts	12.53	26.23
<b>Operating profit before working capital changes</b>	<b>75.44</b>	<b>(155.38)</b>
<b>Adjustments for changes in working capital :</b>		
Decrease/(Increase) in trade receivables	45.28	184.79
Decrease/(Increase) in other non-current assets and in other current assets	0.09	2.87
Decrease/(Increase) in non current loans & advances and current loans & advances	8.19	7.81
Decrease/(Increase) in inventories	111.15	55.37
(Decrease)/Increase in non current trade payables and current trade payables	(83.68)	(104.51)
Increase/(Decrease) in other financial liabilities	(0.00)	1.75
Increase/(Decrease) in other current liabilities	(7.38)	0.31
(Decrease)/Increase in provisions	0.19	(2.89)
<b>Cash (used in)/generated from operations</b>	<b>149.28</b>	<b>(9.89)</b>
Direct tax (paid)/refund	20.97	(0.83)
<b>Net cash (used in)/ generated from operation</b>	<b>(A) 170.25</b>	<b>(10.72)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets, capital advances and CWIP (net of capital creditor)	(2.46)	(22.78)
Proceeds from sale of fixed assets	0.00	0.11
Interest received	1.10	0.41
<b>Net cash used in investing activities</b>	<b>(B) (1.36)</b>	<b>(22.26)</b>
<b>C. Cash flow from financing activities</b>		
Issue of fresh CCPS (conversion of long term unsecured borrowings)	136.40	-
Proceed/(Repayment) for long-term borrowings(net)	(67.14)	145.01
Repayment of lease liability including interest	(33.33)	(37.82)
Repayment of short term borrowings (net)	(51.05)	(68.06)
Interest paid	(63.04)	(42.75)
<b>Net cash used in financing activities</b>	<b>(C) (78.16)</b>	<b>(3.62)</b>

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New Saraswati House (India) Private Limited  
Statement of Cash Flow for the year ended 31st March 2021  
CIN: U22110DL2013PTC262320

(₹ in millions)

		For the period ended 31st March 2021	For the year ended 31 March 2020
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(A+B+C)</b>	<b>90.73</b>	<b>(36.59)</b>
Cash and cash equivalents - at the beginning of the year		3.43	40.02
Cash and cash equivalents - at the end of the year		<u>94.16</u>	<u>3.43</u>
<b>Components of cash and cash equivalents</b>			
Cash in hand		0.35	0.16
Balance with banks on current accounts		91.82	3.27
Bank Deposits (having maturity period less than 3 months from reporting date)		1.99	-
Total Cash and cash equivalents (refer note 5C)		<u>94.16</u>	<u>3.43</u>
<b>Non-cash investing and financing transactions</b>			
Acquisition of property, plant and equipment by means of a finance lease		-	-

**Reconciliation of liabilities arising from financing activities**

Particulars	Long term borrowings (including current maturities)	Short term borrowings
As at 31 March 2020	339.30	179.31
Cash flows	(67.14)	(51.05)
Non cash changes	-	-
As at 31 March 2021	<u>272.16</u>	<u>128.26</u>

**Summary of significant accounting policies**

2.1

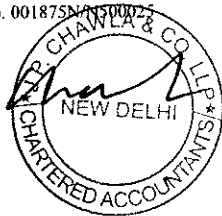
The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For J P Chawla & Co. LLP**

ICAI Firm Registration No. 001875NAN500025  
Chartered Accountants

per Rajat Chawla  
Partner  
Membership No.: 510745

Place : New Delhi  
Date: June 16, 2021



**For and on behalf of the Board of Directors of  
New Saraswati House (India) Private Limited**

*Himanshu Gupta*  
Himanshu Gupta  
Director  
DIN:00054015  
Place: New Delhi  
Date: June 16, 2021

*Ankita Gupta*  
Ankita Gupta  
Director  
DIN:00054090  
Place: New Delhi  
Date: June 16, 2021

*Shammi Manik*  
Shammi Manik  
CEO  
Place: New Delhi  
Date: June 16, 2021

*Narinder Kumar*  
Narinder Kumar  
Chief Financial Officer  
Place: New Delhi  
Date: June 16, 2021

*Varsha Maheshwari*  
Varsha Maheshwari  
Company Secretary  
Place: New Delhi  
Date: June 16, 2021

(₹ in millions)

Share Capital:	Equity Shares		Compulsory Convertible Preference Shares*	
	No. of shares	(₹ in millions)	No. of shares	(₹ in millions)
Issued, subscribed and fully paid up (Share of Rs. 10 each)				
At 31 March 2019	27,236	0.28	-	-
Issued during the year	-	-	-	-
At 31 March 2020	27,236	0.28	-	-
Issued during the year	-	-	1,36,39,989	136.40
At 31 March 2021	27,236	0.28	1,36,39,989	136.40

\* refer note 9

**B. Other equity**

Particular	Reserve & Surplus				Total
	Retained earnings	Securities premium account	General reserve	Deemed Capital Contribution	
As at 31st March 2019	(333.69)	669.83	390.00	1.56	727.70
Profit for the year	(524.61)	-	-	-	(524.61)
Other comprehensive income for the year	(1.90)	-	-	-	(1.90)
<b>Total Comprehensive Income for the year</b>	<b>(526.51)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(526.51)</b>
As at 31st March 2020	(860.20)	669.83	390.00	1.56	201.19
Profit for the year	(42.51)	-	-	-	(42.51)
Other comprehensive income for the year	4.73	-	-	-	4.73
<b>Total Comprehensive Income for the year</b>	<b>(37.78)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37.78)</b>
As at 31st March 2021	(897.98)	669.83	390.00	1.56	163.41

**2.1 Summary of significant accounting policies**

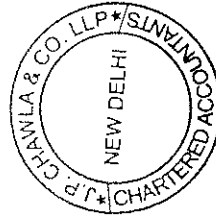
The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For J P Chawla & Co. LLP  
ICAI Firm Registration No. 001875N/NS00025  
Chartered Accountants

*Rajit Chawla*

per Rajit Chawla  
Partner  
Membership No.: 510745

Place : New Delhi  
Date: June 16, 2021



For and on behalf of the Board of Directors of  
New Saraswati House (India) Private Limited

*Himanshu Gupta*

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Director  
DIN:00054015  
Place: New Delhi  
Date: June 16, 2021

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Chief Financial Officer  
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Varsha Maheshwari  
Company Secretary  
Place: New Delhi  
Date: June 16, 2021

**New Saraswati House (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
**(Amounts in Indian Rupees, unless otherwise stated)**

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**1. Corporate information**

New Saraswati House (India) Private Limited (the Company) is a private company domiciled in India and 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.

**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) specified under section 133 of the Act read with 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 certain following 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 (INR 1,000,000), 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.

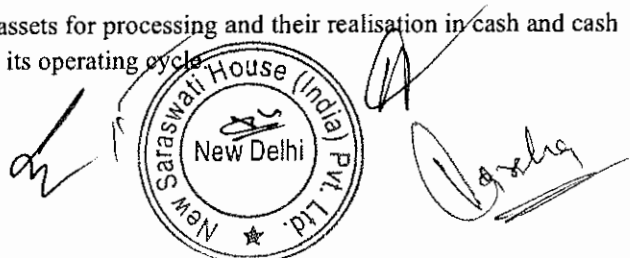
A liability is classified as current when:

- 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.



## 2.3 Foreign currencies

### Functional and presentational currency

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

### Transactions and balances

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

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

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

## 2.4 Fair value measurement

The Company measures certain financial instruments 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.

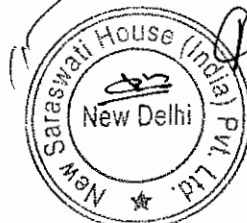
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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





**New Saraswati House (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
**(Amounts in Indian Rupees, unless otherwise stated)**

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- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

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

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

- i. Disclosures for valuation methods, significant estimates and assumptions (Note 2.20)
- ii. Quantitative disclosures of fair value measurement hierarchy (Note 44)
- iii. Financial instruments (including those carried at amortised cost) (Note 42)
- iv. Equity Settled employee share based payment plan (Note 45)

## **2.5 Revenue from contract with customers**

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.

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.20.

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

### **Sale of goods**

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, i.e. at the time of handing over goods to the carrier for transportation.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of books,



the company considers the effects of variable consideration, the existence of significant financing components, non-cash considerations 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 and cash 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.

- **Rights of return**

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

- **Volume rebates**

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

- **Cash rebates**

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

#### **Contract balances**

##### **Contract assets**

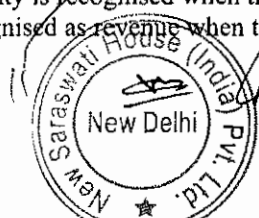
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration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

##### **Trade receivables**

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

##### **Contract liabilities**

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



under the contract.

#### **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.

## **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.


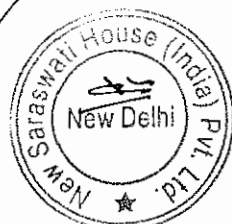

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- 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:

- 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.



**New Saraswati House (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
**(Amounts in Indian Rupees, unless otherwise stated)**

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- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

## **2.7 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.

### **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.



A handwritten signature and a circular stamp of New Saraswati House (India) Pvt. Ltd., New Delhi. The stamp contains the text "New Saraswati House (India) Pvt. Ltd.", "New Delhi", and "MAM". There is a handwritten signature over the stamp.

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	10 years	8 years
Computer	6/3 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.

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.

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

## 2.8 Intangible assets

### *Recognition and measurement*

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



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**New Saraswati House (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
**(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 (5-10 years)	Amortized on straight line basis over the period of useful lives	Acquired
Goodwill on business combination	In-definite	No amortization	Acquired
Copyrights	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired
Content development (including In-house contents)*	Finite (10 seasons)	Amortized on straight line basis over the period of content	Internally generated

\*QR codes are amortized over 6 years as per terms of license.

#### 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 amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

#### 2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of profit and loss during extended period when active development activity of the qualifying assets is interrupted.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. It also includes exchanges differences to the extent regarded as an adjustment to the borrowing costs.



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## 2.10 Leases

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

### Company as a Lessee

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

#### 1. Right to 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, as follows:

Leasehold premises	3 to 9 years
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#### 2. Lease liability

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 and amounts expected to be paid under residual value guarantees.

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

#### 3. Short term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office premises (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 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 March 31, 2019 have not been retrospectively adjusted.



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## 2.11 Inventories

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

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

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

## 2.12 Impairment of non-financial assets

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

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,



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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.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## **2.13 Financial Instruments**

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

### **Financial assets**

#### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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.

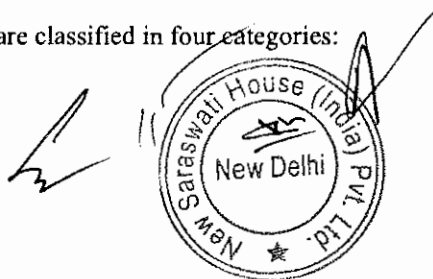
The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified 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)



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

**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.

**Financial assets designated at fair value through OCI (equity instruments)**

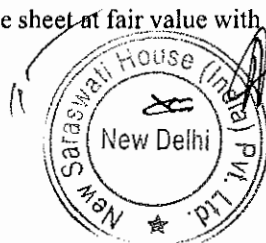
All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the group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

If the 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 FVTPL**

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 derivative instruments and 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:

- 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



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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:

- 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. On that basis, the Company has estimated provision of 7.39% is required to be made on outstanding receivables at the reporting date:

Age bracket	Not due	0 – 215 days	215 – 365 days	365 – 730 days	More than 730 days
<b>Credit Loss Rate</b>	0.04%	1.65%	12.38%	59.35%	100%

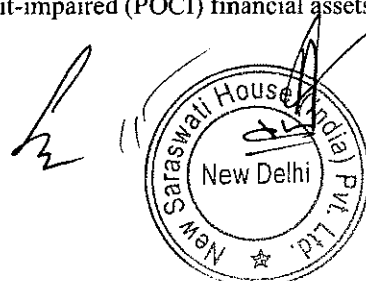
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

- 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.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the 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.



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## **Financial liabilities**

### **Initial recognition and measurement**

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

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

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

### **Subsequent measurement**

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

#### **Financial liabilities at fair value through profit or loss**

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to 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.

#### **Loans and borrowings**

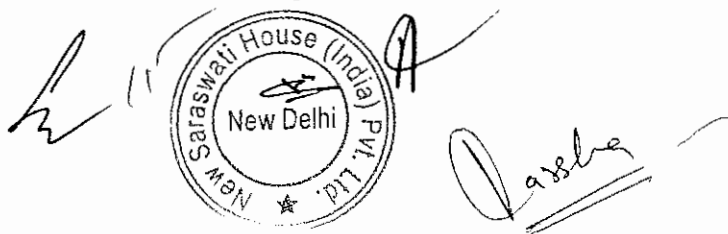
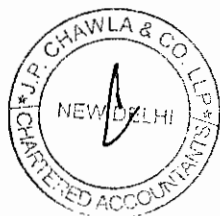
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation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

#### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

#### **De-recognition**

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

## **2.14 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.

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

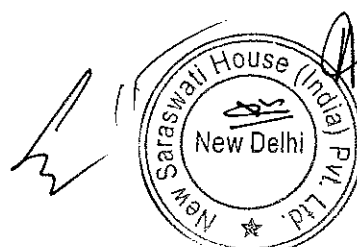
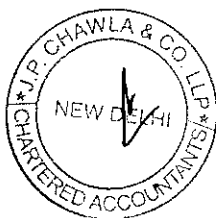
Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately 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.



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### 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.

## 2.15 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.

## 2.16 Cash and cash equivalents

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

## 2.17 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.

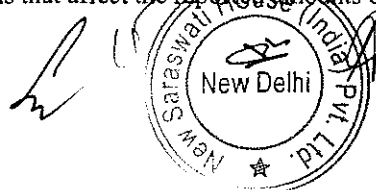
## 2.18 Cash dividend

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.

2.19 All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

## 2.20 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,



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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 include 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).

**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**

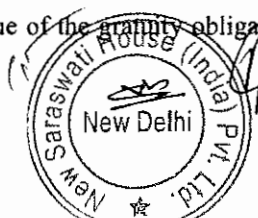
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions 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





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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.

#### **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 Group'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 5A.

#### **Impairment of non-financial assets**

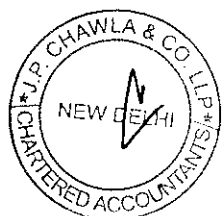
The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

#### **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.



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**New Saraswati House (India) Private Limited**  
**Notes to financial statements for the year ended 31 March 2021**  
**(Amounts in Indian Rupees, unless otherwise stated)**

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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.

**Leases - Estimating the incremental borrowing rate**

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

**Exceptional item**

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality threshold can be used to select items to be disclosed as exceptional on case to case basis. This threshold would be applied separately for standalone as well as consolidated financial statements. However, in case an item qualifies for disclosure in standalone financial statements but not in consolidated financial statements or vice versa, this would need to be evaluated on case to case basis the above analysis, mainly following items would be evaluated for disclosure as exceptional items:

- a) Reassessment / Change in life of asset (in case of re-evaluation of business/product, impact of all assets specific to that business/product to be considered for applying the threshold).
- b) Provision for other than temporary diminution in the value of non-current investment.
- c) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write downs.
- d) In case of other significant item of income or expense, not covered above, the same would be evaluated on a case to case basis for disclosure under exceptional items

**2.21 New and amended standards**

**Amendment to Ind AS 116: Covid-19- Related Rent Concessions**

The amendment provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions as a direct consequence of Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee who makes this election accounts for any change in lease payments resulting from Covid-19 rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The Company has availed this practical expedient. Refer note 32.

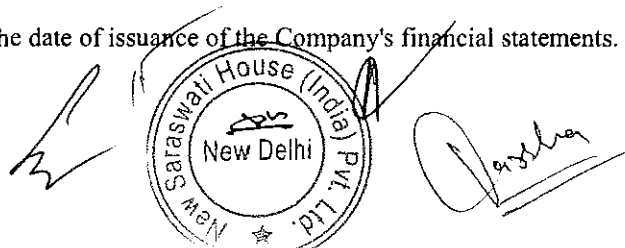
**Amendment to Ind AS 103 Business Combination**

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs.

The Company has not done any business combination transaction entered during the year and accordingly had no impact on the financial statements of the Company.

**Standards notified but not yet effective**

There was no standard notified but not yet effective up to the date of issuance of the Company's financial statements.



3. Property, plant and equipment

Particulars	(₹ in millions)					
	Furniture & Fittings	Vehicles*	Office equipment	Leasehold Improvement	Computer	Total
<b>Gross block</b>						
As at 1st April 2019	21.61	10.39	11.72	12.53	8.25	64.50
Additions	2.03	6.40	0.04	-	0.16	8.63
Disposals	(0.22)	(0.35)	(0.73)	-	(1.57)	(2.87)
As at 31st March 2020	23.42	16.44	11.03	12.53	6.84	70.26
Adjustment	0.01	0.17	0.00	0.00	0.01	0.19
Additions	0.46	-	0.06	-	0.51	1.03
Disposals	-	-	-	-	(0.92)	(0.92)
As at 31st March 2021	23.89	16.61	11.09	12.53	6.44	70.56
<b>Accumulated depreciation</b>						
As at 1st April 2019	6.55	2.78	7.45	5.70	4.49	26.97
Charge for the year	2.00	1.23	0.94	1.73	1.00	6.90
Deductions	(0.08)	(0.16)	(0.60)	-	(1.45)	(2.29)
As at 31st March 2020	8.47	3.85	7.79	7.43	4.04	31.58
Charge for the year	2.07	1.48	0.91	1.28	1.00	6.74
Deductions	-	-	-	-	(0.86)	(0.86)
As at 31st March 2021	10.54	5.33	8.70	8.71	4.18	37.46
<b>Net block</b>						
As at 31st March 2020	14.95	12.59	3.24	5.10	2.80	38.68
As at 31st March 2021	13.35	11.28	2.39	3.82	2.26	33.10

\*Vehicles under loan contracts at 31 March 2021 was INR 4.09 million (31 March 2020: INR 5.13 million). Additions during the year include INR NIL (31 March 2020: INR 4.88 million). Loaned assets are pledged as security for the related loan.

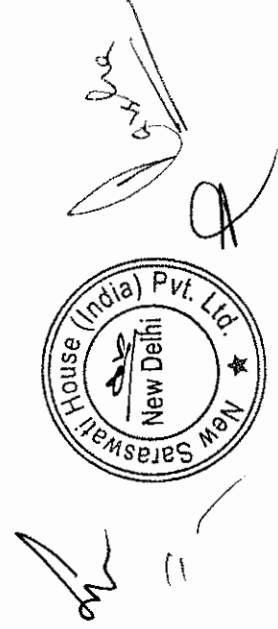


4A. Intangible assets and goodwill

Particular	₹ in millions)				
	Goodwill	Computer Software's	Copy Rights	Content development	Total
<b>Gross block</b>					
As at 1st April 2019	56.73	11.53	124.09	96.08	288.43
Additions	-	0.03	-	13.12	13.15
Disposals	-	-	-	-	-
As at 31st March 2020	56.73	11.56	124.09	109.20	301.58
Adjustment	-	-	-	0.02	0.02
Additions	-	-	-	0.41	0.41
Disposals	-	-	-	-	-
As at 31st March 2021	56.73	11.56	124.09	109.63	302.01
<b>Accumulated depreciation</b>					
As at 1st April 2019	-	9.06	50.05	21.84	80.95
Amortization for the year	-	1.22	15.33	20.09	36.64
Deductions	-	-	-	-	-
As at 31st March 2020	-	10.28	65.38	41.93	117.59
Amortization for the year	-	0.86	15.30	9.38	25.54
Deductions	-	-	-	-	-
As at 31st March 2021	(0.00)	11.14	80.68	51.31	143.13
<b>Net block</b>					
As at 31st March 2020	56.73	1.28	58.71	67.27	183.99
As at 31st March 2021	56.73	0.42	43.41	58.32	158.88

Impairment testing of goodwill

The Company performs test for goodwill impairment at least annually or if indicator of impairment arise, such as the effects of obsolescence, demand, competition and other economic factor or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. Any adverse changes in key assumptions about our businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge.




**New Saraswati House (India) Private Limited**

**Notes to financial statements for the period ended 31st March 2021**

**CIN: U22110DL2013PTC262320**

**4B. Right to use asset (refer note 32)**

**(₹ in millions)**

	<b>Right to use asset</b>	<b>Total</b>
<b>Cost</b>		
<b>At 01 April 2019</b>	-	-
Purchases	151.42	151.42
Disposals	(1.50)	(1.50)
<b>At 31 March 2020</b>	<b>149.92</b>	<b>149.92</b>
Purchases	30.05	30.05
Disposals	(50.15)	(50.15)
Adjustment on account of remeasurment of lease liability	(8.06)	(8.06)
<b>At 31 March 2021</b>	<b>121.76</b>	<b>121.76</b>
<b>Accumulated depreciation</b>		
<b>At 01 April 2019</b>	-	-
Amortization for the year	30.70	30.70
Disposals	-	-
<b>At 31 March 2020</b>	<b>30.70</b>	<b>30.70</b>
Amortization for the year	26.80	26.80
Disposals	(10.44)	(10.44)
<b>At 31 March 2021</b>	<b>47.06</b>	<b>47.06</b>
<b>Net block</b>		
<b>At 31 March 2021</b>	<b>74.70</b>	<b>74.70</b>
<b>At 31 March 2020</b>	<b>119.22</b>	<b>119.22</b>



*[Handwritten signatures]*

5. Financial assets

5A. Trade receivables

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Trade receivables</b>		
Considered good- Secured	-	-
Considered good- Unsecured	600.61	658.79
Receivables which have significant increase in credit risk	82.87	70.34
Receivables- credit impaired	-	-
	<b>683.48</b>	<b>729.13</b>
<b>Less : Allowances for expected credit loss</b>		
Considered good- Secured	-	-
Considered good- Unsecured	-	-
Receivables which have significant increase in credit risk	(82.87)	(70.34)
Receivables- credit impaired	-	-
	<b>(82.87)</b>	<b>(70.34)</b>
<b>Net trade receivables</b>		
Considered good- Secured	-	-
Considered good- Unsecured	600.61	658.79
Receivables which have significant increase in credit risk	-	-
Receivables- credit impaired	-	-
<b>Total trade receivables</b>	<b>600.61</b>	<b>658.79</b>
<b>Trade receivables from related parties (refer note 33B)</b>	5.46	9.22
<b>Current</b>	<b>600.61</b>	<b>658.79</b>
<b>Non-Current</b>	-	-

The movement in impairment of trade receivables is as follow:

Particulars	As at	
	31 March 2021	31 March 2020
Opening balance	70.34	44.11
Additions	12.53	26.23
Write off (net of recovery)	-	-
<b>Closing balance</b>	<b>82.87</b>	<b>70.34</b>

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

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5B. Loans

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Security deposits - Non Current	3.84	3.38
Security deposits - Current	6.02	8.97
Advances recoverable in cash or kind (refer note (a) below)	6.71	11.31
<b>Total Loans and advances</b>	<b>16.57</b>	<b>23.66</b>
<b>Current</b>	<b>12.73</b>	<b>20.28</b>
<b>Non-Current</b>	<b>3.84</b>	<b>3.38</b>
<b>Note (a)</b>		
<b>Advances recoverable in cash or kind</b>		
Considered good, unsecured	6.00	10.57
Considered good, secured	-	-
Recoverable which have significant increase in credit risk	3.08	3.65
Recoverable - credit impaired	-	-
	<b>9.08</b>	<b>14.22</b>
<b>Less</b>		
Less: Allowance for expected credit loss	(3.08)	(3.65)
	<b>6.00</b>	<b>10.57</b>
<b>Advances recoverable from related parties</b>		
Unsecured, considered good (refer note 33B)	0.71	0.74
Unsecured, considered doubtful	-	-
	<b>0.71</b>	<b>0.74</b>
	<b>6.71</b>	<b>11.31</b>

5C. Cash and cash equivalents

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- on current accounts	91.82	3.27
Cash on hand	0.35	0.16
Other Bank Balances		
- Bank Deposits (having maturity period less than 3 months from reporting date)	1.99	-
<b>Total Cash and cash equivalents</b>	<b>94.16</b>	<b>3.43</b>
<b>Current</b>	<b>94.16</b>	<b>3.43</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>

5D. Other financial assets

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Margin money deposit (refer note below)	0.10	0.10
<b>Total other financial Assets</b>	<b>0.10</b>	<b>0.10</b>
<b>Current</b>	<b>-</b>	<b>-</b>
<b>Non-Current</b>	<b>0.10</b>	<b>0.10</b>

**Note**

Margin money deposits are under lien with banks towards bank guarantees issued by banks to the sales tax authorities

6. Inventories

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Raw materials	41.22	74.00
Finished goods		
- Manufactured goods	216.04	321.41
- Traded goods	-	-
	<b>257.26</b>	<b>395.41</b>
Less: provision for slow moving inventory (refer note-26A)	-	(27.00)
	<b>257.26</b>	<b>368.41</b>



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7. Other assets

7A. Capital advances

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good (Non current)	-	0.08
<b>Total Capital advances</b>	<b>-</b>	<b>0.08</b>

7B. Prepaid expenses

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Prepaid expenses (Non current)	1.43	0.97
Prepaid expenses (Current)	4.29	4.41
<b>Total Prepaid expenses</b>	<b>5.72</b>	<b>5.38</b>

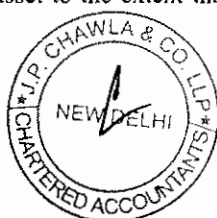
7C. Other assets

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Income tax recoverable	0.15	21.12
GST Recoverable	-	0.32
Ancillary cost of arranging borrowings (Current)	-	0.14
Accrued income on deposits	0.07	0.05
<b>Total Other assets</b>	<b>0.22</b>	<b>21.63</b>
<b>Current</b>	<b>4.44</b>	<b>25.99</b>
<b>Non-Current</b>	<b>1.50</b>	<b>1.10</b>

8. Deferred taxes \*

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Items leading to creation of deferred tax assets</b>		
<b>Total deferred tax assets</b>	<b>-</b>	<b>-</b>
<b>Items leading to creation of deferred tax liabilities</b>		
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>-</b>	<b>-</b>

\* As on reporting date company has assessed for recognition of deferred tax asset on temporary differences, business losses and unabsorbed depreciation and has not created any deferred tax assets. However, in future the company may recognise a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.



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9. Share Capital

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
100,000 (31 March 2020: 100,000) Equity shares of Rs. 10/- each	1.00	1.00
2,00,00,000 (31 March 2020: NIL) Preference Shares of Rs. 10/- each <sup>^</sup>	200.00	-
	<b>201.00</b>	<b>1.00</b>
<b>Issued, subscribed and fully paid up</b>		
27,236 (31 March 2020: 27,236) equity shares of Rs. 10/- each	0.28	0.28
1,36,39,989 (31 March 2020: NIL) CCPS* of Rs. 10/- each	136.40	-
	<b>136.68</b>	<b>0.28</b>

<sup>^</sup> The Authorized share capital increased from Rs. 10,00,000/- to Rs. 20,10,00,000/- vide passing shareholders ordinary resolution at the Extra Ordinary General Meeting held on March 6, 2021

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

Equity shares	No. of shares
<b>Issued, subscribed and fully paid up</b>	
As at 31 March 2019	27,236
Increase/(Decrease) during the year	-
As at 31 March 2020	27,236
Increase/(Decrease) during the year	-
As at 31 March 2021	<b>27,236</b>

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the board of director during the year ended 31 March 2021 (31 March 2020: Nil). In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c. 0.01% Compulsory Convertible Preference Shares

	No. of shares
<b>Issued, subscribed and fully paid up</b>	
As at 31 March 2019	-
Increase/(Decrease) during the year	-
As at 31 March 2020	-
Increase/(Decrease) during the year	1,36,39,989
As at 31 March 2021	<b>1,36,39,989</b>

d. Terms/ rights attached to Compulsory Convertible Preference Shares

The company has issued 1,36,39,989 0.01% Non-Cumulative, Non-Participating, Compulsory Convertible Preference Shares (CCPS) of Rs. 10 each issued at par, vide Board Resolution Dated 26th March, 2021.

These CCPS having a preferential right vis-a-vis equity shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital. CCPS shall be compulsorily converted after expiry of the period of 5 years from the date of allotment into such number of equity shares of face value or Rs. 10/- each at the Fair Market Value to be determined at the time of conversion, and CCPS shall have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act.

e. Shares held by holding company and their subsidiaries

Equity Shares	Issued, subscribed and fully paid up	31 March 2021	31 March 2020
S Chand And Company Limited.		22,336	22,336
Vikas Publishing House Private Limited, Subsidiary of the holding company		4,900	4,900
<b>Compulsory Convertible Preference Shares</b>	<b>Issued, subscribed and fully paid up</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
S Chand And Company Limited.		55,70,007	-
Chhaya Prakashni Limited, Subsidiary of the holding company		80,69,982	-



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**f. Details of shareholder holding more than 5% equity shares in the Company:**

<b>S Chand And Company Limited, the Holding Company.</b>		
	<b>No. of shares</b>	<b>% of shares</b>
As at 31 March 2020	22,336	82.01%
As at 31 March 2021	22,336	82.01%
<b>Vikas Publishing House Private Limited, subsidiary of the holding company</b>		
	<b>No. of shares</b>	<b>% of shares</b>
As at 31 March 2020	4,900	17.99%
As at 31 March 2021	4,900	17.99%

**f. Details of shareholder holding more than 5% Compulsory Convertible Preference Shares in the Company:**

<b>S Chand And Company Limited, the Holding Company.</b>		
	<b>No. of shares</b>	<b>% of shares</b>
As at 31 March 2020	-	0.00%
As at 31 March 2021	55,70,007	40.84%
<b>Chhaya Prakashani Limited, subsidiary of the holding company</b>		
	<b>No. of shares</b>	<b>% of shares</b>
As at 31 March 2020	-	0.00%
As at 31 March 2021	80,69,982	59.16%

As per records of the Company, including its register of shareholder/ member and other declarations received from shareholder regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**10. Other Equity**

(₹ In millions)

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>Retained earning</b>		
Balance as the beginning of year	(860.20)	(333.69)
Add/Less: Profit/(Loss) for the year	(42.51)	(524.61)
Add/Less: Other comprehensive income/ (loss) for the year	4.73	(1.90)
<b>Balance as the end of year</b>	<b>(897.98)</b>	<b>(860.20)</b>
<b>General reserve</b>		
Balance as the beginning of year	390.00	390.00
Increase/(Decrease) during the year	-	-
<b>Balance as the end of year</b>	<b>390.00</b>	<b>390.00</b>
<b>Securities premium account</b>		
Balance as the beginning of year	669.83	669.83
Increase/(Decrease) during the year	-	-
<b>Balance as the end of year</b>	<b>669.83</b>	<b>669.83</b>
<b>Deemed capital contribution</b>		
Balance as the beginning of year	1.56	1.56
Increase/(Decrease) during the year	-	-
<b>Balance as the end of year</b>	<b>1.56</b>	<b>1.56</b>

**Nature and purpose of reserves**

**Security premium reserve**

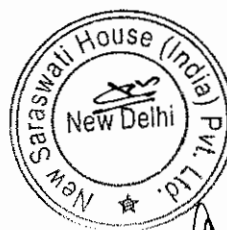
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**General reserve**

General reserve was created upon 13.25% optionally convertible redeemable debentures were converted into equity shares, the debenture redemption reserve was transferred to General Reserve.

**Deemed capital contribution**

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



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11. Borrowings

11A. Non-current borrowings

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Term loans</b>		
WCTL under ECLGS form Kotak Bank (secured) (refer 1 below)	16.90	-
WCTL under ECLGS form RBL Bank (secured) (refer 2 below)	46.93	-
<b>Vehicle loans</b>		
Indian rupee loan from banks (secured) (Refer note 3 & 4 below)	3.43	4.09
<b>Loan from Group Company</b>		
Indian rupee loan from holding co.(refer note 5 below)	125.00	150.00
Indian rupee loan from enterprise under same control (refer note 6 below)	10.00	117.50
<b>Total Non-current borrowings</b>	<b>202.26</b>	<b>271.59</b>
<b>Secured</b>	<b>67.26</b>	<b>4.09</b>
<b>Unsecured</b>	<b>135.00</b>	<b>267.50</b>

Notes:

- Company has taken WCTL of ₹ 19.90 million under ECLGS form Kotak Bank in financial year 2020-21 which carries fixed ROI as on date of offer is 8% p.a. (derived from K\_EBLR + 1%) repayable in 36 monthly instalments starting from Oct-2021. Moratorium of 12 months exercised from date of first disbursement.  
The loan is secured by way of (i) First Pari-passu hypothecation charge on all existing and future current assets of the Borrower (ii) First Pari-passu hypothecation charge on current assets shared with HDFC Bank and RBL Bank (iii) First Pari-passu hypothecation charge on all existing and future moveable fixed assets of the Borrower, and (iv) First Pari-passu hypothecation charge on moveable fixed assets shared with HDFC Bank and RBL Bank.
- Company has taken WCTL of ₹ 52.80 million under ECLGS form RBL Bank in financial year 2020-21 which carries floating ROI (i.e. RRLR (i.e. 9.10% p.a. + 0.15% spread) at the time of disbursement Interest rate was 9.25% p.a. Repayable in 36 monthly instalments starting from Dec-2021 (Moratorium of 12 months exercised from date of first disbursement).  
The loan is secured by way of (i) 100% Guaranteed by National Credit Guarantee Trustee Company Ltd (NCGTC) (ii) Second Charge by way of hypothecation on entire current assets inclusive of stock and book debts, both present and future, and (iii) Second Charge by way of hypothecation on entire moveable fixed assets both present and future (except those charged excl. to other banks/financial institutions.)
- Vehicle loan from HDFC bank has been taken in the year 2016-17, secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.36% p.a. The loan is repayable in 60 equal monthly instalments beginning from May 2016.
- Vehicle loan from M/s. Daimler Financial Services has been taken in the year 2019-20, secured by way of hypothecation of respective vehicle in favour of the Lender. It carries interest rate of 10.75% p.a. The loan is repayable in 48 equal monthly instalments beginning from Oct'2019 and at the time of payment of 48th EMI entire remaining balance of Rs. 2.44 million will be paid to the lender.
- The Company had taken a loan of ₹ 30 million from the Holding Company during the year ended 31 March 2018. This loan was convertible at the option of the holding company after 1 year and if not converted on or after 3 years, the same was repayable by the company on completion of 3 years and ₹ 5 millions was repaid in same year. The company has additionally taken loan of ₹ 125 million during year ended 31 March 2020. In year 2020-21 company has further availed loan of ₹ 25 million and has converted loan of ₹ 50 million (including accrued interest thereon) into 55,70,007 0.01% non cumulative compulsorily convertible preference shares (refer note 9) resulting into outstanding balance of ₹ 125 million as on 31 March 2021. During the year ended 31 March 2020, the holding company has changed interest rate equal to State Bank of India's 2 Year MCLR plus 250 Bps p.a. and the same was effective during year ended March 2021. (effective rate of interest 9.80% p.a. during year 2020-21)
- The Company has taken a loan of ₹ 77.50 millions from Chhaya Prakashani Limited, fellow subsidiary, during the year ended 31 March 2020 and carries interest rate equal to State Bank of India's 2 Year MCLR plus 250 Bps p.a. The facility will be convertible at the option of the company after 1 year and if not converted on or after 3 years, the loan shall be repaid by the company on completion of 3 years. During year ending 31 March 2021, the company has repaid loan of ₹ 5 million, balance ₹ 72.50 millions (including accrued interest thereon) converted into 80,69,982 0.01% non cumulative compulsorily convertible preference shares (refer note 9). Further, additional loan of ₹ 10 million has been taken during the year which carries interest rate equal to State Bank of India's 2 Year MCLR plus 250 Bps p.a. (effective rate of interest 9.78% p.a. during year 2020-21)



*[Handwritten signatures]*

11B. Current borrowings

	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Current maturity of long term borrowings</b>		
<b>Term Loan</b>		
Indian rupee loan from bank (RBL Bank) (secured) (refer 1 below)	2.50	10.00
Foreign Currency loan from bank (RBL Bank) (secured) (refer 2 below)	14.17	56.67
WCTL under ECLGS form Kotak Bank (secured) (refer sub note 1 of note 11A)	3.00	-
WCTL under ECLGS form RBL Bank (secured) (refer sub note 2 of note 11A)	5.87	-
Indian rupee loan from enterprise under same control (refer note 3 below)	43.70	-
<b>Vehicle Loan</b>		
Indian rupee loan from bank (secured) (refer sub note 3 & 4 of note 11A)	0.67	1.04
<b>Total Current maturity of Indian currency loan</b>	<b>69.91</b>	<b>67.71</b>
<b>Cash Credit</b>		
Indian rupee loan from bank (secured) (refer note 4A, 4B & 4C below)	128.26	179.31
<b>Total current borrowings</b>	<b>198.17</b>	<b>247.02</b>
Less: Amount presented under "other financial liabilities"	(69.91)	(67.71)
<b>Net current borrowings</b>	<b>128.26</b>	<b>179.31</b>
<b>Secured</b>	<b>128.26</b>	<b>179.31</b>
<b>Unsecured</b>	-	-

Notes:

- Company has taken term loan from RBL Bank Limited in financial year 2017-18 which carries interest at 10.20% p.a. (flexi) repayable in 12 quarterly instalments starting from May-2018. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over entire existing and future fixed asset of the Company, and (iii) Corporate Guarantee of S Chand And Company Limited. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhuwala. Due to COVID -19, Bank has allowed the moratorium period for the principal due for the quarter payable in the month of May-2020.
- Company has taken foreign currency term loan from RBL Bank Limited in financial year 2017-18 which carries interest at 9.75% p.a. repayable in 12 quarterly instalments starting from May-2018. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over the entire existing and future fixed asset of the Company, and (iii) Corporate Guarantee of S Chand And Company Limited. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhuwala. Interest is to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited. Due to COVID -19, Bank has allowed the moratorium period for the principal due for the quarter payable in the month of May-2020.
- The Company has taken a loan of ₹ 35 million from Nirja Publishers & Printers Private Limited, fellow subsidiary, during the year ended 31 March 2019. The facility will be convertible at the option of the company after 1 year and if not converted on or after 3 years, the loan shall be repaid by the company on completion of 3 years. The company has additionally taken loan of ₹ 5 million during year ended 31 March 2020. Balance outstanding as on 31 March 2020 was ₹ 40 million. During year ended 31 March 2021, the company has repaid loan of ₹ 15 million and availed additional loan of ₹ 18.70 million resulting into outstanding balance of ₹ 43.70 millions as on 31 March 2021. During the year ended 31 March 2020, the lender company has changed interest rate equal to State Bank of India's 2 Year MCLR plus 250 Bps p.a. and the same was effective during year ended March 2021. (effective rate of interest 9.48% p.a. during year 2020-21)
- Cash Credit from HDFC bank under multiple banks arrangement with Kotak Bank and RBL Bank is carrying an interest rate of 10.23% p.a. (31 March 2020: 10.14% p.a.) repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current asset (ii) first pari passu charge on entire existing and future movable fixed assets of the company (iii) Corporate Guarantee by S Chand And Company Limited. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhuwala.
- Cash Credit/WCDL from RBL Bank is carrying an interest rate of 9.39 % p.a. (31 March 2020 : 9.83 % p.a.) repayable on demand. The loan is secured by way of (i) charge on entire existing and future current assets (ii) exclusive charges over the entire existing and future fixed asset of the Company (iii) Corporate Guarantee by S Chand And Company Limited. (iv) Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhuwala.
- Cash Credit from Kotak bank under multiple banks arrangement with HDFC Bank and RBL Bank is carrying an effective interest rate of 14.75% p.a. (31 March 2019 : 9.98% p.a.) was fully repaid during the year.

12. Trade payables

	(₹ in millions)	
Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Trade payables of micro enterprises and small enterprises (refer note 34)	28.25	22.14
Trade payables of related entities (refer note 33b)	227.37	263.38
Trade payables other than micro enterprises and small enterprises	152.81	212.03
<b>Total trade payables</b>	<b>408.43</b>	<b>497.55</b>
<b>Current</b>	<b>408.43</b>	<b>497.55</b>
<b>Non-Current</b>		



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13. Other financial liabilities

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Current maturity of long term borrowings (refer note 11B above)	69.91	67.71
Interest accrued on current borrowings	0.79	11.97
Employee related payables	21.49	21.49
Lease Liability- Current (refer note-32)	14.60	25.04
Lease Liability- Non Current (refer note-32)	69.27	108.24
<b>Total other financial liabilities</b>	<b>176.06</b>	<b>234.45</b>
<b>Current</b>	<b>106.79</b>	<b>126.21</b>
<b>Non current</b>	<b>69.27</b>	<b>108.24</b>

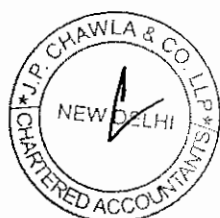
14. Provisions

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
Provision for gratuity (Non Current) (refer note 30)	0.24	5.58
Provision for leave encashment (Non-Current) (refer note-31)	0.32	-
Provision for leave encashment (Current) (refer note-31)	3.56	3.07
<b>Total Provisions</b>	<b>4.12</b>	<b>8.65</b>
<b>Current</b>	<b>3.56</b>	<b>3.07</b>
<b>Non current</b>	<b>0.56</b>	<b>5.58</b>

15. Other liabilities

Particulars	(₹ in millions)	
	As at 31 March 2021	As at 31 March 2020
<b>Other payables:</b>		
Statutory dues	7.74	10.75
Creditor for capital expenditure	-	0.68
Advance from customer	15.87	19.56
<b>Total Other liabilities</b>	<b>23.61</b>	<b>30.99</b>
<b>Current</b>	<b>23.61</b>	<b>30.99</b>
<b>Non current</b>	<b>-</b>	<b>-</b>

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16. Revenue from contract with customers

(₹ in millions)

Particulars	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>Sale of products</b>		
Finished goods	1,066.45	967.45
Less: Discount	(286.90)	(286.12)
	<u>779.55</u>	<u>681.33</u>
<b>Other operating revenue</b>		
Scrap sales	2.79	6.29
<b>Total revenue from operations</b>	<u>782.34</u>	<u>687.62</u>
India	781.88	683.02
Outside India	0.46	4.60
	<u>782.34</u>	<u>687.62</u>

**Timing of revenue recognition**

Particulars	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Goods transferred at a point in time	782.34	687.62
	<u>782.34</u>	<u>687.62</u>

The Company collects Goods and Service Tax (GST) on behalf of the Government and hence, GST is not included in revenue from contract with customers.

**Contract balances**

Particulars	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Trade receivables	600.61	658.79
Contract liabilities (advance from customer)	15.87	19.56

Trade receivables are non-interest bearing and are generally on terms of 150 days. For year ended March 2021 INR 12.53 million (March 2020: INR 26.23 million) was recognised as provision for expected credit losses on trade receivables.

**Right to return asset and refund liability**

Particulars	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>Refund liabilities</b>		
Arising from discounts	135.47	111.89
Arising from rights of return	301.98	336.79
	<u>437.45</u>	<u>448.68</u>

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

Particulars	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Revenue as per contracted price	1,479.57	1,432.70
<b>Adjustments</b>		
Sales return	410.33	458.96
Discount	286.90	286.12
	<u>782.34</u>	<u>687.62</u>

**Performance obligation**

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

**Manufactured goods**

The performance obligation is satisfied upon delivery of the goods to the transporter designated by the customer or to the customer whichever is earlier.

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



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17. Other income (₹ in millions)

Particulars	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>17.1 Finance income</b>		
<b>Interest income on</b>		
- Bank deposits	0.14	0.05
- Others	0.96	0.36
Unwinding of interest on security deposit	1.16	1.27
<b>Total finance income</b>	<b>2.26</b>	<b>1.68</b>
<b>17.2 Other income</b>		
Foreign exchange differences (net)	1.85	-
Miscellaneous income	10.41	8.86
Amount written back	5.45	4.90
<b>Total other income</b>	<b>17.71</b>	<b>13.76</b>
<b>Grand Total</b>	<b>19.97</b>	<b>15.44</b>

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18. Cost of published goods/raw material consumed

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Inventories at the beginning of the year	74.00	35.12
Add : Purchases of published books	145.62	135.07
Add : Purchases of paper	72.50	164.16
Add : Purchases of CD	-	0.34
	<b>292.12</b>	<b>334.69</b>
Less : Inventories at the end of the year	(41.22)	(74.00)
<b>Cost of published goods/material consumed</b>	<b>250.90</b>	<b>260.69</b>
<b>Details of raw material purchased</b>		
Paper	72.50	164.16
Books	145.62	135.07
CD	-	0.34
	<b>218.12</b>	<b>299.57</b>

19. Purchase of traded books

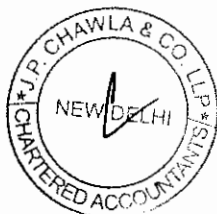
Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Traded books	-	0.10
	-	<b>0.10</b>

20. (Increase)/Decrease in Inventories

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>Inventories at the end of the year</b>		
Finished goods	216.04	294.41
	<b>216.04</b>	<b>294.41</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	294.41	415.66
	<b>294.41</b>	<b>415.66</b>
<b>(Increase)/decrease in inventories</b>	<b>78.37</b>	<b>121.25</b>

**Details of Inventories**

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>Finished goods</b>		
<b>- Manufactured goods</b>		
Books	216.04	294.41
	<b>216.04</b>	<b>294.41</b>



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21. Publication expenses

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Printing, binding and processing charges	14.92	10.78
Royalty expenses	38.71	27.46
Freight and cartage expenses	1.41	7.74
<b>Total publication expenses</b>	<b>55.04</b>	<b>45.98</b>

22. Employee benefit expenses

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Salaries, wages and bonus	166.56	206.05
Contribution to provident and other funds	12.11	15.50
Gratuity expense (refer note 30)	4.30	4.70
Staff welfare expenses	2.09	4.32
<b>Total employee benefit expenses</b>	<b>185.06</b>	<b>230.57</b>

23. Selling and distribution expenses

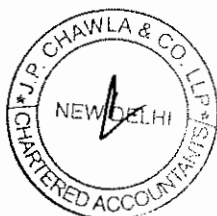
Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Advertisement, publicity and exhibition	9.58	25.75
Travelling and conveyance	18.29	36.84
Freight and distribution	18.90	21.11
Packing expenses	2.19	5.88
Vehicle running and maintenance	2.49	1.84
<b>Total selling and distribution expenses</b>	<b>51.45</b>	<b>91.42</b>

24. Finance cost

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Interest		
- On borrowings	48.73	50.28
- On lease liability	10.12	14.42
- On other liabilities	3.13	3.81
Bank charges	0.29	0.08
Processing fees - bank loan	1.16	1.24
<b>Total finance cost</b>	<b>63.43</b>	<b>69.83</b>

25. Depreciation and amortisation expenses

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Depreciation of property, plant & equipment (refer note 3)	6.74	6.90
Depreciation of right to use asset (refer note 4B)	26.80	30.70
Amortisation of intangible assets (refer note 4A)	25.55	36.64
<b>Total depreciation and amortisation expenses</b>	<b>59.09</b>	<b>74.24</b>



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26. Other expenses

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Communication cost	2.30	2.98
Rent (refer note 32)	4.46	6.19
Rates and taxes	1.98	1.18
Insurance	1.86	4.74
Repair and maintenance -		
-Buildings	0.79	0.92
-Other	3.80	3.59
Printing and stationery	1.09	1.45
Postage	4.74	8.17
Legal and professional fee	12.52	13.23
Shared services cost (refer note 46)	14.79	20.20
Payment to auditor (refer note below)	1.49	2.98
Water and electricity charges	3.55	4.67
Office expenses	29.65	24.49
Security expenses	1.32	3.22
Membership and subscription	0.17	0.20
Website design charges	-	0.06
Donation	0.99	1.42
Loss on sale of property, plant and equipment (net)	0.06	0.15
Assets written off	-	0.32
Bad debt written off	0.46	2.19
Provision for bad & doubtful debts	12.53	26.23
Provision for advances	-	0.03
Misc. Balance Written Off	2.77	0.37
Miscellaneous expenses	0.16	0.47
<b>Total other expenses</b>	<b>101.48</b>	<b>129.45</b>

Payment to auditor

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>As auditor</b>		
Audit fee	0.50	1.80
Limited review fees	0.70	0.90
<b>In other capacity</b>		
Others	0.29	0.28
	<b>1.49</b>	<b>2.98</b>

26A. Exceptional Items

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
<b>Exceptional Items</b>		
COVID-19 Impact on Stock (refer note-a below)	-	(27.00)
	-	<b>(27.00)</b>

a) During the quarter and year-ended March 31, 2020, due to COVID 19, the Company had performed a detailed assessment of its existing inventory and as a result, the Company had further reduced the valuation of certain titles to their current realizable value and recorded additional provision of Rs 27.00 Mn as exceptional cost.

27. Components of Other Comprehensive Income (OCI)

(₹ in millions)

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

Particulars	(₹ in millions)	
	For the Year Ended 31 Mar'2021	For the Year Ended 31 Mar'2020
Re-measurement gains/(losses) on defined benefit plans	4.73	(1.90)
Tax impact on re-measurement gains/(losses) on defined benefit plans	-	-
	<b>4.73</b>	<b>(1.90)</b>



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**28. Earnings per share**

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

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

Particulars	(₹ in millions)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity holder of the company for computing basic EPS	(42.51)	(524.61)
	<u>(42.51)</u>	<u>(524.61)</u>
Profit attributable to equity holder of the company for computing diluted EPS		
Net profit as above	(42.51)	(524.61)
Add: Interest on debentures (net of tax)	-	-
	<u>(42.51)</u>	<u>(524.61)</u>
Weighted average number of equity shares used for computing -		
- Basic EPS	27,236	27,236
- Diluted EPS*	2,51,455	27,236
Basic EPS	(1,561)	(19,261)
Diluted EPS	(169)	(19,261)

\*Company has issued 1,36,39,989 CCPS on March 26, 2021 which have dilutive potential.

**29a. Income taxes**

(₹ in millions)

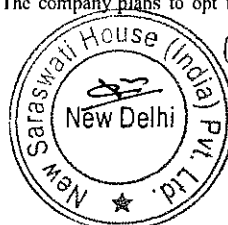
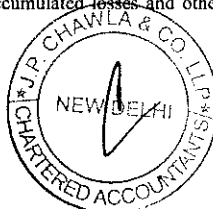
Particulars	(₹ in millions)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income tax charged to statement of profit and loss</b>		
Current income tax charge	-	-
Adjustment of taxes for earlier years	-	0.68
Deferred tax charge	-	176.46
<b>Income tax expense reported in the statement of profit or loss</b>	<u>-</u>	<u>177.14</u>
<b>OCI section</b>		
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Deferred tax related to items recognised in OCI during the year</b>		
Net loss/(gain) on remeasurement of defined benefit plan	-	-
<b>Income tax charged to OCI</b>	<u>-</u>	<u>-</u>

**29b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2021 and 31 March 2020:**

(₹ in millions)

Particulars	(₹ in millions)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	(42.51)	(347.47)
At India's statutory income tax rate of 29.12%	(12.38)	(101.18)
Deductible expenses for tax purpose	(21.41)	(0.64)
Incomes not chargeable to tax	(2.80)	-
Non-deductible expenses for tax purposes	25.63	0.60
Non recognition of deferred tax assets on current year losses	10.96	101.22
De-recognition of opening deferred tax assets	-	177.14
<b>At the effective income tax rate</b>	<u>(0.00)</u>	<u>177.14</u>
<b>At the effective income tax rate</b>	<u>(0.00)</u>	<u>177.14</u>
Effective tax rate	0%	-51%

The company continues to pay income tax under older tax regime and have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019 considering the accumulated losses and other benefits under the Income Tax Act, 1961. The company plans to opt for lower tax regime once these benefits are utilised.



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**30. Defined benefit plans: Gratuity**

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five year 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 millions. 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:**

Particulars	₹ in millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	3.93	4.42
Interest cost on defined obligation	1.22	1.32
Interest income on plan asset	(0.85)	(1.04)
	<b>4.30</b>	<b>4.70</b>

**Amount recognised in Other Comprehensive Income:**

Particulars	₹ in millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gains) / losses on obligation	(1.98)	0.38
Actuarial gains / (losses) on assets	(2.75)	1.52
	<b>(4.73)</b>	<b>1.90</b>

**Balance sheet**

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

Particulars	₹ in millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	18.14	17.49
Current service cost	3.93	4.42
Interest cost	1.22	1.32
Benefits paid	(1.61)	(5.47)
Actuarial (gains) / losses on obligation	(1.98)	0.38
Closing defined benefit obligation	<b>19.70</b>	<b>18.14</b>
Current Portion	-	-
Non - Current Portion	<b>19.70</b>	<b>18.14</b>

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

Particulars	₹ in millions	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening fair value of plan assets	12.56	13.51
Expected return	0.85	1.04
Contributions by employer	4.90	5.00
Benefits paid	(1.61)	(5.47)
Actuarial gain/(loss)	2.75	(1.52)
Closing fair value of plan assets	<b>19.45</b>	<b>12.56</b>

The Company contributed Rs. 4.9 millions this year (31 March 2020: Rs. 5 millions)

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

Particulars	For the year ended	
	31 March 2021	31 March 2020
Investments with insurer	100%	100%

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

Particulars	For the year ended	
	31 March 2021	31 March 2020
Discount rate	6.94%	6.78%
Expected rate of return on assets	7.70%	6.78%
Expected rate of salary increase	6.00%	6.00%
Retirement Age (In year)	60 year	60 year
Employee turnover :-		
- Age upto 30 year :	3.00%	3.00%
- Age 31 - 44 year :	2.00%	2.00%
- Age above 45 year :	1.00%	1.00%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor, 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.



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

Particulars	Change in assumptions	As at	
		31 March 2021	31 March 2020
Discount rate	+ 1%	(17.33)	(15.87)
	- 1%	22.56	20.88
Expected rate of salary increase	+ 1%	22.44	20.72
	- 1%	(17.30)	(15.89)

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

The following payments are expected contributions to the defined benefit plan in future year:

Particulars	As at	
	31 March 2021	31 March 2020
Year 1	0.37	0.36
Year 2	0.50	0.36
Year 3	0.62	0.63
Year 4	0.70	0.58
Year 5	3.41	0.69
Year 6 to 10	4.87	6.82
Above 10 Years	48.34	-

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.70 year (31 March 2020: 18.18 year).

### 31. Defined benefit plans: Leave Encashment

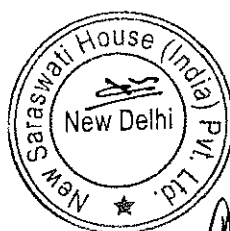
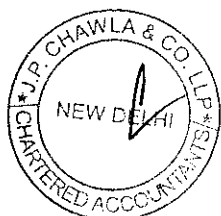
#### A. Leave Encashment for Sick Leaves

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules.

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

The following table sets out for the status of leave encashment plan:

Particulars	As at		
	31 March 2021	31 March 2020	
Present value of Defined Benefit Obligation	1.46	1.30	
Discount Rate at Year - end	6.94%	6.78%	
<b>Financial Assumptions</b>			
Discount Rate	6.94%	6.78%	
Salary Increase Rate	6.00%	6.00%	
<b>Demographic Assumptions</b>			
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	
Withdrawal Rate	Upto 30 years - 3% 31 - 44 years - 2% 45 years and above -1%	Upto 30 years - 3% 31 - 44 years - 2% 45 years and above -1%	
Retirement age	60 years	60 years	
Leave Availment (%)	1.00%	1.00%	
<b>Expected Future Cashflows</b>			
Year 1	0.12	0.10	
Year 2	0.12	0.11	
Year 3	0.13	0.11	
Year 4	0.13	0.11	
Year 5	0.13	0.12	
Year 6 to 10	0.61	0.54	
Above 10 Years	1.73	-	
	<b>2.97</b>	<b>1.09</b>	
<b>Sensitivity Analysis</b>			
<b>Particulars</b>	<b>Change in assumptions</b>	<b>As at</b>	<b>As at</b>
Discount Rate	+ 1%	(1.35)	(1.19)
	- 1%	1.59	1.42
Expected rate of salary increase	+ 1%	1.59	1.40
	- 1%	(1.35)	(1.19)



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**B. Leave Encashment for Paid Leaves**

In respect of leave encashment benefit, accrual is made on the basis of a year-end actuarial valuation in pursuance of the Company's leave rules. The Company has provided for leave benefits based on the actuarial valuation done as per Project Unit Credit Method. The following table sets out for the status of leave encashment plan:

		(₹ in millions)	
Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of Defined Benefit Obligation		2.41	1.76
Discount Rate at Year - end		6.94%	6.78%
<b>Financial Assumptions</b>			
Discount Rate		6.94%	6.78%
Salary Increase Rate		6.00%	6.00%
<b>Demographic Assumptions</b>			
Mortality Rate		IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Withdrawal Rate		Upto 30 years - 3% 31 - 44 years - 2% 45 years and above -1%	Upto 30 years - 3% 31 - 44 years - 2% 45 years and above -1%
Retirement age		60 years	60 years
Leave Availment (%)		1.00%	1.00%
<b>Expected Future Cashflows</b>			
Year 1		0.21	0.04
Year 2		0.21	0.04
Year 3		0.22	0.04
Year 4		0.22	0.04
Year 5		0.22	0.07
Year 6 to 10		1.01	0.73
Above 10 Years		2.77	-
		<b>4.86</b>	<b>0.96</b>
<b>Sensitivity Analysis</b>			
Particulars	Change in assumptions	As at 31 March 2021	As at 31 March 2020
Discount Rate	+ 1%	(2.23)	(1.54)
	- 1%	2.63	2.03
Expected rate of salary increase	+ 1%	2.63	2.03
	- 1%	(2.23)	(1.54)

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### 32. Leases

#### Company as lessee

The Company has adopted Ind AS 116 "Leases" from 1st April 2019, which resulted in changes in accounting policies in the financial statements.

#### Transition

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.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 151.42 million (after adjustment of ₹ 6.80 million against lease equalisation reserve) with a corresponding lease liability of ₹ 158.22 million. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

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

#### Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period: (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
As at 01 April	119.22	-
Additions	30.05	151.42
Deletion	(39.71)	-
Adjustment of opening RER provisions	-	-
Remeasurement impact	(8.06)	(1.50)
Depreciation expense	(26.80)	(30.70)
<b>As at 31 March</b>	<b>74.70</b>	<b>119.22</b>

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

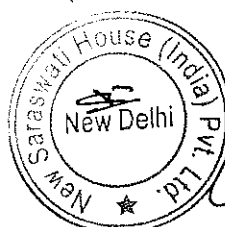
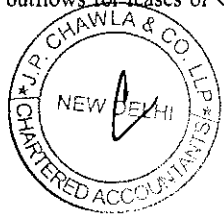
	For the year ended 31 March 2021	For the year ended 31 March 2020
As at 01 April	133.28	-
Additions	30.05	158.22
Deletion	(44.21)	-
Accretion of interest	10.12	14.42
Remeasurement impact	(9.62)	(1.54)
Payments (excluding saving due to COVID-19 of ₹ 2.42 million)	(35.75)	(37.82)
<b>As at 31 March</b>	<b>83.87</b>	<b>133.28</b>
<b>Current</b>	<b>14.60</b>	<b>25.04</b>
<b>Non-current</b>	<b>69.27</b>	<b>108.24</b>

\* The effective interest rate for lease liabilities is 10%, with maturity between 2021-2026

#### The following are the amounts recognised in profit or loss: (₹ in millions)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation expense of right-of-use assets	26.80	30.70
Interest expense on lease liabilities	10.12	14.42
Expense relating to short-term leases (included in other expenses)	4.46	6.19
Remeasurement impact	(1.56)	(0.04)
(Gain)/Loss on premature termination of Lease Agreement	(4.48)	-
(Gain)/Loss on lease rental waiver due to COVID-19*	(2.42)	-
<b>Total amount recognised in profit or loss</b>	<b>32.92</b>	<b>51.27</b>

The Company had total cash outflows for leases of ₹ 35.75 million in 31 March 2021 (31 March 2020: ₹ 37.82). The Company also had non-cash



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additions to right-of-use assets of ₹ 30.05 million and lease liabilities of ₹ 30.05 million, corresponding deletion was of ₹ 39.71 million and ₹ 44.21 million respectively in 31 March 2021.

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.

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 ₹ 4.46 million for the year ended 31 March 2021 (FY 2019-20 was ₹ 6.19 million).

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

\*Due to amendment in Ind-AS 116, Leases (COVID-19 Related Rent Concessions), company has recorded gain of ₹ 2.42 million in other income.

### 33. Related party disclosure

#### a. Names of related parties and related party relationship

##### Related parties where control exists

Holding Company	S Chand And Company Limited
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##### Related parties with whom transactions have taken place during the year

Enterprises under same control	S Chand And Company Limited
	Nirja Publishers & Printers Private Limited
	Vikas Publishing House Private Limited
	Safari Digital Education Initiatives Private Limited
	DS Digital Private Limited
	BPI (India) Private Limited
	S. Chand Edutech Private Limited
Chhaya Prakashani Limited	

Enterprise over which KMP or their relatives exercise significant influence	SC Hotel Tourist Deluxe Private Limited
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Key management personnel	Dinesh Kumar Jhunjhnuwala, Director
	Himanshu Gupta, Director
	Ankita Gupta, Director
	Rajagopalan Chandrashekar, Independent Director
	Shammi Manik, CEO (w.e.f. 11 February 2020)
	Narander Kumar, Chief Financial Officer (w.e.f. 11 February 2020)

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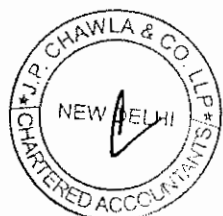


b) Related party transactions

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

(₹ in millions)

Particular	Year ended	Holding company	Enterprise under same control	Enterprise over which Key Management Personnel exercise significant influence	Key managerial personnel	Relative of key managerial personnel	Total
<b>Sale of books</b>							
Safari Digital Education Initiatives Private Limited	31 March 2021	-	0.66	-	-	-	0.66
	31 March 2020	-	0.33	-	-	-	0.33
DS Digital Private Limited	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	5.97	-	-	-	5.97
BPI (India) Private Limited	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	0.03	-	-	-	0.03
<b>Sale of paper</b>							
S Chand And Company Limited	31 March 2021	8.23	-	-	-	-	8.23
	31 March 2020	-	-	-	-	-	-
Vikas publishing House Private Limited	31 March 2021	-	0.82	-	-	-	0.82
	31 March 2020	-	-	-	-	-	-
<b>Miscellaneous Income</b>							
S. Chand Edutech Private Limited	31 March 2021	-	0.03	-	-	-	0.03
	31 March 2020	-	2.42	-	-	-	2.42
<b>Purchase of books/Paper</b>							
Vikas publishing House Private Limited	31 March 2021	-	0.29	-	-	-	0.29
	31 March 2020	-	0.88	-	-	-	0.88
<b>Job Work- Binding &amp; Printing</b>							
S Chand And Company Limited	31 March 2021	19.38	-	-	-	-	19.38
	31 March 2020	20.65	-	-	-	-	20.65
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	0.52	-	-	-	0.52
Vikas publishing House Private Limited	31 March 2021	-	33.45	-	-	-	33.45
	31 March 2020	-	56.75	-	-	-	56.75
<b>Staff welfare expenses</b>							
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	-	0.10	-	-	0.10
<b>Tour &amp; Travel Expenses</b>							
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	0.06	-	-	0.06
	31 March 2020	-	-	0.14	-	-	0.14
<b>License Fee (OR Code)</b>							
Safari Digital Education Initiatives Private Limited	31 March 2021	-	2.35	-	-	-	2.35
	31 March 2020	-	3.68	-	-	-	3.68
<b>Legal and professional</b>							
Safari Digital Education Initiatives Private Limited	31 March 2021	-	8.91	-	-	-	8.91
	31 March 2020	-	7.79	-	-	-	7.79
S Chand And Company Limited	31 March 2021	14.79	-	-	-	-	14.79
	31 March 2020	20.20	-	-	-	-	20.20
<b>Royalty paid</b>							
BPI (India) Private Limited	31 March 2021	-	(0.00)	-	-	-	(0.00)
	31 March 2020	-	-	-	-	-	-
<b>Interest on Term Loan</b>							
S Chand And Company Limited	31 March 2021	15.29	-	-	-	-	15.29
	31 March 2020	4.75	-	-	-	-	4.75
Nirja Publishers & Printers Private Limited	31 March 2021	-	3.69	-	-	-	3.69
	31 March 2020	-	4.02	-	-	-	4.02
Chhaya Prakashani Limited	31 March 2021	-	7.27	-	-	-	7.27
	31 March 2020	-	3.94	-	-	-	3.94
<b>Rent expenses</b>							
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	9.39	-	-	9.39
	31 March 2020	-	-	10.10	-	-	10.10
Ankita Gupta	31 March 2021	-	-	-	0.45	-	0.45
	31 March 2020	-	-	-	0.48	-	0.48
<b>Other expenses paid (reimbursement)</b>							
S Chand And Company Limited	31 March 2021	0.62	-	-	-	-	0.62
	31 March 2020	0.85	-	-	-	-	0.85
Ankita Gupta	31 March 2021	-	-	-	0.97	-	0.97
	31 March 2020	-	-	-	0.64	-	0.64
<b>Fixed assets purchased</b>							
S Chand And Company Limited	31 March 2021	0.01	-	-	-	-	0.01
	31 March 2020	-	-	-	-	-	-
<b>Loan availed during the year</b>							
Nirja Publishers & Printers Private Limited	31 March 2021	-	18.70	-	-	-	18.70
	31 March 2020	-	5.00	-	-	-	5.00
S Chand And Company Limited	31 March 2021	40.00	-	-	-	-	40.00
	31 March 2020	125.00	-	-	-	-	125.00
Chhaya Prakashani Limited	31 March 2021	-	10.00	-	-	-	10.00
	31 March 2020	-	77.50	-	-	-	77.50
<b>Loan repaid during the year</b>							
Chhaya Prakashani Limited	31 March 2021	-	5.00	-	-	-	5.00
	31 March 2020	-	-	-	-	-	-
Nirja Publishers & Printers Private Limited	31 March 2021	-	15.00	-	-	-	15.00
	31 March 2020	-	-	-	-	-	-
S Chand And Company Limited	31 March 2021	15.00	-	-	-	-	15.00
	31 March 2020	-	-	-	-	-	-
<b>Conversion of Loan to Preference Shares</b>							
Chhaya Prakashani Limited	31 March 2021	-	72.50	-	-	-	72.50
	31 March 2020	-	-	-	-	-	-
S Chand And Company Limited	31 March 2021	50.00	-	-	-	-	50.00
	31 March 2020	-	-	-	-	-	-



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(₹ in millions)							
Particular	Year ended	Holding company	Enterprise under same control	Enterprise over which Key Management Personnel exercise significant influence	Key managerial personnel	Relative of key managerial personnel	Total
<b>Director remuneration*</b>							
Ankita Gupta	31 March 2021	-	-	-	2.10	-	2.10
	31 March 2020	-	-	-	4.69	-	4.69
<b>Director Sitting Fee</b>							
Rajopalan Chandrashekhar	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	-	-	0.03	-	0.03
<b>Remunration of KMP (full year)</b>							
Shammi Manik	31 March 2021	-	-	-	5.94	-	5.94
	31 March 2020	-	-	-	8.10	-	8.10
Narandra Kumar	31 March 2021	-	-	-	2.10	-	2.10
	31 March 2020	-	-	-	2.50	-	2.50

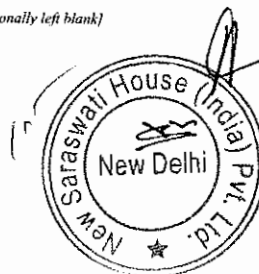
\*Including perquisites paid during the year for year ended Mar'31 2021.

(₹ in millions)							
Particular	Year ended	Holding company	Enterprise under same control	Enterprise over which Key Management Personnel exercise significant influence	Key managerial personnel	Relative of key managerial personnel	Total
<b>Outstanding balance as at the year end</b>							
<b>Trade payable</b>							
S Chand And Company Limited	31 March 2021	68.70	-	-	-	-	68.70
	31 March 2020	68.88	-	-	-	-	68.88
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	13.44	-	-	-	13.44
Vikas Publishing House Private Limited	31 March 2021	-	149.80	-	-	-	149.80
	31 March 2020	-	175.71	-	-	-	175.71
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	0.01	-	-	0.01
	31 March 2020	-	-	0.01	-	-	0.01
<b>Other liabilities - Creditor</b>							
Safari Digital Education Initiatives Private Limited	31 March 2021	-	8.86	-	-	-	8.86
	31 March 2020	-	5.35	-	-	-	5.35
Ankita Gupta	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	-	-	-	-	-
<b>Salary receivable</b>							
Ankita Gupta	31 March 2021	-	-	-	0.62	-	0.62
	31 March 2020	-	-	-	1.73	-	1.73
<b>Trade receivable</b>							
S. Chand Edutech Private Limited	31 March 2021	-	0.03	-	-	-	0.03
	31 March 2020	-	3.22	-	-	-	3.22
BPI (India) Private Limited	31 March 2021	-	0.03	-	-	-	0.03
	31 March 2020	-	-	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2021	-	0.04	-	-	-	0.04
	31 March 2020	-	0.56	-	-	-	0.56
DS Digital Private Limited	31 March 2021	-	5.35	-	-	-	5.35
	31 March 2020	-	5.35	-	-	-	5.35
<b>Loans &amp; advances to related parties</b>							
DS Digital Private Limited	31 March 2021	-	0.62	-	-	-	0.62
	31 March 2020	-	0.62	-	-	-	0.62
BPI (India) Private Limited	31 March 2021	-	0.09	-	-	-	0.09
	31 March 2020	-	0.12	-	-	-	0.12
<b>Loans &amp; advances to KMP</b>							
Shammi Manik	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	-	-	0.00	-	0.00
<b>Security deposit</b>							
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	4.20	-	-	4.20
	31 March 2020	-	-	4.20	-	-	4.20
Ankita Gupta	31 March 2021	-	-	-	0.19	-	0.19
	31 March 2020	-	-	-	0.19	-	0.19
<b>Short term loan</b>							
Nirja Publishers & Printers Private Limited	31 March 2021	-	43.70	-	-	-	43.70
	31 March 2020	-	40.00	-	-	-	40.00
Chhaya Prakashani Limited	31 March 2021	-	10.00	-	-	-	10.00
	31 March 2020	-	77.50	-	-	-	77.50
S Chand And Company Limited	31 March 2021	125.00	-	-	-	-	125.00
	31 March 2020	150.00	-	-	-	-	150.00
<b>Interest accrued but and due on borrowings</b>							
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-	-	-
	31 March 2020	-	3.97	-	-	-	3.97
Chhaya Prakashani Limited	31 March 2021	-	0.36	-	-	-	0.36
	31 March 2020	-	3.54	-	-	-	3.54
S Chand And Company Limited	31 March 2021	0.43	-	-	-	-	0.43
	31 March 2020	4.47	-	-	-	-	4.47
<b>Preference Shares</b>							
S Chand And Company Limited	31 March 2021	55.70	-	-	-	-	55.70
	31 March 2020	-	-	-	-	-	-
Chhaya Prakashani Limited	31 March 2021	-	80.70	-	-	-	80.70
	31 March 2020	-	-	-	-	-	-

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

Particulars	(₹ in millions)	
	For the year ended 31 March 2021	For the year ended 31 March
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	28.25	22.14
- Interest due on above	-	-
	28.25	22.14
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.	0.96	-
The amount of further interest remaining due and payable even in the succeeding year, 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	-	-

35. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2021 and 31 March 2020 are as under:

Particular	Foreign currency	Amount in foreign currency		(₹ in millions)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Trade Receivables	USD	22,553	22,528	1.65	1.70
Exchange Rate used per USD				73.17	75.33

36. Expenditure in foreign currency (accrual basis)

Particulars	(₹ in millions)	
	For the year ended 31 March 2021	ended 31 March 2020
Advertising and sales promotion	-	2.06
	-	2.06

37. Earnings in foreign currency

Particulars	(₹ in millions)	
	For the year ended 31 March 2021	ended 31 March 2020
Exports of F.O.B. Value	0.46	0.31
	0.46	0.31

38. Imported and indigenous raw materials consumed

Raw Materials	Percentage (%)		(₹ in millions)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Imported	0%	0%	-	-
Indigenous	100%	100%	72.50	164.16

39. Segment reporting

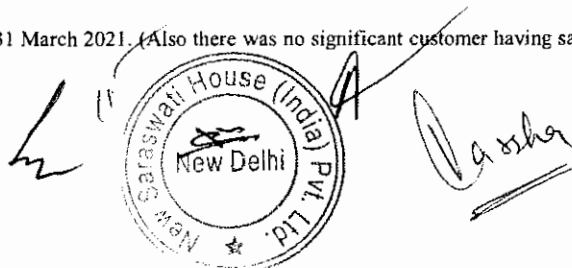
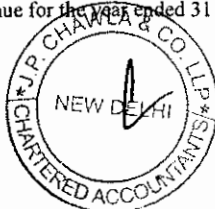
The Company has only one reportable business segment, which is publishing of books and operates in a single business segment based on the nature of the services, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

40. Corporate Social Responsibility (CSR)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount spent during the year	-	-

41. Significant Customer

The Company does not have any significant customer for the year ended 31 March 2021. (Also there was no significant customer having sales aggregating to 10% of total revenue for the year ended 31 March 2020)



**42. Financial Instruments:- Financial risk management objectives and policies**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade receivables, and cash and cash equivalents 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 shareholder's 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 Director 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 three types of risk:-

- a.) Interest rate risk,
- b.) currency risk and other price risk, such as equity price risk and
- c.) 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 2021 and 31 March 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021

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

**a. Interest rate risk.**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 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. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

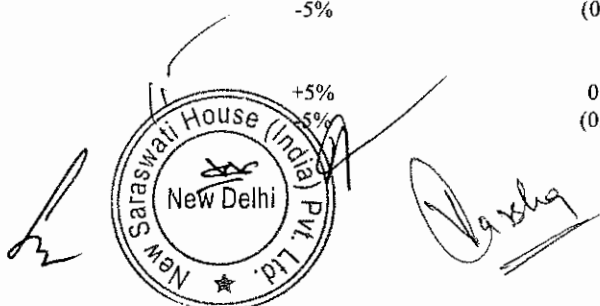
Particulars	Increase/decrease in basis points	Effect on profit before tax	(₹ in millions)
			Effect on equity (OCI)
<b>As at March 31, 2021</b>			
INR Borrowings	+0.5%	(2.00)	-
	-0.5%	2.00	-
<b>As at March 31, 2020</b>			
INR Borrowings	+0.5%	(2.59)	-
	-0.5%	2.59	-

**b. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The company does not hedge its foreign currency exposure, however the sensitivity analysis is given as below for the currencies, in which Company has foreign exposure:

Particulars	Changes in foreign currency rates	Effect on profit before tax	(₹ in millions)
			Effect on equity (OCI)
<b>For the year ended March 31, 2021</b>			
USD	+5%	0.08	-
	-5%	(0.08)	-
<b>For the year ended March 31, 2020</b>			
USD	+5%	0.08	-
	-5%	(0.08)	-



#### 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:

							(₹ in millions)
Age Bracket	Not Due	0 - 215 Days	216-365 Days	366 - 730 Days	More than 730 Days	Total	
As at 31 March 2020	424.30	29.66	115.28	69.17	20.38	658.79	
As at 31 March 2021	342.16	77.47	102.23	24.91	53.84	600.61	

#### C. Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The company's approach to managing liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitor its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

			(₹ in millions)	
	As at March 31, 2021	As at March 31, 2020		
<b>On Demand</b>				
- Borrowings	202.26	271.59		
	<b>202.26</b>	<b>271.59</b>		
<b>Less than 1 year</b>				
- Borrowings	128.26	179.31		
- Trade payables	408.42	497.55		
- Other financial liabilities	176.06	234.45		
	<b>712.74</b>	<b>911.31</b>		
<b>More than 1 year</b>				
- Other financial liabilities	-	-		
	-	-		

#### 43. 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 holder of the company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the company's capital management is to maximise the shareholder value.

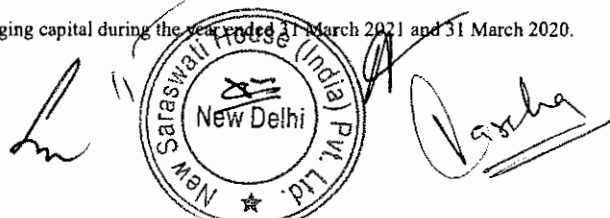
The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio less than 70%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity equity capital, share premium and all other reserves attributable to the equity holder of the Company, as applicable.

Company's adjusted net debt to equity ratio as at 31 March 2021 is as follow:

			(₹ in millions)	
Gearing Ratio	As at March 31, 2021	As at March 31, 2020		
Borrowings (Note 11A, 11B & 13) (including current maturities)	400.43	251.11		
Less: cash and cash equivalents (Note 5D)	(94.16)	(3.43)		
<b>Adjusted Net debt (A)</b>	<b>306.27</b>	<b>247.68</b>		
Equity	300.09	201.47		
<b>Total equity (B)</b>	<b>300.09</b>	<b>201.47</b>		
<b>Total equity and net debt [C = (A+B)]</b>	<b>606.36</b>	<b>449.15</b>		
<b>Gearing Ratio (A/C)</b>	50.51%	55.14%		

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021 and 31 March 2020.



44. 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 millions)

	March 31, 2021			March 31, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Assets</b>						
<b>Non Current Financial Assets</b>						
- Loans	3.84	-	-	3.38	-	-
- Other financial assets	0.10	-	-	0.10	-	-
<b>Current Financial assets</b>						
- Loans	12.73	-	-	20.28	-	-
<b>Liabilities</b>						
<b>Non Current Financial liabilities</b>						
- Borrowings	202.26	-	-	271.59	-	-
<b>Current Financial liabilities</b>						
- Borrowings	128.26	-	-	179.31	-	-
- Other financial liabilities	92.19	-	-	101.17	-	-

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.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021

(₹ in millions)

	Fair value measurement using		
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>			
Loans	-	-	16.56
Other financial assets	-	-	0.10
<b>Liabilities measured at fair value</b>			
Borrowings	-	-	330.51
Other financial liabilities	-	-	92.19

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020

(₹ in millions)

	Fair value measurement using		
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value</b>			
Loans	-	-	23.66
Other financial assets	-	-	0.10
<b>Liabilities measured at fair value</b>			
Borrowings	-	-	450.90
Other financial liabilities	-	-	101.17



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**45. Employee stock compensation**

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

**46.** The Holding Company renders various administrative and management services to its subsidiary companies to facilitate the day-to-day operations. Accordingly, the ultimate holding Company has charged INR 14.79 million (31 March 2020: INR 20.20 million) towards such services rendered during the year ended March 31, 2021.

**47. Impact of COVID -19**

The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity including India.

The company has adapted to challenges brought in by COVID-19 related pandemic in FY 2020-21 and has been able to improve its cash flow & inventory management. The company has also brought in efficiency such as by cutting manpower costs, bringing down cost of goods sold, lease costs and other overheads. Company has also been able to improve its collections and expects to recover carrying amount of all its financial assets and does not foresee down-sizing in operations in FY 2021-22 in comparison with FY 2020-21. 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.


There have been no material changes in the controls or processes followed in the financial statements closing process of the company. The company will continue to monitor any future changes to the business and financial statements due to COVID-19.

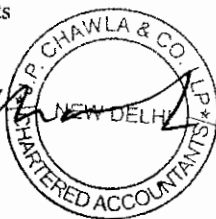
**48.** Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

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

**For J P Chawla & Co. LLP**


ICAI Firm Registration No. 001875N/N500025  
Chartered Accountants

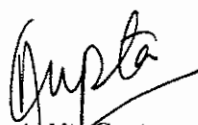
  
per Rajat Chawla  
Partner  
Membership No.: 510745



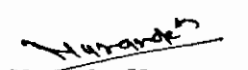
Place : New Delhi  
Date: June 16, 2021

**For and on behalf of the Board of Directors of  
New Saraswati House (India) Private Limited**

  
Himanshu Gupta  
Director  
DIN:00054015  
Place: New Delhi  
Date: June 16, 2021

  
Ankita Gupta  
Director  
DIN:00054090  
Place: New Delhi  
Date: June 16, 2021

  
Shammi Manik  
CEO  
Place: New Delhi  
Date: June 16, 2021

  
Narinder Kumar  
Chief Financial Officer  
Place: New Delhi  
Date: June 16, 2021

  
Varsha Maheshwari  
Company Secretary  
Place: New Delhi  
Date: June 16, 2021