S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand And Company Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of S Chand And Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

Basis for Qualified Opinion

As explained in the note 52 of the consolidated financial statement, due to travel restrictions and impracticability to travel on account of COVID-19 as at March 31, 2020 and due to significant business activities subsequent to year-end, the management could not perform physical count of inventory as at March 31, 2020 through to the date of approval of these financial statements. Accordingly, we were not able to observe the physical count of inventory, therefore, we were unable to verify the existence/condition of inventories of Rs. 337.77 million raw material, Rs. 1,573.97 million finished goods, Rs. 101.82 million traded goods to determine adjustments that may be required to be made in the value of inventory and consequential effect thereof to the financial statements as at March 31, 2020.

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

Emphasis of Matter - COVID-19

We draw attention to Note 52 to the consolidated financial statement for the year ended March 31, 2020, which describes the uncertainties and the impact of COVID 19 on i) Carrying value of receivables, inventory, Right to Use assets and Goodwill and ii) Company's ability to meet contractual obligations including debt repayments, as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

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Gurugram

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by usand by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Provisions for doubtful debts (As described in note 2.14 of the financial statements)	
The Company is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts aged greater than the credit terms extended to customers. The provisions for doubtful debts are determined through expected credit loss model under Ind AS 109 Financial Instruments. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. Therefore, it is determined to be a key audit matter. The company has further evaluated the historical data used for ECL computation based on their delay loss experience in terms of current observable data to reflect the possible effects from the pandemic related to COVID-19. However, the company has not come across any adjustment in the ECL computation. The Company's disclosures are included in Note 2.1 and Note 5D to the financial statements, which outlines the accounting policy for determining the allowance for doubtful debts and details of the period on period movement in gross and net trade receivables.	**In obtaining sufficient audit evidence over the carrying value of trade receivables, we:** ❖ Tested the ageing and subsequent receipts after year-end of trade receivables on sample basis; ❖ We assessed the Company's provisioning policy, which included assessing the calculation required under Ind AS 109. We assessed whether the time value of money was considered in the expected credit loss impairment model and checked the mathematical accuracy of the calculations. ❖ Considered the customers' historical payment trends and evaluated the credit risk profile of the customers on sample basis using external information available, including COVID 19 impact; ❖ We assessed the Company's disclosures in relation to trade receivables included in the financial statements.
Refund liabilities (as described in note 2.6 of the financial statements)	
The company is involved in publishing and distribution of educational books. Due to the nature of business, the company offers option to the	**Our audit procedures included the following:** ❖ We obtained management's calculations for

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customers to return unsold inventory. Significant amount of sales returns are received in the year subsequent to the year when books are sold. Discount comprises of Turnover. Cash & additional discount. Turnover discount is offered to the customers in the period subsequent to the reporting date based on parameters for a specified period. Cash Discount is offered based on the cash discount schemes applicable to certain months. Further, at the time of annual settlement, which may not coincide with the financial year, with respective debtors additional discounts are offered based on their negotiations agreed with respective customers. Provision for such sales returns & discounts are estimated, deducted from revenue and accounts receivable and termed as refund liabilities. Estimates of refund labilities are required to be made at the time of sale. When determining the appropriate allowance, management considers historical trends, present changes in policies for the academic season, as a basis for the estimate as well as all other known factors, which could significantly influence the level of future refund liabilities. Significant judgement is required in assessing the appropriate level of the provision for sales return & discounts. Measuring refund liabilities is a key audit matter as it requires significant estimates made by Management. Such judgements include management's expectation of refund liabilities and historical estimates of refund liabilities vis a vis the refund liabilities received during the year.	provision for refund liabilities (sales returns & discounts provision), recalculated the amounts for mathematical accuracy and evaluated the assumptions (including impact of COVID 19) used by reference to internal sources (i.e. management budgets and schemes offered to customers). ❖ We considered the accuracy of management's estimates in previous years by comparing historical provisions to the actual amounts to assess the management ability to accurately estimate their refund liabilities. ❖ We verified relevant approvals of actual sales returns & discount passed to customer as per authority matrix. Additionally, we tested discount passed on to customers on sample basis, by performing re-computation based on the terms and conditions executed with the customers. ❖ We tested the actual sales return & discounts passed to customers after the balance sheet date and upto 10 days prior to approval of financials to determine whether the revenue has been recognized in the appropriate period. ❖ We also assessed the disclosures in respect of refund liabilities arising from discounts included in the financial statements.
Deferred Tax assets (as described in note 2.7 of the financial statements)	
As on 31 March 2020, Deferred tax assets (before offset: INR 690.71 million) and deferred tax liabilities (before offset: INR 149.77 million) are recognized, on the one hand, for temporary differences which could lead to taxable or deductible amounts and, on the other hand, for future tax receivables resulting from the utilization of loss carryforwards. The recognition of deferred tax liabilities includes all taxable temporary differences, while deferred tax assets are only recorded to the extent it is probable that sufficient deferred tax liabilities or taxable profit will be available in the future against which the deductible temporary differences can be used. Management has recognized deferred tax asset on the unabsorbed losses basis the reasonable certainty that	**Our audit procedures included the following:** ❖ We analyzed the future projections of the company including impact of COVID 19 and assumption used as to when it would be certain that company would earn future taxable income. ❖ We assessed the sensitivity of the outcomes in the above scenario to reasonably possible changes in assumptions and evaluated the realizability of deferred tax asset as to when the company would earn future taxable profits. ❖ We obtained the management's calculation for the computation of deferred taxes and evaluated the calculation method used to determine the deferred tax assets. ❖ We further recalculated the amounts for

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there would be sufficient taxable profits in the future., however, in view of the COVID 19 impact, the realization of deferred tax may take more time than previously estimated. Since the recognition of deferred tax assets relies on the significant application of judgement by the management in respect of assessing the probability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences, therefore it is considered as key audit matter.	mathematical accuracy ❖ We also assessed the disclosures in respect of deferred tax included in the financial statements.

Other Information

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Annual 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 Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

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Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements.

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

a) Identify and assess the risks of material misstatement of the consolidated 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 Holding 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 ability of the Group and its associates 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 consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

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

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a) We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose Ind AS financial statements include total assets of Rs 3,846.53 million as at March 31, 2020, and total revenues of Rs 580.79 million and net cash outflows of Rs 63.37 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 4.03 million for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the report of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and except for the matters described in the Basis for Qualified Opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) Except for the matters described in the Basis for Qualified Opinion paragraph, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

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(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies, none of the directors of the Group's companies, its associates, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion and based on the consideration of report of other statutory auditors of the subsidiaries, and associates incorporated in India, we report that managerial remuneration of the directors for the year ended March 31, 2020 is in excess of the limits applicable under Section 197 of the Act, read with Schedule V thereto, by Rs 16.50 million. We are informed by the management that it will seek shareholder approval for excess remuneration by way of special resolution.

(a) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates , as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates in its consolidated Ind AS financial statements – Refer Note 40 to the consolidated Ind AS financial statements;

ii. The Group, its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates, incorporated in India during the year ended March 31, 2020.

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

per Sanjay **Bachchani**
Partner
Membership Number: 400419

UDIN: 20400419AAAADE9860

Place of Signature: Gurugram
Date: June 30, 2020

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF S CHAND AND COMPANY LIMITED

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

In conjunction with our audit of the consolidated financial statements of S Chand And Company Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of S Chand And Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal financial 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 (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

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

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

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting in case of its subsidiary companies, its associate companies, which are companies incorporated in India, the following material weakness(es) have been identified as at March 31, 2020:

a) As explained in the note 52, the Company, could not perform physical verification of inventory at the year end, due to which we are unable to comment on operative ineffectiveness of internal controls in relation to physical verification of inventory and reconciliation of physically inventory with the inventory records, which may potentially result in material misstatement of inventory values in the books of account.

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

In our opinion, except for the effects/possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria in respect of the Holding Company and subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on , "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to xx subsidiary companies, xx associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated June 26, 2020 expressed a qualified opinion.

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

per Sanjay Bachchani
Partner
Membership Number: 400419

UDIN: 20400419AAAADE9860

Place of Signature: Gurugram
Date: June 30, 2020

S Chand And Company Limited
Consolidated Balance Sheet as at 31 March 2020
CIN:L22219DL1970PLC005400

(₹ in millions)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	959.48	1,151.58
Capital work-in-progress		1.25	2.87
Goodwill	4A	3,383.36	3,373.12
Right to use assets	4B	623.09	-
Other intangible assets	4A	917.88	829.77
Intangible assets under development		24.65	107.25
Investment in associates	5A	183.51	187.54
Financial assets			
- Investments	5B	39.85	54.44
- Loans	5G	55.85	95.40
- Other financial assets	5F	14.06	12.73
Income tax assets (net)	8	204.75	155.52
Deferred tax assets (net)	9	540.94	592.82
Other non-current assets	7	96.23	131.66
Total non-current assets		7,044.90	6,694.70
Current assets			
Inventories	6	2,013.56	2,047.84
Financial assets			
- Investments	5C	167.02	215.58
- Loans	5G	59.67	66.72
- Trade receivables	5D	3,348.65	4,446.03
- Cash and cash equivalents	5E	98.10	603.96
- Other financial assets	5F	20.31	90.86
Income tax assets (net)	8	8.89	6.22
Other current assets	7	146.95	145.73
Total current assets		5,863.15	7,622.94
Total assets		12,908.05	14,317.64
Equity and liabilities			
Equity			
Equity share capital	10	174.88	174.88
Other equity			
- Retained earnings	11	1,518.85	2,638.90
- Other reserves	11	6,490.79	6,490.12
Equity attributable to equity holders of the parent		8,184.52	9,303.90
Non- controlling interests		28.48	29.08
Total equity		8,213.00	9,332.98
Non-current liabilities			
Financial liabilities			
- Borrowings	13A	608.17	727.27
- Trade payables	14	-	6.82
- Lease Liability	15A	365.92	-
- Other financial liabilities	15	-	8.05
Net employee defined benefit liabilities	17	68.49	51.65
Other non-current liabilities	18	0.79	7.41
Total non-current liabilities		1,043.37	801.20
Current liabilities			
Financial liabilities			
- Borrowings	13B	1,114.39	1,408.87
- Trade payables			
Trade payables of micro enterprises and small enterprises (refer note 35)	14	172.59	117.24
Trade payables other than micro enterprises and small enterprises	14	1,409.38	1,826.48
- Lease Liability	15A	125.93	-
- Other financial liabilities	15	640.35	589.72
Other provisions	16	33.74	36.59
Net employee defined benefit liabilities	17	8.32	8.51
Other current liabilities	18	146.48	196.05
Total current liabilities		3,651.68	4,183.46
Total equity and liabilities		12,908.05	14,317.64
Summary of significant accounting policies	2.1		

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

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

per Sanjay Bachchani
Partner
Membership No.: 400419

Place: Gurugram
Date: 30 June 2020

S.R. Batliboi & Associates LLP * Gurugram *

For and on behalf of the Board of Directors of
S Chand And Company Limited

Himanshu Gupta
Managing Director
DIN: 00054015
Place: New Delhi
Date: 30 June 2020

Dinesh Kumar Jhunjhunwala
Whole-time Director
DIN: 00282988
Place: New Delhi
Date: 30 June 2020

Saurabh Mittal
Chief Financial Officer
Place: New Delhi
Date: 30 June 2020

Jagdeep Singh
Company Secretary
Place: New Delhi
Date: 30 June 2020

S Chand And Company Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020
CIN:L22219DL1970PLC005400

(₹ in millions)

		Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
I	**Revenue**			
	Revenue from contract with customers	19	4,293.71	5,220.24
	Other income	20.1	84.27	92.88
	Finance income	20.2	10.11	23.31
	Total Revenue (I)		4,388.09	5,336.43
II	**Expenses**			
	Cost of published goods/material consumed	21	1,460.31	2,093.56
	Purchase of traded goods	22	88.53	153.65
	Publication expense	23	431.68	448.23
	Decrease/(Increase) in inventories of finished goods and work-in-progress	24	49.42	(440.02)
	Employee benefit expense	25	1,259.65	1,511.44
	Selling and distribution expense	26	592.29	884.34
	Finance cost	27	347.93	272.07
	Depreciation and amortization expense	28	407.69	237.32
	Other expenses	29	631.72	880.54
	Total expenses (II)		5,269.22	6,041.13
III	**Loss before exceptional item and share of loss of an associate (I-II)**		(881.13)	(704.70)
IV	Exceptional expense	29A	(101.67)	(233.39)
V	**Loss before share of loss of an associate (III-IV)**		(982.80)	(938.09)
VI	Share of loss in associates	34	(4.03)	(14.43)
VII	**Loss before tax (V - VI)**		(986.83)	(952.52)
VIII	**Tax expense:**			
(1)	Current tax		43.92	99.31
(2)	Income tax adjustment related to earlier year		30.35	0.39
(3)	Deferred tax (credit)/ charge		53.60	(383.02)
IX	**Loss for the year (VII-VIII)**		(1,114.65)	(669.20)
X	**Other Comprehensive Income**	30		
	Items that will not be reclassified to profit or loss			
	Re-measurement (losses)/ gains on defined benefit plans		(7.70)	34.66
	Income tax effect		1.69	(10.04)
XI	**Total Comprehensive Loss for the year (IX + X)**		(1,120.69)	(644.58)
XII	**Loss for the year**			
	Attributable to:			
	- Equity holders of the parent		(1,120.09)	(631.61)
	- Non- controlling interests		(0.60)	(12.97)
XIII	**Earnings per equity share (in ₹)**	31		
	Basic		(31.87)	(19.13)
	Diluted		(31.87)	(19.13)
	Summary of significant accounting policies	2.1		

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

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

per Sanjay Bachchani
Partner
Membership No.: 400419

Place: Gurugram
Date: 30 June 2020

For and on behalf of the Board of Directors of S Chand And Company Limited

Himanshu Gupta
Managing Director
DIN: 00054015
Place: New Delhi
Date: 30 June 2020

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Whole-time Director
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Place: New Delhi
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Saurabh Mittal
Chief Financial Officer
Place: New Delhi
Date: 30 June 2020

Jagdeep Singh
Company Secretary
Place: New Delhi
Date: 30 June 2020

S Chand And Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020
CIN:L22219DL1970PLC005400

		(₹ in millions)
	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Loss before tax	(986.83)	(952.52)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation and amortisation expenses	407.69	237.32
(Gain)/Loss on sale of property, plant & equipment (net)	(0.61)	3.30
Interest income	(10.11)	(23.31)
Net income on deemed disposal of associate	-	(20.41)
Miscellaneous amount written back	(40.59)	(19.14)
Net gain on sale of current investments	(15.56)	(18.88)
Share of loss in associate	4.03	14.43
Interest paid on borrowings	337.55	255.88
Foreign exchange difference	(1.48)	(3.75)
Employee stock option expense	0.67	2.10
Provision for slow moving titles	87.15	-
Provision for impairment on investment	14.51	-
Provision for expected credit loss	115.78	161.19
Bad debt written off	53.49	27.31
Operating loss before working capital changes	(34.31)	(336.48)
Movement in working capital:		
Increase in inventories	(52.87)	(485.60)
Decrease in trade receivable	928.11	1,677.80
Decrease/ (Increase) in loans and advances	46.60	(11.30)
Decrease/ (Increase) in other financial assets	89.87	(54.95)
Increase in provisions	8.96	17.61
Decrease in trade payable	(320.66)	(52.24)
(Increase)/Decrease in current liabilities	(52.00)	109.12
Cash generated from operations	613.70	863.96
Direct taxes paid	(129.31)	(477.72)
Net cash generated from operating activities (A)	484.39	386.24
B. Cash flows from investing activities		
Purchase of property, plant & equipment (including assets acquired on acquisition)	(280.69)	(476.84)
Acquisition of subsidiary, net of cash acquired	-	(642.00)
Purchase/(Sale) of non current investments (including investments acquired on acquisition)	0.08	(3.01)
Purchase in current investments	(124.65)	(177.79)
Proceed from sale of current investments	188.77	433.71
Proceed from sale of property, plant and equipment	21.70	11.22
Interest received	17.63	15.90
Net cash used in investing activities (B)	(177.16)	(838.81)
C. Cash flows from financing activities		
Interest paid on borrowings	(347.07)	(253.28)
Amortization of ancillary borrowing cost	6.44	(4.94)
Proceed from long term borrowings	30.23	863.27
Repayment of long term borrowings	(62.62)	(115.19)
Repayment of short term borrowings	(294.48)	(38.65)
Lease rental payment	(147.07)	-
Dividend paid on equity share	-	(52.46)
Tax on equity dividend paid	-	(10.78)
Net cash used in/ generated from financing activities (C)	(814.57)	387.97

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S.R. Batliboi & Associates LLP * Gurugram *

S Chand And Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2020
CIN:L22219DL1970PLC005400

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Net decrease in cash and cash equivalents (A+B+C)	(507.34)	(64.60)
Foreign exchange difference	1.48	3.75
Cash and cash equivalents at the beginning of the year	603.96	664.81
Cash and cash equivalents at the end of the year	98.10	603.96
Components of cash and cash equivalents		
Cash in hand	4.56	5.30
With Banks - On current accounts	54.73	321.08
Deposits with original maturity of less than 3 months	35.83	0.66
Cheques in hand	2.98	276.92
Total cash and cash equivalents (note 5E)	98.10	603.96

Non-cash investing and financing transaction
Acquisition of property, plant and equipment by means of a finance lease

(₹ in millions)

	As at 31 March 2019	Cash flows	Non cash changes	As at 31 March 2020
Long term borrowings (including current maturity)	1,070.32	(32.39)	-	1,037.93
Short term borrowings	1,408.87	(294.48)	-	1,114.39
	2,479.19	(326.87)	-	2,152.32

Summary of significant accounting policies 2.1

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

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

per Sanjay Bachchani
Partner
Membership No.: 400419

Place: Gurugram
Date: 30 June 2020

For and on behalf of the Board of Directors of S Chand And Company Limited

Himanshu Gupta
Managing Director
DIN: 00054015
Place: New Delhi
Date: 30 June 2020

Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988
Place: New Delhi
Date: 30 June 2020

Saurabh Mittal
Chief Financial Officer
Place: New Delhi
Date: 30 June 2020

Jagdeep Singh
Company Secretary
Place: New Delhi
Date: 30 June 2020

S Chand And Company Limited
Consolidated statement of changes in equity for the year ended 31 March 2020
CIN:L22219DL1970PLC005400

A. Equity share capital

Issued, subscribed and fully paid up	No. of shares	(₹ in millions)
At 31 March 2018	3,49,75,287	174.88
Issued during the year - IPO	-	-
Issued during the year - ESOPs	-	-
At 31 March 2019	3,49,75,287	174.88
Issued during the year - IPO	-	-
Issued during the year - ESOPs	-	-
At 31 March 2020	3,49,75,287	174.88

B. Other equity

(₹ in millions)

	Reserve & Surplus						Total	Non-Controlling Interests	Total Equity
	Retained earnings	Security premium	Debenture redemption reserve	Capital reserve	General reserve	ESOPs reserve			
As at 31 March 2018	3,333.75	6,606.35	390.00	(530.41)	14.19	7.89	9,821.77	42.05	9,863.82
Loss for the period	(656.17)	-	-	-	-	-	(656.17)	(13.02)	(669.19)
Other comprehensive income	24.56	-	-	-	-	-	24.56	0.06	24.62
Total comprehensive income	2,702.14	6,606.35	390.00	(530.41)	14.19	7.89	9,190.16	29.10	9,219.25
Share based payments	-	-	-	-	-	2.10	2.10	-	2.10
Transfer to/ from debenture redemption reserve	-	-	(390.00)	-	390.00	-	-	-	-
Final equity dividend	(52.46)	-	-	-	-	-	(52.46)	-	(52.46)
Dividend distribution tax	(10.78)	-	-	-	-	-	(10.78)	-	(10.78)
As at 31 March 2019	2,638.90	6,606.35	-	(530.41)	404.19	9.99	9,129.02	29.10	9,158.11
As at 31 March 2019	2,638.90	6,606.35	-	(530.41)	404.19	9.99	9,129.02	29.10	9,158.11
Loss for the period	(1,114.17)	-	-	-	-	-	(1,114.17)	(0.47)	(1,114.64)
Other comprehensive income	(5.88)	-	-	-	-	-	(5.88)	(0.13)	(6.01)
Total comprehensive income	1,518.85	6,606.35	-	(530.41)	404.19	9.99	8,008.97	28.50	8,037.46
Share based payments	-	-	-	-	-	0.67	0.67	-	0.67
As at 31 March 2020	1,518.85	6,606.35	-	(530.41)	404.19	10.66	8,009.64	28.50	8,038.13

Summary of significant accounting policies 2.1

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

As per our report of even date

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

per Sanjay Bachchani
Partner
Membership No.: 400419

Place: Gurugram
Date: 30 June 2020

S.R. Batliboi & Associates LLP * Gurugram *

For and on behalf of the Board of Directors of
S Chand And Company Limited

Himanshu Gupta
Managing Director
DIN: 00054015
Place: New Delhi
Date: 30 June 2020

Dinesh Kumar Jhunjhunwala
Whole-time Director
DIN: 00282988
Place: New Delhi
Date: 30 June 2020

Saurabh Mittal
Chief Financial Officer
Place: New Delhi
Date: 30 June 2020

Jagdeep Singh
Company Secretary
Place: New Delhi
Date: 30 June 2020

1. Corporate information

S Chand And Company Limited ('the company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The company has become a Public Limited Company w.e.f. 8th September 2016 and consequently the name of the company has changed from S Chand And Company Private Limited to S Chand And Company Limited. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at A-27, 2nd Floor, Mohan Cooperative Industrial Estate, New Delhi - 110044. These are consolidated financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Group.

The Group is principally engaged in publishing of educational books with products ranging from school books, higher academic books, competition and reference books, technical and professional books and children Books.

2. Significant accounting policies

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

The consolidated financial statements have been prepared on a historical cost convention, except for the following assets and liabilities which have been measured at fair value.

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

ii) Equity settled employee share-based payment plan

The consolidated financial statements are presented in INR and all values are rounded to the nearest Millions (INR), except when otherwise indicated.

2.1 Principles of consolidation

The consolidated financial statement relates to S Chand And Company Limited ('the Group'), its subsidiary companies collectively referred to as 'the Group' ('the Group Companies') and associate companies. The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-Group balances/ transactions and resulting profits in full. Unrealized profit / losses resulting from intra-Group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

ii. Investment in associates (entity over which the Group exercises significant influence, which is neither a subsidiary nor joint venture) are accounted for using the equity method as per Ind AS 28 (Investment in Associates and Joint ventures) in Consolidated Financial Statements. The Consolidated Financial Statement include the share of loss of associate companies, which are accounted under the 'Equity method' as per which the share of loss of the associate company has been adjusted to the carrying amount of investment. Further, for the purpose of consolidation, the proportionate share of loss of associates companies to the extent of investment in equity share has been considered.

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iii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate financial statements. Differences in accounting policies have been disclosed separately.

iv. The difference between the cost to the Group of investment in Subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date.

v. Minorities' interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company.

vi. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group i.e. period ended 31 March 2020.

Name of the Company	Country of Incorporation	Relationship as at 31 March 2020	Percentage of effective ownership interest held (directly or indirectly)	
			31 March 2020	31 March 2019
Nirja Publishers and Printers Private Limited	India	Subsidiary of S Chand And Company Limited	100%	100%
Eurasia Publishing House Private Limited	India	Subsidiary of S Chand And Company Limited	100%	100%
Blackie & Son (Calcutta) Private Limited	India	Subsidiary of S Chand And Company Limited	100%	100%
Vikas Publishing House Private Limited*	India	Subsidiary of S Chand And Company Limited	100%	100%
Safari Digital Education Initiatives Private Limited**	India	Subsidiary of S Chand And Company Limited	100%	100%
BPI (India) Private Limited	India	Subsidiary of Blackie & Son (Calcutta) Private Limited	51%	51%
S Chand Edutech Private Limited	India	Subsidiary of Safari Digital Education Initiatives Private Limited	100%	100%

D S Digital Private Limited***	India	Subsidiary of S Chand And Company Limited	99.93%	99.93%
New Saraswati House (India) Private Limited****	India	Subsidiary of S Chand And Company Limited	100%	100%
Chhaya Prakashani Private Limited*****	India	Subsidiary of S Chand And Company Limited	100%	100%
Indian Progressive Publishing Co. Private Limited	India	Wholly owned subsidiary of Chhaya Prakashani Private Limited	100%	100%
Edutor Technologies India Private Limited	India	Associate of Safari Digital Education Initiatives Private Limited	44.66%	44.66%
Smartivity Labs Private Limited	India	Associate of S Chand And Company Limited	19.70%	19.70%

* 2% held by Nirja Publishers and Printers Private Limited
** 40.08% held by Nirja Publishers and Printers Private Limited
*** 49% held by Safari Digital Education Initiatives Private Limited
**** 23.90% held by Vikas Publishing House Private Limited
***** 30.47% held by Eurasia Publishing House Private Limited

2.2 Business Combinations and Goodwill

a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share - based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

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- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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2.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

2.4 Foreign currencies

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

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

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

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

2.5 Fair value measurement

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

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S Chand and Company Limited

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

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

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

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

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

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

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

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

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

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

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

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

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

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

S.R. Batliboi & Associates LLP Gurugram

S Chand And Company Limited

i. Disclosures for valuation methods, significant estimates and assumptions (Note 2,22)
ii. Quantitative disclosures of fair value measurement hierarchy (Note 45)
iii. Investment in unquoted equity shares (Note 5A, 5B and 5C)
iv. Financial instruments (including those carried at amortised cost) (Note 43)
v. Equity Settled employee share based payment plan (Note 36)

2.6 Revenue recognition

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 Group expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognised.

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

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

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

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

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

- **Rights of return**

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

- **Volume rebates**

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

- **Cash rebates**

  The Group provides cash rebates to certain customers if customers make the payment within the stipulated time

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given in the contract. The provision for cash discount is made on estimated basis based on historical trends. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Interest income

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

Dividends

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

2.7 Income taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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:

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

2.8 Property, plant and equipment

Capital work in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation

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

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

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Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Plant and equipment	15 -25 years	15 years
Office Equipment	5 - 15 years	5 years
Furniture & fixture	10 years	10 years
Vehicle	8 - 10 years	8 years
Building (including factory building)	40 - 60 years	30 years
Electrical installation	10 years	10 years
Others – Computer	3 - 6 years	3 years

Leasehold improvements are amortised over economic useful life or unexpired period of lease whichever is less.

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

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

2.9 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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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.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and 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 during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually.

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

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (3 -10 years)	Amortized on straight line basis over the period of useful lives	Acquired
Goodwill on business combination	Indefinite	No amortization	Acquired
Copyrights	Finite (5 - 10 years)	Amortized on straight line basis over the period of copyright	Acquired
Content development	Finite (10 seasons)	Amortized on straight line basis over the period of content	Internally generated
Technical Know-how	Finite (3 - 6 years)	Amortized on straight line basis over the period of copyright	Acquired
License fees	Finite (5 years)	Amortized on straight line basis over the period of copyright	Acquired
Website development	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.11 Leases

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

Group as a lessee

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

Right-of-use assets

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

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

IND AS 116 adoption:

Effective 01 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method (alternative II). Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate with equal amount of right to use asset at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted

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Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating Leases are included in Fixed Assets. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.12 Inventories

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

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

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

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

2.13 Impairment of non–financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate 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.

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

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

2.14 Financial instruments

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

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from 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 Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

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

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

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

Equity instruments at FVTOCI

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Financial assets at fair value through profit or loss

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

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

De-recognition

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

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

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

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

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and 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 Group follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables, and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group has estimated provision of 11.46% is required to be made on outstanding receivables at the reporting date.

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:

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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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 Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

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

Financial guarantee contracts

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

De-recognition

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

Re-classification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases

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to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

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

2.15 Retirement and other employee benefits

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

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

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

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

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

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

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

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

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group 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.

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2.16 Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payments, whereby employer render services as consideration for equity instruments (equity-settled transactions).

Equity settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.17 Provisions

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

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2.18 Cash and cash equivalents

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

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

2.19 Earnings Per Share (EPS)

Basic Earnings Per Share is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity holders of the Group (after adjusting for interest on the convertible preference shares) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.20 Cash dividend

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

2.21 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.

2.22 Significant accounting judgements, estimates and assumptions

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

A. Judgement

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

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

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

For the lease contracts that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the

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commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate

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

Revenue from contracts with customers

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

Determining method to estimate variable consideration and assessing the constraint

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

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

B. Estimates and assumptions

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management

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considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

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

Further details about gratuity obligations are given in Note 35.

Provision for expected credit losses of trade receivables and contract assets

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience 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 5D.

Impairment of non-financial assets

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

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

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

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

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

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

Exceptional items

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Materiality

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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

2.23 New and amended standards

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

Several other amendments apply for the first time for the year ending 31 March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified

a. Ind AS 116

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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

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

The effect of adoption of Ind AS 116 is as follows:

As on transition date (01 April 2019):	**Amount in million**
Asset	
Right to use asset	594.19
Liability	
Lease liability	500.38

Impact on statement of Profit and Loss	March 31, 2020
Increase in depreciation expense	125.59
Increase in finance cost	50.46
Decrease in other expenses	(145.61)
Increase in loss	**30.44**

Impact on statement of cash flow	March 31, 2020
Payment of lease rentals	145.61
Net cash flow from operating activities	**145.61**
Payment of lease rentals	(145.61)
Net cash flow from financing activities	**(145.61)**

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

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

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

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

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

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

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

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

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

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

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

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and the discount rate used to remeasure that net defined benefit liability (asset).

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

3. Property, plant and equipment

(₹ in millions)

	Leasehold land	Building office	Building factory*	Plant & machinery	Furniture & fixtures	Vehicles**	Office equipments	Leasehold improvement	Electrical installations	Computers	Total
Gross block											
At 01 April 2018	65.25	13.91	204.92	542.85	68.93	109.79	70.95	24.87	15.86	189.44	1,306.77
Additions	98.70	13.99	-	24.78	6.80	13.27	4.02	0.18	-	32.18	193.92
Disposals	-	-	-	(5.37)	(4.44)	(10.51)	(0.05)	-	(0.70)	(1.99)	(23.06)
At 31 March 2019	163.95	27.90	204.92	562.26	71.29	112.55	74.92	25.05	15.16	219.63	1,477.63
Additions	-	42.55	-	13.00	2.26	10.24	5.88	1.20	0.07	6.30	81.50
Disposals	-	-	-	(3.20)	(4.16)	(14.66)	(4.74)	(3.61)	(0.32)	(8.18)	(38.87)
Adjustment - transfer to right to use asset	(163.95)	-	-	-	-	-	-	-	-	-	(163.95)
At 31 March 2020	-	70.45	204.92	572.06	69.39	108.13	76.06	22.64	14.91	217.75	1,356.31
Accumulated depreciation											
At 01 April 2018	2.28	0.84	13.65	70.04	19.96	23.01	25.96	7.93	5.36	64.06	233.09
Charge for the year	1.14	0.22	3.34	24.41	7.67	10.96	13.51	4.54	1.39	34.32	101.50
Disposals	-	-	-	(1.21)	(1.72)	(3.72)	(0.01)	-	(0.26)	(1.62)	(8.54)
At 31 March 2019	3.42	1.06	16.99	93.24	25.91	30.25	39.46	12.47	6.49	96.76	326.05
Charge for the year	-	1.15	3.35	25.08	6.72	10.20	11.26	4.04	1.34	34.88	98.02
Disposals	-	-	-	(1.13)	(2.45)	(6.46)	(3.39)	(3.20)	(0.15)	(7.04)	(23.82)
Adjustment - transfer to right to use asset	(3.42)	-	-	-	-	-	-	-	-	-	(3.42)
At 31 March 2020	-	2.21	20.34	117.19	30.18	33.99	47.33	13.31	7.68	124.60	396.83
Net block											
As at 31 March 2019	160.53	26.84	187.93	469.02	45.38	82.30	35.46	12.58	8.67	122.87	1,151.58
As at 31 March 2020	-	68.24	184.58	454.87	39.21	74.14	28.73	9.33	7.23	93.15	959.48

* Land and buildings at E-28, Sector 8, Noida with a carrying amount of ₹ 24.80 million (31 March 2019: ₹ 25.24 million) is subject to a first charge to secure Deutsche Bank term loan.
* Land and buildings at 20/4, Site - IV, Sahibabad Industrial Area, Sahibabad with a carrying amount of ₹ 232.75 million (31 March 2019: ₹ 237.01 million) is subject to a first charge to secure Tata Capital Financial Services Limited term loan.
**Vehicles under loan contracts at 31 March 2020 was ₹ 37.35 million (31 March 2019: ₹ 42.66 million). Additions during the year include ₹ 4.88 million (31 March 2019: ₹ 14.46 million) of property, plant and equipment. Loaned assets are pledged as security for the related loan.

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4A. Intangible assets and goodwill

(₹ in millions)

	Goodwill	Computer software	Trademark	Copy-right	Website	Technical knowhow	Content development	Mobile application	License fees	Total
Gross block										
At 01 April 2018	3,373.12	81.50	0.34	151.23	0.11	3.21	657.55	2.21	0.81	4,270.08
Purchase	-	3.37	0.14	0.14	0.17	-	262.47	0.32	-	266.61
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	**3,373.12**	**84.87**	**0.48**	**151.37**	**0.28**	**3.21**	**920.02**	**2.53**	**0.81**	**4,536.69**
Purchase	10.24	0.66	-	-	0.43	-	270.85	0.24	-	282.42
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	**3,383.36**	**85.53**	**0.48**	**151.37**	**0.71**	**3.21**	**1,190.87**	**2.77**	**0.81**	**4,819.11**
Accumulated amortization										
At 01 April 2018	-	37.55	0.07	42.05	0.04	1.20	120.65	0.08	0.81	202.45
Amortization for the year	-	11.36	0.08	21.42	0.03	0.63	97.32	0.51	-	131.35
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	**48.91**	**0.15**	**63.47**	**0.07**	**1.83**	**217.97**	**0.59**	**0.81**	**333.80**
Amortization for the year	-	11.00	0.08	19.76	0.04	0.63	152.01	0.55	-	184.07
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	-	**59.91**	**0.23**	**83.23**	**0.11**	**2.46**	**369.98**	**1.14**	**0.81**	**517.87**
Net block										
At 31 March 2019	**3,373.12**	**35.96**	**0.33**	**87.90**	**0.21**	**1.38**	**702.05**	**1.94**	-	**4,202.89**
At 31 March 2020	**3,383.36**	**25.62**	**0.25**	**68.14**	**0.60**	**0.75**	**820.89**	**1.63**	-	**4,301.24**

Impairment testing of goodwill

The Group performs test for goodwill impairment at least annually on March 31, or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. 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.

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4B. Right-of-use assets (refer note 37)

(₹ in millions)

	Right to use (Leasehold land)	Right to use (Leased premises)	Total
Gross block			
At 01 April 2019	-	-	-
Purchase	13.01	581.18	594.19
Disposals	-	(9.27)	(9.27)
Adjustment - transfer from tangible assets	163.95	-	163.95
At 31 March 2020	**176.96**	**571.91**	**748.87**
Accumulated amortization			
At 01 April 2019	-	-	-
Amortization for the year	2.94	122.65	125.59
Disposals	-	(3.23)	(3.23)
Adjustment - transfer from tangible assets	3.42	-	3.42
At 31 March 2020	**6.36**	**119.42**	**125.78**
Net block			
At 01 April 2019	-	-	-
At 31 March 2020	**170.60**	**452.49**	**623.09**

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5. **Financial assets**

(₹ in millions)

		31 March 2020	31 March 2019
5A. Investment in associates (refer note 34)			
Investment in unquoted Equity Shares			
50 (31 March 2019: 50) Equity Shares of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited		0.52	0.52
2,025,766 (31 March 2019: 2,025,766) Equity Shares of ₹ 2/- each fully paid up in Edutor Technologies India Private Limited		165.10	162.93
	(A)	165.62	163.45
Investment in unquoted Preference Shares			
5,414 (31 March 2019: 5,414) 0.001% compulsorily convertible cumulative shares of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited		17.89	24.09
	(B)	17.89	24.09
Total (A+B)		183.51	187.54

5B. Non-current investments

(₹ in millions)

		31 March 2020	31 March 2019
Investments valued at cost			
Investment in unquoted equity shares			
100 (31 March 2019: 100) Equity Shares of ₹. 10/- each of Gyankosh Solutions Private Limited		-	0.01
100 (31 March 2019: 100) Equity Shares of ₹ 10/- each of Testbook Edu Solutions Private Limited		0.83	0.83
	(A)	0.83	0.84

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5B. Non-current investments

(₹ in millions)

		31 March 2020	31 March 2019
Investment in unquoted preference shares			
319,900 (31 March 2019: 319,900) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Gyankosh Solutions Private Limited		12.08	24.15
2,690 (31 March 2019: 2,690) Compulsory Convertible Cumulative Preference Shares of ₹ 500/- each of Testbook Edu Solutions Private Limited		22.23	22.23
353 (31 March 2019: 353) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Next Door Learning Solutions Private Limited		2.43	4.87
	(B)	36.74	51.25
Investments at fair value through profit and loss			
Investments in Government and Trust securities (Unquoted)			
Investment in Tax Free Bonds of Power Finance Corporation		2.14	2.14
National Savings Certificates		0.03	0.03
	(C)	2.17	2.17
Investments in quoted equity shares			
500 (31 March 2019: 500) Equity Shares of ₹ 10 each fully paid up in State Bank of India		0.10	0.16
200 (31 March 2019: 200) Equity Shares of ₹ 10 each fully paid up in Oriental Bank of Commerce		0.01	0.02
	(D)	0.11	0.18
Total Non- Current Investments (A+B+C+D)		39.85	54.44
Aggregate book value of quoted investment		0.11	0.18
Aggregate market value of quoted investment		0.11	0.18
Aggregate book value of unquoted investment		39.74	54.26
Aggregate value of impairment in value of investments		14.52	-

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5C. Investments - Current

(₹ in millions)

	31 March 2020	31 March 2019
Investments valued at cost		
Investment in others		
Nil (31 March 2019: 512,500) redeemable shares of ₹ 10 each fully paid up in M/s Walldorf Integration Solutions Limited (refer note 49)	-	14.06
(A)	-	14.06
Investments at fair value through profit and loss		
Investments in quoted equity shares		
1,000 (31 March 2019: 1,000) Equity Shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited	0.04	0.15
400 (31 March 2019: 400) Equity Shares of ₹ 10 each fully paid up in M/s EIH Associated Hotel Limited	0.08	0.15
40 (31 March 2019: 40) Equity Shares of ₹ 10 each fully paid up in M/s Reliance Industries Limited	0.04	0.05
21,600 (31 March 2019: 21,600) Equity Shares of ₹ 10 each fully paid up in M/s Winsome Breweries Limited	0.06	0.09
500 (31 March 2019: 500) Equity Shares of ₹ 10 each fully paid up in State Bank of India	0.10	0.16
200 (31 March 2019: 200) Equity Shares of ₹ 10 each fully paid up in Oriental Bank of Commerce	0.01	0.02
42,564 (31 March 2019: 42,564) Equity Shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited	0.49	0.72
10,457 (31 March 2019: 10,457) Equity Shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited	-	0.01
100 (31 March 2019: 100) Equity Shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.01	0.04
100 (31 March 2019: 100) Equity Shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.01	0.04
(B)	0.84	1.43

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	31 March 2020	31 March 2019
		(₹ in millions)
Investments in mutual fund (quoted)		
12,67,918 (31 March 2019: 6,135,628 units) units of ₹10 each SBI Savings Fund - Regular Plan - Growth	39.30	177.60
44,629 (31 March 2019: Nil) units of ₹10 each of SBI Magnum Low Duration Fund - Regular - Growth	116.16	-
57,906 (31 March 2019: 57,906) units of Templeton India Corporate Bond Opportunities Growth Fund	1.08	1.13
95,388 (31 March 2019: Nil) units of Franklin India Ultra Short Bond Fund - Super Institutional Plan	2.62	-
94,511 (31 March 2019: 89,039) units in Principal Monthly Income Plan - Dividend Reinvestment	1.02	1.10
2,22,648 (31 March 2019 Nil) units of ICICI Prudential Mutual Fund	4.53	-
71,871.88 (31 March 2019: Nil) units in ICICI Prudential Ultra SD Fund	1.47	-
Nil (31 March 2019: 32,387) units in HDFC Liquid Fund - Regular Plan Growth option	-	20.26
(C)	166.18	200.09
Total current investments (A+B+C)	167.02	215.58
Aggregate book value of quoted investments	167.02	201.52
Aggregate market value of quoted investments	167.02	201.52
Aggregate book value of unquoted investments	-	14.06
Aggregate value of impairment in value of investments	-	-

5D. Trade receivables

	31 March 2020	31 March 2019
		(₹ in millions)
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3,348.65	4,446.03
Receivables which have significant increase in credit risk	433.52	365.33
Receivable credit impaired	-	-
	3,782.17	4,811.36
Less: Allowance for expected credit Loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivables which have significant increase in credit risk	433.52	365.33
Receivable credit impaired	-	-
	433.52	365.33
Net trade receivables		
Secured, considered good	-	-
Unsecured, considered good	3,348.65	4,446.03
Receivables which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	3,348.65	4,446.03

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Current	3,348.65	4,446.03
Non-Current		-

The movement in impairment of trade receivables as follow:

(₹ in millions)

	31 March 2020	31 March 2019
Opening balance	365.33	300.89
Additions	113.28	154.01
Write off (net of recovery)	(45.09)	(89.57)
Closing balance	433.52	365.33

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

5E. Cash and cash equivalents

(₹ in millions)

	31 March 2020	31 March 2019
Balances with banks		
- In current accounts	54.73	321.08
- Deposits with original maturity of less than three months	35.83	0.66
Cheques/ drafts in hand	2.98	276.92
Cash in hand	4.56	5.30
Total	98.10	603.96
Current	98.10	603.96
Non-Current	-	-

5F. Other financial assets

(₹ in millions)

	31 March 2020	31 March 2019
Margin money deposit		
- Deposits with remaining maturity for less than 12 months	7.22	85.27
- Deposits with remaining maturity for more than 12 months	9.76	5.68
Interest accrued but not due on fixed deposits (short term)	0.91	0.63
Interest accrued but not due on fixed deposits (long term)	1.96	2.17
Interest accrued (refer Note 49)	-	7.59
Advance to employees	4.62	2.16
Restricted cash	0.09	0.09
Margin money	0.11	-
Others	9.70	-
Total	34.37	103.59
Current	20.31	90.86
Non-current	14.06	12.73

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i. Margin money deposit with a carrying amount of ₹0.11 million (31 March 2019: ₹0.11 million) has been deposited with sales tax department.
ii. Margin money deposits with carrying amount of ₹0.05 million (31 March 2019: ₹0.05 million) is subject to Registration of UK VAT. Interest accrued on margin money deposit is ₹0.02 million (31 March 2019: ₹0.02 million).
iii. Margin money deposits with a carrying amount of ₹ 4.48 million (31 March 2019: ₹ 4.18 million) are subject to first charges to secure the company's bank guarantees.
iv. Margin money deposits with carrying amount of ₹ NIL (31 March 2019: ₹ 74.51) has been earmarked against the LC taken from Indusind Bank.
v. Margin money deposits with carrying amount of ₹ 0.63 million (31 March 2019: ₹ 0.59 million) is subject to Registration of UP VAT & DVAT.
vi. Margin money deposits amounting to ₹ 0.1 million (31 March 2019: ₹ 0.08 million) are under lien with banks towards bank guarantees issued by them.
vii. Restricted cash represent earmarked balance for unclaimed dividend payouts.

5G. Loans

(₹ in millions)

	31 March 2020	31 March 2019
Unsecured, considered good		
Security deposits- Current	21.06	9.83
Security deposits- Non- current	40.13	62.82
Loans- Non- current	2.00	32.58
Advances recoverable in cash or in kind- Current	38.61	54.98
Advances recoverable from related parties- Current	-	1.91
Advances recoverable from related parties- Non- Current	13.72	-
	115.52	162.12
Less: Allowance for expected credit loss	-	-
Total	115.52	162.12
Current	59.67	66.72
Non current	55.85	95.40
Break-up for security details		
Considered good - Secured	-	-
Considered good - Unsecured	115.52	162.12
Recoverable which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-

In Safari Digital Education Initiatives Private Limited, Company has given interest free loan of ₹ 37.3 millions to JSR Marketing Pvt. Ltd in earlier years. In the FY 2018-19, the borrower agreed to repay the amount in 5 years and accordingly loan was shown at fair value in financial statement of March 31, 2019. During the year under Audit Company recognised fair value gain (income) of ₹ 2.4 millions and expenses of ₹ 1.4 millions upto December 31, 2019 which has been reversed in January 2020 when Company acquired the digital business of JSR Marketing Pvt Ltd for consideration of ₹ 39.8 millions on the basis of a agreement entered between the parties. Valuation of business has not been done by approved valuer for taking over/acquiring the business. As per agreement, Company has acquired net assets of ₹ 29.6 millions [net of Intangible Assets (Content) of ₹ 30.2 millions and liabilities of ₹ 6 millions]. Excess consideration of ₹ 10.2 millions over the value of net assets acquired is recognised as Goodwill. Company has adjusted loan of ₹ 37.3 millions against the sale consideration. At the year end ₹ 2.5 millions is shown as payable to JSR Marketing Pvt Ltd.

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6. **Inventories**

(₹ in millions)

	31 March 2020	31 March 2019
Raw materials (at cost)	295.65	248.05
Raw materials others (at cost)	0.25	-
Stores and spares (at cost)	4.75	8.84
Printing material	25.39	-
Work in progress (at cost)	11.73	4.38
Finished goods (at lower of cost or net realisable value)		
- Manufactured goods	1,656.67	1,723.83
- Imported goods	4.45	0.38
- Traded goods	101.82	62.36
	2,100.71	2,047.84
Less: provision for slow moving stock	(87.15)	-
Total	2,013.56	2,047.84

7. **Other assets**

7A. **Capital advances**

(₹ in millions)

	31 March 2020	31 March 2019
Unsecured, considered good	1.08	1.00
Total	**1.08**	**1.00**

7B. **Other advances**

(₹ in millions)

	31 March 2020	31 March 2019
Unsecured, considered good	29.21	50.56
Total	29.21	50.56

7C. **Prepaid expenses**

(₹ in millions)

	31 March 2020	31 March 2019
Prepaid expenses - non-current	9.53	22.08
Prepaid expenses - current	48.47	49.08
Total	**58.00**	**71.16**

7D. **Balance with statutory / government authorities**

(₹ in millions)

	31 March 2020	31 March 2019
Unsecured, considered good*	45.26	38.96
Total	45.26	38.96

*In D S Digital Private Limited, Company has paid towards levy of penalty of ₹ 2.75 Million under UP VAT. The matter has been set asside by the Apellate Authority so amount is recoverable and Management is of view that amount will be received in FY 2020-21.

*₹ 3.25 million pretains to the amount indemnified by the sellers of Chhaya Prakshani Private Limted for tax demand against Chhaya Prakashani Private Limited.

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7E. Other assets

(₹ in millions)

	31 March 2020	31 March 2019
Income tax recoverable	36.46	37.13
MAT credit entitlement (Non current)	71.14	71.14
MAT credit entitlement (Current)	1.84	0.86
Ancillary cost of arranging borrowings (Non current)	-	5.20
Ancillary cost of arranging borrowings (Current)	0.14	1.38
Accrued income	0.05	-
Total	**109.63**	**115.71**
Grand total	**243.18**	**277.39**
Current	**146.95**	**145.73**
Non current	**96.23**	**131.66**

8. Income tax asset (net)

(₹ in millions)

	31 March 2020	31 March 2019
Advance income tax (net of provision for tax)	213.64	161.74
Total	**213.64**	**161.74**
Current	**8.89**	**6.22**
Non- current	**204.75**	**155.52**

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9 Income Tax

A. The major components of income tax expense for the year are:
Statement of profit and loss:

(₹ in millions)

Profit or loss section	31 March 2020	31 March 2019
Current income tax:		
Current income tax charge	43.92	99.31
Income tax adjustment related to earlier years	30.33	0.39
Deferred tax:		
Relating to origination and reversal of temporary differences	53.60	(383.02)
Income tax expense reported in the statement of profit or loss	**127.85**	**(283.32)**

OCI section	31 March 2020	31 March 2019
Deferred tax related to items recognised in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	1.69	(10.04)
Income tax charged to OCI	**1.69**	**(10.04)**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

(₹ in millions)

	31 March 2020	31 March 2019
Accounting profit before income tax	(986.83)	(952.52)
At India's statutory income tax rate of 29.12% (31 March 2019: 34.608%)	(287.36)	(329.65)
Adjustments:		
- Adjustments in respect of current income tax of previous years	30.33	0.39
- Non-deductible expenses for tax purposes	39.00	4.00
Permanent difference	21.00	33.00
Exempt income under section 80IC	-	(4.00)
Others	18.04	12.94
Non recognition of deferred tax asset on current year losses	101.18	-
De-recognition of opening deferred tax asset on brought forward losses	205.66	-
At the effective income tax rate of (12.96%) (31 March 2019: 29.74%)	**127.85**	**(283.32)**
Income tax expense reported in the statement of profit and loss	**127.85**	**(283.32)**

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C. Deferred tax:

(₹ in millions)

	31 March 2020	31 March 2019
Items leading to creation of deferred tax assets		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	15.93	186.77
Impact on account of brought forward depreciation of income tax	236.16	58.45
Impact on account of brought forward and carried forward losses	206.89	376.61
Provision for doubtful debts	104.80	105.78
Provision for diminution in value of investments	17.47	-
Investment: Impact of fair value gain on current Investment	60.88	-
Others	48.58	2.67
Total deferred tax assets	690.71	730.28
Items leading to creation of deferred tax liabilities		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	(47.99)	(1.59)
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	(101.78)	(135.87)
Total deferred tax liabilities	(149.77)	(137.46)
Net deferred tax assets	540.94	592.82

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S Chand and Company Limited

10. Share capital

	(₹ in millions)	
	As at 31 March 2020	As at 31 March 2019
Authorised		
40,000,000 (31 March 2019: 40,000,000) equity shares of ₹ 5/- each (31 March 2019: equity shares of ₹ 5 each)	200.00	200.00
Issued, subscribed and fully paid equity capital		
34,975,287 (31 March 2019: 34,975,287) equity shares of ₹ 5/- each (31 March 2019: equity shares of ₹ 5 each)	174.88	174.88
	174.88	174.88

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

Authorised share capital	No. of shares	₹ in millions
As at 31 March 2018	4,00,00,000	200.00
Increase/(decrease) during the year	-	-
As at 31 March 2019	4,00,00,000	200.00
Increase/(decrease) during the year	-	-
As at 31 March 2020	4,00,00,000	200.00

Issued equity capital	No. of shares	₹ in millions
Equity share of ₹ 5/- each issued, subscribed and fully paid (31 March 2019: Equity share of ₹ 5 each)		
As at 31 March 2018	3,49,75,287	174.88
Issued during the year	-	-
As at 31 March 2019	3,49,75,287	174.88
Issued during the year	-	-
As at 31 March 2020	3,49,75,287	174.88

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2019: ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Himanshu Gupta	59,61,238	17.04%	58,01,454	16.59%
Mr. Dinesh Kumar Jhunjhnuwala	38,46,854	10.99%	37,95,229	10.85%
Mrs. Neerja Jhunjhnuwala	40,08,345	11.46%	40,08,345	11.46%
Everstone Capital Partners II LLC	33,23,229	9.50%	33,23,229	9.50%
International Finance Corporation	28,05,784	8.02%	28,05,784	8.02%
HDFC Trustee Company Limited A/C HDFC Balanced Advantage Fund	9,00,000	2.57%	25,43,978	7.27%

d. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock options (ESOPs) plan of the company, please refer note 36.

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11. Other equity

(₹ in millions)

	As at 31 March 2020	As at 31 March 2019
Retained earning		
Balance as the beginning of the year	2,638.90	3,333.75
Less: Loss during the year	(1,114.17)	(656.17)
Add/Less: Other comprehensive income	(5.88)	24.56
Less: Dividend for the year	-	(52.46)
Less: Dividend distribution tax on Dividend	-	(10.78)
Balance as the end of the year	**1,518.85**	**2,638.90**
Securities premium account		
Balance as the beginning of the year	6,606.35	6,606.35
Balance as the end of the year	**6,606.35**	**6,606.35**
Debenture redemption reserve		
Balance as the beginning of the year	-	390.00
Less: transfer to general reserve	-	(390.00)
Balance as the end of the year	-	-
Capital reserve		
Balance as the beginning of the year	(530.41)	(530.41)
Balance as the end of the year	**(530.41)**	**(530.41)**
General reserve		
Balance as the beginning of the year	404.19	14.19
Add: transfer from debenture redemption reserve	-	390.00
Balance as the end of the year	**404.19**	**404.19**
ESOPs reserve (refer Note 36)		
Balance as the beginning of the year	9.99	7.89
Add: Compensation options granted during the year	0.67	2.10
Balance as the end of the year	**10.66**	**9.99**
Total	**8,009.64**	**9,129.02**

Securities premium

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

Debenture redemption reserve

Debenture redemption reserve was created for compliance with the Companies Act, 2013. The Company has transferred balance from debenture redemption reserve to general reserve during the year on account of conversion of debentures into equity shares of the subsidiary Company.

Capital reserve

During the financial year 2015-16, the Company cancelled its 149,900 forfeited equity shares pursuant to resolution passed at Board Meeting dated September 22, 2015 and the amount was transferred to Capital Reserve.

During the financial year 2017-18, the Company acquired non-controlling interest in a subsidiary Company and the amount was transferred to Capital Reserve.

General reserve

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

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12. Distribution made and proposed

(₹ in millions)

	31 March 2020	31 March 2019
Final dividend on equity shares for the year ended 31 March 2018: ₹ 1.50 per share	-	52.46
Dividend distribution tax on final dividend	-	10.68
Total	-	63.14

13. Borrowings

13A. Non-current borrowings

(₹ in millions)

	31 March 2020	31 March 2019
Term Loans		
Foreign Currency loan from banks (secured) (refer note 1 to 2 and 22 below)	-	56.67
Indian rupee loan from banks (secured) (refer note 3 to 5 and 22 below)	138.96	56.07
Indian rupee loan from others (secured) (refer note 6 to 11 and 22 below)	455.04	594.41
Vehicle loans		
Indian rupee loan from bank (secured) (refer note 12 to 18 below)	9.94	11.27
Indian rupee loan from others (secured) (refer note 19 to 21 below)	4.23	8.85
Total non-current borrowings	608.17	727.27
Secured	608.17	727.27
Unsecured	-	-

Notes:

1. In Vikas Publishing House Private Limited, Company has taken foreign currency term loan from RBL Bank Limited in financial year 2018-19 which carries interest at 9.95% p.a. It is repayable in 12 quarterly instalments, starting from January 2019. It is secured by first pari passu charge by way of hypothecation on entire current assets inclusive of stock and book debts, both present and future, first pari passu charge by way of hypothecation on entire movable fixed assets, both present and future (excluding those exclusively charged to other lenders) and corporate guarantee of S Chand And Company Limited. Interest is to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited. Due to COVID -19, Bank has allowed the moratorium period for the quarterly principal due for the month of April 2020.

2. In New Saraswati House (India) Private Limited, Company has taken foreign currency term loan from RBL Bank Limited in financial year 2017-18 which carries interest at 9.95% 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 Gurantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Interest is to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited. Due to COVID -19, Bank has allowed the moratorium period for the principal due for the quarter payable in the month of May-2020.

3. In Vikas Publishing House Private Limited, Company has taken IND Mortgage Loan from Indian Bank in financial year 2019-20 that carries floating interest at 11.80% p.a. It is repayable in 120 equal monthly instalments starting from April 2020. It is secured by equitable mortgage on industrial property owned by the holding company S Chand And Company Limited, situated at 40/2A, Sahibabad Industrial Area - Site - IV, Sahibabad (U.P.). The loan is also secured by personal guarantee of two directors, Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and corporate guarantee of S Chand And Company Limited. Due to COVID -19, bank has allowed a moratorium period for EMI for the months of April 2020 to August 2020.

4. In Vikas Publishing House Private Limited, Company has taken Loan against property from Deutsche Bank in the financial year 2018-19 which carries floating interest rate ranging between 10.75% to 11.50% p.a. It is repayable in 120 equated monthly instalments, starting from March 2019. It is secured by equitable mortgage of property bearing no. E-28, Sector -8, Noida (U.P.). Due to COVID -19, bank has allowed a moratorium period for EMI for the months of April 2020 to August 2020.

5. In New Saraswati House (India) Private Limited, Company has taken term loan from RBL Bank Limited in financial year 2017-18 which carries interest at 10.35% 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 Gurantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Due to COVID -19, Bank has allowed the moratorium period for the principal due for the quarter payable in the month of May-2020.

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6. In S Chand And Company Limited, Term loan from Axis Finance Limited has been taken during the year ended 31st March 2019 and initially carried interest @ 11.50% p.a. linked to the Axis Bank Base Rate . The facility has been taken for a period of 7 years and is repayable in 78 equal monthly instalments of ₹ 8.33 millions beginning from August 2019. The facility has been secured against: (i) Pledge of 64% of unlisted shares of Chhaya Prakashani Private Limited. (ii) 2nd charge on both present and future current and moveable fixed assets of SCCL; (iii) PDCs for the interest and principal amount. Pursuant to breach of loan covenants after the year ended 31st March 2019, the terms of loan agreement were modified, which resulted in increase of rate of interest to 13% effective 6th June 2019. The company had prepaid ₹ 200 millions during the year ended 31st March 2020 and the next instalment is due on 31 August, 2021.

7. In Vikas Publishing House Private Limited, Company has taken Indian rupee term loan from Tata Capital Financial Services Limited in financial year 2019-20 which carries interest at 11%. It is repayable in 78 monthly instalments plus interest on reducing balance, starting from October 2019. It is secured by equitable mortgage on industrial property situated at 20/4, Sahibabad Industrial Area, Site - IV, Sahibabad (U.P.), corporate guarantee of S Chand And Company Limited and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Due to Covid -19 effect, financial institution has allowed the moratorium period for the principal and interest due for the months of April and May 2020

8. In Vikas Publishing House Private Limited, Company has taken three term loans from Siemens Financial Services Private Limited for purchase of machines during the year 2017-18, which carries interest @ 11.50% p.a. It is repayable in 36 equated monthly instalments. It is secured by hypothecation of respective machines and corporate guarantee of S Chand And Company Limited.

9. In Vikas Publishing House Private Limited, Company had taken three term loans from Siemens Financial Services Private Limited during the year 2015 -16 and 2016-17 for purchase of machines, which carried interest ranging between 11.5% to 13% p.a. It is repayable in 33 to 36 equated monthly instalments. It was secured by hypothecation of respective machines and Corporate Guarantee of S Chand And Company Limited. Company had made interest free refundable security deposits of ₹ 2.73 Million to lender, which was included in non current security deposit in Note 5F as on 31st March 2019. Out of these three loans , one loan was fully repaid during the year 2018-19 and remaining two loans were fully repaid during the year 2019-20.

10. In DS Digital Private Limited, Company has taken term loans from Siemens Financial Services Private Limited for purchase of machines, which carries interest ranging from 11.25% p.a to 13.5%. They are repayable in 36 equated monthly instalments and are secured by hypothecation of respective machine and Corporate Guarantee of S Chand And Company Limited.

11. In DS Digital Private Limited, Company has taken term loans from Hewlett Packard Financial Services Private Limited for purchase of machines, which carries interest ranging of 10.69%. They are repayable in 36 equated monthly instalments and are secured by hypothecation of respective machine and Corporate Guarantee of S Chand And Company Limited.

12. In S Chand And Company Limited, vehicle loans have been taken from HDFC Bank, ICICI Bank and Yes Bank and carry interest @ 8.84% to 12.00%. The loan is repayable in 36 to 60 equal monthly instalments ranging from ₹ 0.004 million to Rs 0.099 million. The loan is secured by hypothecation of respective vehicles.

13. In Vikas Publishing House Private Limited, Company has taken vehicle loan from HDFC Bank Limited which carries interest at 9.50% p.a. It is repayable in 60 equated monthly instalments, starting from May 2016. It is secured by hypothecation of respective vehicle.

14. In Vikas Publishing House Private Limited, Company has taken vehicle loan from ICICI Bank Limited which carries interest at 9.26% p.a. It is repayable in 36 equated monthly instalments, starting from May 2018. It is secured by hypothecation of respective vehicle.

15. In New Saraswati House (India) Private Limited, 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.

16. In Eurasia Publishing House Private Limited, Vehicle Loan from HDFC Bank taken during FY 2019-20, carries interest rate @ 8.6% p.a. The loan is repayable in 60 monthly installments of ₹ 29,243. The loan is secured by hypothecation of respective vehicles.

17. In BPI (India) Private Limited, Vehicle Loan from Yes Bank Limited carries interest @ 9.0% p.a. The loan is repayable in 37 equal monthly installments of Rs. 25,664 each including interest, from the date of loan, viz., 2 August 2018. The loan is secured by hypothecation of vehicle of the Company.

18. In Nirja Publishers & Printers Private Limited, Vehicle Loan from HDFC Bank taken during 2017-18 and carries interest rate @ 8.26% p.a. The loan is repayable in 37 monthly instalments of ₹ 0.31 million. The loan is secured by hypothecation of the respective vehicles.

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19. In S Chand And Company Limited, vehicle loans have been taken from Daimler Financial Services India Private Limited and carry interest @ 9.81% to 11% p.a. The loan is repayable in 48 equal monthly instalments of ₹ 0.13 million. The loan is secured by hypothecation of respective vehicle.

20. In Vikas Publishing House Private Limited, Company has taken vehicle loan from Daimler Financial Services Private Limited which carries interest at 9% p.a. It is repayable in 36 Monthly instalments, starting from September 2017. It is secured by hypothecation of respective vehicle.

21. In New Saraswati House (India) Private Limited, Vehicle loan from M/s. Daimler Financial Services has been taken in the year 2019-20, secured by way of hypothecation of respective vehicle in favour of the Lendor. It carries interest rate of 10.75% p.a. The loan is repayable in 48 equal monthly instalments beginning from Oct 2019.

Loan covenants

22. The Group is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank.
  a. During the year ended 31 March 2020 and 31 March 2019, in S Chand And Company Limited, there was one instance of breach of financial covenant in case of term loan facility availed from Axis Finance Limited. As per the terms of the sanction letter, the management has intimated to the bank as per agreement terms.
  b. During the year ended March 31, 2020, Vikas Publishing House Private Limited could not meet some of the debt covenants of RBL Bank and Tata Capital and accordingly the entire loan from RBL Bank Limited and Tata Capital Financial Services Limited have been classified under "current maturity of long term borrowings". The Company could not meet some of the debt covenants of RBL Bank for the year ended March 31, 2019 as well.
  c. During the year ended March 31, 2020, New Saraswati House (India) Pvt. Ltd. could not meet some of the debt covenants of RBL bank loan and accordingly the entire loan has been classified under "current maturity of long term borrowings".

13B. Current borrowings

(₹ in millions)

		31 March 2020	31 March 2019
a.	**Current maturity of loan**		
	Term Loans		
	Foreign currency loan from banks (secured) (refer note 13A(1,2 and 22))	144.17	194.17
	Indian rupee loan from banks (secured) (refer note 13A (3 to 5))	15.14	12.77
	Indian rupee loan from financial institution (secured) (refer note 13A (7 and 22))	258.48	126.59
	Vehicle loans		
	Indian rupee loan from bank (secured)	7.30	7.88
	Indian rupee loan from financial institutions (secured)	4.67	1.64
	Total current maturity of long term borrowings	**429.76**	**343.05**
b.	**Cash credit from banks**		
	Indian rupee loan from bank (secured) (refer note 1 to 12 below)	732.48	994.38
	Bank overdraft	0.08	-
c.	**Indian rupee working capital demand loan from banks (secured) (refer note 13 to 15 below)**	320.00	305.00
d.	**Indian rupee working capital demand loan from others (unsecured) (refer note 16 below)**	50.00	99.20
e.	**Loan from directors- unsecured (refer note 17 below)**	11.83	10.29
	Total current borrowings	**1,544.15**	**1,751.92**
	Less: Amount presented under "other financial liabilities"	(429.76)	(343.05)
	Total current borrowings	**1,114.39**	**1,408.87**
	Secured	**1,052.56**	**1,299.38**
	Unsecured	**61.83**	**109.49**

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S Chand And Company Limited

Notes:

1. In S Chand And Company Limited, Cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with DBS Bank, Standard Chartered Bank , HDFC Bank, and Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company. It carries interest rate ranging from 10.80% to 15% p.a. (31 March 2019: 10.15 % p.a.).

2. In S Chand And Company Limited, Cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, and Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company. This carries interest rate ranging from 11.05% to 13.13% p.a. (31 March 2019: 11.00 % to 11.40% p.a.).

3. In S Chand And Company Limited, Cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, and Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company. This loan carries interest rate of 10.31% p.a. (31 March 2019: 10.45% to 11.05% p.a.).

4. In S Chand And Company Limited, Cash Credit from DBS Bank Limited (under Multiple Banking Arrangement with HDFC Bank, IndusInd Bank, Kotak Mahindra Bank, and Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company. This loan carries interest rate ranging from 9.00% to 9.75 % p.a (31 March 2019: 9.40% to 11.10 %).

5. In S Chand And Company Limited, Cash Credit from HDFC Bank Limited (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, Kotak Mahindra Bank, and Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company, Personal Guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, directors of the company and Corporate Guarantee of Nirja Publishers & Printers Private Limited. This carries interest rate ranging from 9.55 % to 10.10% p.a. (31 March 2019: 9.50 % to 10.10% p.a..).

6. In New Saraswati House (India) Private Limited, Cash Credit from HDFC bank under multiple banks arrangment with Kotak Bank and RBL Bank is carrying an interest rate of 10.2% p.a. (31 March 2018: 11.75% 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 Jhunjhnuwala.

7. In New Saraswati House (India) Private Limited, Cash Credit from Kotak bank under multiple banks arrangment with HDFC Bank and RBL Bank is carrying an interest rate of 9.95% p.a. (31 March 2018 : 9.50% 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 Jhunjhnuwala.

8. In New Saraswati House (India) Private Limited, Cash Credit /WCDL from RBL Bank is carrying an interest rate of 10.2 % p.a. (31 March 2018 : 9.10 % 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 Gurantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala.

9. In Vikas Publishing House Private Limited, Company has taken cash credit facility from HDFC bank, DBS bank, RBL Bank, HSBC Bank and Standard Chartered Bank that carries interest at MCLR plus spread (ranging from 1.30% to 2.15 %) p.a which are repayable on demand. Cash credit facility availed to the extent of sanction limit, is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding those specifically charged to other lenders) and corporate guarantee of S Chand And Company Limited and has been considered as secured. Company has given the personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Jhunjhnuwala to HDFC bank against the facility up to sanction limit. Company has repaid the loan to HSBC during the year 2019-20.

10. In BPI (India) Private Limited, Cash credit facility carry interest rate of 12.80% per annum (1 year MCLR + 3.70%, applicable 1 year MCLR is 9.10%) taken from IndusInd Bank on 12th February, 2015. Cash credit facility is secured by exclusive charge on all current assets and movable fixed assets except vehicle specifically charged to other lender of the Company (both present and future), exclusive charge on entire immovable properties of the company, property of directors situated at DDA Flat No. D-7/7123, HIG First Floor, Vasant Kunj, New Delhi, and Property of Vikas Publishing House Pvt. Ltd. (Subsidiary of Group Co.) situated at 161718/1, Apartment No.4, 1st Floor, 4th Cross, Main Gandhi Nagar, Bangalore, corporate guarantee of S Chand and Company Ltd. and Vikas Publishing House Pvt. Ltd. and personal guarantee of Mr. Jai Saxena and Mrs Vidya Saxena

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11. In Nirja Publishers & Printers Private Limited, Cash credit from State Bank of India was taken during 2017-18 and carried interest rate ranging from 8.35% to 10.75% p.a. The loan was repayable on demand. The loan was secured by hypothecation of current assets (present and future), hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) and Corporate Guarantee of S Chand And Company Limited. This facility was completely repaid during 2018-19.

12. In DS Digital Private Limited, cash credit of ₹ 50 million from Standard Chartered Bank is secured by exclusive charge on entire current assets and movable fixed assets (except assets which are exclusively charged under equipment financing), personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and Corporate Guarantee of S Chand And Company Limited.

13. In S Chand And Company Limited, Working capital demand loan from IndusInd Bank Limited, HDFC Bank, DBS Bank, Kotak Mahindra Bank and Standard Chartered Bank carries interest ranging from 8.95% to 13.13% p.a. (31 March 2019: 8.65 % to 9.35% p.a.). which is repayable on maturity. Working capital Demand Loan is a sub-limit of cash credit facility and secured by the same security as provided in cash credit facility.

14. In S Chand And Company Limited, Working Capital Demand Loan from from Citi Bank was unsecured. This facility was sanctioned for 120 days as a clean facility and was to be converted to a secured facility after this period under multiple banking. However the facility was paid before the expiry of the period and no further documents executed. This carried interest rate ranging from 9.00% to 9.75% p.a. (31 March 2019: 9.00 % p.a). The loan has been repaid during the financial year 2019-20.

15. In Vikas Publishing House Pvt. Limited, Working capital demand loan from HDFC bank, DBS bank, RBL Bank and Standard Chartered Bank carries interest ranging from 8.75% to 10.70% p.a which are repayable on maturity. Working capital demand loan facility is a sub limit of cash credit facility and secured by the same security as provided in cash credit facility mentioned in point no. a above.

16. In S Chand And Company Limited, Working capital demand loan from Tata Capital Financial Services Limited was taken during the year 2018-19. This loan carries interest rate of 10.50% p.a (31 March 2019: 10.50% p.a). This loan is unsecured.

17. In BPI (India) Private Limited, Interest free Indian rupee loan is taken from directors. It is repayable on demand.

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14. Trade payables

(₹ in millions)

	31 March 2020	31 March 2019
Non-Current		
Trade payables other than micro enterprises and small enterprises	-	6.82
Current		
Trade payables of micro enterprises and small enterprises (refer note 32)	172.59	117.24
Trade payables of related entities (refer note 38)	4.66	6.21
Trade payables other than micro enterprises and small enterprises	1,405.22	1,820.27
Total	1,582.47	1,950.54
Current	1,582.47	1,943.72
Non current	-	6.82

15. Other financial liabilities

(₹ in millions)

	31 March 2020	31 March 2019
Other financial liabilities at amortised cost		
Interest accrued but not due	4.39	5.97
Interest accrued and due on short term borrowings	-	2.28
Interest accrued and due on security deposits	-	0.10
Interest accrued and due on bill discounted	-	5.56
Current maturity of long term loans (refer note 13B)	429.76	343.05
Security deposits received	2.87	4.12
Financial liability*	100.00	100.00
Employee related liabilities	103.33	136.65
Interest accrued on trade payables to micro and small enterprises (refer note 32)	-	0.04
Total	640.35	597.77
Current	640.35	589.72
Non current	-	8.05

* Financial liability represents an amount of ₹ 100 million (31 March 2019, ₹ 100 million) for BG invoked due to breach of conditions by selling share holders of New Saraswati House (India) Pvt. Ltd. relating to non compete clause.

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15A. Lease Liability (refer note 37)

(₹ in millions)

	31 March 2020	31 March 2019
Leased Liability- current	125.93	-
Leased Liability- non-current	365.92	-
Total Lease Liability	491.85	-
Current	125.93	-
Non current	365.92	-

16. Other provisions

(₹ in millions)

	31 March 2020	31 March 2019
Provision for income tax (net of advance tax)	33.65	36.50
Provision for unclaimed dividend	0.09	0.09
Total other provisions	33.74	36.59
Current	33.74	36.59
Non-current	-	-

17. Net employee defined benefit liabilities

(₹ in millions)

	31 March 2020	31 March 2019
Provision for gratuity (non-current) (refer note 35)	60.40	45.79
Provision for gratuity (current) (refer note 35)	3.99	1.57
Provision for leave encashment	12.42	11.97
Provision for bonus	-	0.83
Total	76.81	60.16
Current	8.32	8.51
Non current	68.49	51.65

18. Other liabilities

(₹ in millions)

	31 March 2020	31 March 2019
Other payables:		
Statutory dues payable	84.97	136.26
Rent equalization reserve- current*	-	0.49
Rent equalization reserve- non- current*	-	6.27
Creditors for capital expenditure	0.68	1.56
Deferred revenue	1.39	-
Advance from customers	59.37	56.31
Other payables	0.86	2.57
Total	147.27	203.46
Current	146.48	196.05
Non current	0.79	7.41

* Rent equalization reserve has been adjusted with Right-to-use assets as on April 01, 2019 as per IND AS 116.

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19. Revenue from contract with customers

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Finished goods	5,212.93	6,094.91
Less: Discounts	(1,130.10)	(1,094.31)
Sale of services	172.48	173.85
Other operating revenue		
Scrap sale	36.07	41.57
Export incentives	2.33	2.38
Creditors written back	-	1.84
Total	**4,293.71**	**5,220.24**
Details of products sold		
Finished goods sold		
Books (published titles)	5,097.80	5,901.33
Educational kits	0.72	0.32
E- Book sale	6.03	5.98
Curriculum books sales	101.97	147.09
Computers and peripherals	6.41	40.19
	5,212.93	**6,094.91**
Detail of sale of services		
Content development charges	-	2.60
Royalty income/ License fees	0.81	0.63
Training income	2.95	3.11
License fee/ QR Code Development charges	0.02	-
Space for branding	17.24	8.70
Customised interactive education services	130.77	144.72
Income from pre-school educational activity	11.48	14.09
Learnflix App	9.21	-
Total sale of services	**172.48**	**173.85**

Disaggregated revenue information

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
India	4,222.40	5,112.55
Outside India	71.31	107.69
	4,293.71	**5,220.24**

Timing of revenue recognition

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Goods transferred at a point in time	4,121.23	5,046.39
Services transferred over time	172.48	173.85
	4,293.71	**5,220.24**

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The Company collects Goods and Service Tax (GST) on behalf of the Government and hence, GST is not included in Revenue from operations.

Contract balances

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade receivables	3,348.65	4,446.03
Contract assets	-	-
Contract liabilities	59.37	56.31

Trade receivables are non-interest bearing and are generally on terms of 150-180 days. For the year ended 31 March 2020, ₹ 113.28 million (March 2019: ₹ 154.01 million) was recognised as provision for expected credit losses on trade receivables.

Right to return asset and refund liability

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Refund liabilities		
Arising from discounts	440.00	281.23
Arising from rights of return	992.51	1,015.56
	1,432.51	1,296.79

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue as per contracted price	6,912.26	9,162.53
Adjustments		
Sales return	1,488.45	2,847.98
Discount	1,130.10	1,094.31
	4,293.71	5,220.24

Performance obligation
Information about the Group's performance obligations are summarised below:

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

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

Services
The performance obligation is satisfied as per terms of each contract with the customer.

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20.1 Other income

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Gain on sale of current investments (net)	15.56	18.88
Net income on deemed disposal of associate	-	20.41
Profit on sale of property, plant and equipment (net)	0.61	-
Fair value gain on financial instruments at fair value through profit or loss	1.37	19.78
Foreign exchange fluctuation gain (net)	1.48	3.75
Miscellaneous amount written back	40.59	19.14
Management services	5.87	-
Others	18.79	10.92
Total	84.27	92.88

20.2 Finance income

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on:		
- Bank deposits	2.48	7.44
- Income tax refund	1.48	6.42
- Unwinding of discount on security deposits paid	5.01	6.88
- On bonds	0.18	0.18
- Others	0.96	2.39
Total	10.11	23.31

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21 Cost of published goods/material consumed

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the beginning of the year	248.05	138.21
Add : purchases during the year	1,533.29	2,203.40
	1,781.34	2,341.61
Less : inventories at the end of the year	(321.03)	(248.05)
Total	1,460.31	2,093.56
Details of Raw Material Consumed/ Printing Services		
Paper	1,052.66	1,535.87
Books	167.32	307.95
E Books	-	1.40
Test papers & skill assessment reports	-	1.70
Early Learning Material	6.95	7.18
Printing and binding charges (Outsourced)	132.79	109.52
CD and other items	4.37	17.02
Printing & Binding consumables	169.20	222.76
Total	1,533.29	2,203.40

22. Purchase of traded goods

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Traded books	81.89	120.90
Import of services	-	1.51
Computer & peripherals	6.53	30.67
English labs (Kit)	0.11	0.57
Total	88.53	153.65

23. Publication expenses

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Royalty expenses	273.70	271.49
Freight and cartage expenses	7.74	12.89
Power & fuel	48.70	60.62
Repairs and maintenance - machinery	32.42	31.53
Consumption of stores and spares	0.42	4.83
Factory manpower expenses	14.91	-
Other publishing expenses	53.79	66.87
Total	431.68	448.23

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24. (Increase)/Decrease in inventories

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories at the end of the year		
Finished goods	1,632.95	1,772.78
Stores and spares	4.75	8.84
Work in progress	11.73	4.38
	1,649.43	1,786.00
Inventories at the beginning of the year		
Finished goods	1,772.78	1,385.39
Stock lost by fire (refer note 53)	-	(58.13)
Stores and spares	8.84	4.05
Work in progress	4.38	14.67
	1,786.00	1,345.98
Provision for inventory	87.15	-
Decrease/(Increase) in inventories	49.42	(440.02)

Details of inventories

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Work in progress		
Printed material for books	11.73	4.38
	11.73	4.38
Finished goods		
- Manufactured goods		
Books	1,614.40	1,723.83
- Traded goods	-	
Books	13.63	23.91
Other trade items	92.07	25.04
	1,720.10	1,772.78

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25. Employee benefits expenses

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	1,131.01	1,343.95
Contribution to provident and other funds	72.33	80.03
Gratuity expense (refer note 35)	23.15	30.18
Employee stock option expense (refer Note 36)	0.67	2.10
Staff welfare expenses	32.49	55.18
Total	1,259.65	1,511.44

26. Selling and distribution expenses

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Advertisement and sales promotion	206.72	364.77
Meeting & conference expenses	4.51	11.17
Travelling and conveyance	168.03	235.99
Freight and forwarding charges	160.67	198.21
Packing expenses	15.53	20.48
Vehicle running and maintenance	10.05	18.94
Canvassing expenses	16.89	18.65
Leases rent - vehicles (refer note 37)	-	0.31
Book workshop expenses	9.89	15.82
Total	592.29	884.34

27. Finance cost

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on loans and debts	337.34	255.88
Unwinding of discount on security deposit received	0.21	-
Bank charges	5.88	9.67
Processing fees - bank loan	4.50	6.52
Total	347.93	272.07

28. Depreciation and amortisation expense

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant & equipment (refer note 3)	98.02	101.50
Amortisation of intangible assets (refer note 4A)	184.08	131.35
Amortisation of Right to use Assets (refer note 4B)	125.59	-
Intangible assets under development written off	-	4.47
Total	407.69	237.32

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29. Other expenses

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Communication cost	24.70	46.39
Rent (refer note 37)	58.46	233.03
Rates and taxes	19.91	14.50
Insurance	22.32	20.16
Travelling and conveyance	5.11	7.12
Repairs and maintenance:		
-Plant & machinery	1.72	0.16
-Buildings	4.66	4.37
-Others	46.42	63.51
Printing and stationery	5.80	9.10
Legal and professional fee	68.02	53.22
Donations	13.83	6.08
Payment to auditor (refer details below)	18.48	18.58
Water and electricity charges	18.87	20.45
Office expenses	31.58	33.37
Security expenses	15.70	29.08
Corporate social responsibility expenses (refer note 50)	17.00	12.30
Bad debts written off	53.49	27.31
Provision for expected credit loss	113.28	154.01
Loss on sale of property, plant and equipment (net)	-	3.30
Provision for advances	2.50	7.18
Miscellaneous expenses	37.70	43.56
Fair value loss on financial instruments at fair value through profit or loss	2.62	4.37
Outsourced employee cost	44.47	69.39
Amount written off	5.08	-
Total	**631.72**	**880.54**

Payment to auditor

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor		
- Audit fee	11.17	13.17
- Limited review	5.79	3.17
- Other Services	1.52	2.24
- Out of pocket expenses	-	-
Total	**18.48**	**18.58**

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29A. Exceptional expense

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss of goods by fire (refer note 53)	-	(7.12)
Sales return (refer Note 54)	-	(226.27)
Provision for slow moving titles (refer note 55)	(87.15)	-
Provision for impairment on investment (refer Note 56)	(14.52)	-
	(101.67)	**(233.39)**

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30. Components of Other Comprehensive Income (OCI)

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

For the year ended 31 March 2020

(₹ in millions)

	Retained earnings	Total
Re-measurment gains/(losses) on defined benefit plans	(7.70)	(7.70)
Tax impact on re-measurement gains/(losses) on defined benefit plans	1.69	1.69
	(6.01)	(6.01)

For the year ended 31 March 2019

(₹ in millions)

	Retained earnings	Total
Re-measurment gains/(losses) on defined benefit plans	34.66	34.66
Tax impact on re-measurement gains/(losses) on defined benefit plans	(10.04)	(10.04)
	24.62	24.62

31. Earnings per share

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

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

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders of the company (₹ in millions)	(1,114.68)	(669.20)
Weighted average number of equity shares used for computing Earning per Share (Basic)	3,49,75,287	3,49,75,287
Weighted average number of equity shares used for computing Earning per Share (Diluted)	3,50,30,974	3,50,60,067
Basic EPS (Amount in ₹)	(31.87)	(19.13)
Diluted EPS (Amount in ₹)	(31.87)	(19.13)

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

The Amount due to Micro and small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to Micro and Small Enterprises as at 31st March 2020 are as under:

(₹ in millions)

Description	31 March 2020	31 March 2019
(i) Principal amount remaining unpaid	172.59	117.24
(ii) Interest due thereon	-	0.04
	172.59	117.28
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

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33. Group information

Information about subsidiary companies:

	Principal activities	Country of incorporation	% equity interest 31 March 2020	% equity interest 31 March 2019
Nirja Publishers & Printers Private Limited	Publishing and Printing of Books	India	100.00%	100.00%
Safari Digital Education Initiatives Private Limited	Curriculum Solutions	India	100.00%	100.00%
Eurasia Publishing House Private Limited	Publishing of Books	India	100.00%	100.00%
Blackie & Son (Calcutta) Private Limited	Publishing of Books	India	100.00%	100.00%
Vikas Publishing House Private Limited	Publishing and Printing of Books	India	100.00%	100.00%
DS Digital Private Limited	Digital Learning solutions to Schools	India	99.99%	99.99%
New Saraswati House (India) Private Limited	Publishing of Books	India	100.00%	100.00%
Chhaya Prakashani Private Limited	Publishing of Books	India	100.00%	100.00%
BPI (India) Private Limited	Publishing of Books & Educational Kits	India	51.00%	51.00%
S Chand Edutech Private Limited	Learning solutions for Pre School/ Online Testing	India	100.00%	100.00%
Indian Progressive Publishing Company Private Limited	Publishing of Books	India	100.00%	100.00%

Information about associates:

	Principal activities	Country of incorporation	% equity interest 31 March 2020	% equity interest 31 March 2019
Edutor Technologies India Private Limited	Learning Management System/ Aggregator	India	44.66%	44.66%
Smartivity Labs Private Limited	Early Learning through Augmented Reality, STEM DIY Kits and Virtual Reality	India	19.70%	19.70%

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34. Investment in associates

34A. Edutor Technologies India Private Limited

The Group has a 44.66% (31 March 19: 44.66%) interest in Edutor Technologies India Private Limited, which is primarily engaged in the business of providing digital education solutions of all kind through an online Learning Management System (LMS), enabling students to achieve academic success through one-on-one tutoring and engage in personalized training by using the electronic devices such as gadgets, with specialization in length and breadth of all streams of education. Its registered and principal office of business is located at Hyderabad. Edutor Technologies India Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Edutor Technologies India Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Edutor Technologies India Private Limited:

(₹ in millions)

	31 March 2020	31 March 2019
Current assets	24.48	27.17
Non-current assets	29.00	15.82
Current liabilities	(66.14)	(62.06)
Non-current liabilities	(4.71)	(4.23)
Equity	**(17.37)**	**(23.30)**
Proportion of the Group's ownership	44.66%	44.66%
Carrying amount of the investment	165.10	162.93

(₹ in millions)

	31 March 2020	31 March 2019
Revenue	55.53	71.66
Cost of raw material and components consumed	(11.81)	(18.38)
Depreciation & amortization	(6.68)	(6.46)
Finance cost	(3.79)	(3.25)
Employee benefit	(14.27)	(37.43)
Other expense	(13.70)	(18.05)
Profit/ (Loss) before tax	5.28	(11.91)
Income tax expense	0.06	0.33
Profit/ (Loss) for the year	5.34	(11.58)
Other Comprehensive Income	(0.49)	(1.00)
Total comprehensive income for the year	**4.85**	**(12.58)**
Group's share of loss for the year	**2.17**	**(5.62)**

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31 March 2020 or 31 March 2019.

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34B. Smartivity Labs Pvt Ltd

The Group has a 19.70% (19.70% on 31 March 2019) interest in Smartivity Labs Pvt Ltd, which is primarily engaged in the business of Early Learning through Augmented Reality (AR) , STEM DIY Kits (Science , Technology and Maths) and also Virtual Reality (VRX) Content. Smartivity Labs Pvt Ltd is a private entity that is not listed on any public exchange. The Group's interest in Smartivity Labs Pvt Ltd is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Smartivity Labs Private Limited:

(₹ in millions)

	31 March 2020	31 March 2019
Current assets	102.29	101.07
Non-current assets	88.11	71.64
Current liabilities	(71.02)	(71.17)
Non-current liabilities	(3.40)	(2.58)
Equity	115.98	98.96
Proportion of the Group's ownership	19.70%	19.70%
Carrying amount of the investment	18.41	24.61

(₹ in millions)

	31 March 2020	31 March 2019
Revenue	115.02	175.29
Cost of raw material and components consumed	(41.22)	(81.83)
Depreciation & amortization	(19.63)	(10.81)
Finance cost	(7.36)	(2.45)
Employee benefit	(38.96)	(53.47)
Other expense	(50.97)	(78.91)
Loss before tax	(43.12)	(52.18)
Income tax expense	11.65	7.47
Loss for the year	**(31.47)**	**(44.71)**
Other Comprehensive Income	-	-
Total comprehensive income for the year	**(31.47)**	**(44.71)**
Group's share of loss for the year	**(6.20)**	**(8.81)**

The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 31 March 2020 or 31 March 2019.

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35. Gratuity and other post- employment benefits plan

Gratuity

The Group has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of Rs 2 million. The scheme is funded with an insurance company in the form of qualifying insurance policy.

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

Statement of Profit & Loss account

Net employee benefit expense recognised in employee cost:

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	19.96	25.19
Interest cost on defined obligation	7.44	8.86
Expected return on plan assets	(4.25)	(3.87)
	23.15	30.18

Amount recognised in Other Comprehensive Income:

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gains) / losses on obligation	2.03	(35.89)
Actuarial gains / (losses) on assets	(9.73)	(1.23)
Net gain/(loss)	(7.70)	34.66

Balance sheet

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

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	111.54	122.58
Current service cost	19.96	25.19
Interest cost	7.44	8.86
Benefits paid from plan assets	(18.00)	(9.71)
Benefits paid directly by employer	(4.53)	(0.79)
Actuarial (gains) / losses on obligation	2.03	(35.89)
Acquisition/ divestiture	2.09	1.30
Closing defined benefit obligation	120.53	111.54

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

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening fair value of plan assets	64.18	55.90
Expected return	4.25	3.87
Contributions by employer	3.36	12.89
Benefits paid	(18.00)	(9.71)
Actuarial gain/(loss)	9.73	1.23
Closing fair value of plan assets	63.51	64.18
Net liability recognised in financial statements	**57.01**	**47.36**
Current Portion	**3.99**	**1.57**
Non - Current Portion	**60.40**	**45.79**

The Company expects to contribute Rs. 13.27 million to gratuity in this year (31 March 2019: Rs. 4.63 million)

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Investments with insurers	100%	100%

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	6.30% to 6.78%	7.15% to 7.70%
Expected rate of return on assets	6.77% to 7.70%	7.5% to 7.70%
Expected rate of salary increase	6% to 8%	6% to 10%
Retirement Age (In years)	58- 60 years	58- 60 years
Employee turnover :-		
- For Service upto 5 years	3% to 15%	3% to 15%
- For Service more than 5 years	1% to 2%	1% to 2%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2006-08)

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

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

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

(₹ in millions)

	Change in	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	+ 1%	67.69	95.07
	- 1%	68.36	117.88
Expected rate of salary increase	+ 1%	124.51	117.36
	- 1%	67.88	95.28

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.

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36. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2020 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 30 June 2012, the board of directors approved the Equity Settled ESOP Scheme 2012 (Scheme 2012) for issue of stock options to the eligible employees. According to the Scheme 2012, two types of options are granted by the Company to the eligible employees viz Growth and Thankyou option and will be entitled to 2,194 and 292 options respectively. The options are subject to satisfaction of the prescribed vesting conditions, viz., continuing employment with the company. However in case of growth options, in addition to this the board may also specify the certain corporate, individual or a combination performance parameters subject to which the option would vest. The other relevant terms of the grant are as below:

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Date of grant	09-Jul-12	09-Jul-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	30-Sep-15	28-Mar-16	05-Aug-16	16-Aug-16	30-Nov-16
Date of Board approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	27-Aug-15	28-Mar-16	05-Aug-16	05-Aug-16	19-Sep-16 & 30-Nov-16
Date of Shareholder's approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	30-Sep-15	30-Sep-15	30-Sep-15	28-Mar-16	05-Aug-16	05-Aug-16	30-Nov-16
Number of options granted	2,194	292	180	75	441	185	248	40	93,388	51,060	12,506
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	Year 1- 10% Year 2- 15% Year 3-20% Year 4-25% Year 5-30%	100% Immediate vesting	Year 1- 28% Year 2- 32% Year 3-40%	Year 1- 28% Year 2- 32% Year 3-40%	Year 1- 50% Year 2- 50%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 100%	Year 1- 25% Year 2- 25% Year 3- 25% Year 4- 25%	Year 1- 50% Year 2- 50%
Exercise Period	Exercise on listing but not later than two years from the listing/on sale										
Exercise price	9,110	9,110	36,870	36,870	36,870	45,000	45,000	45,000	304	304	392
Fair value of shares at the time of grant	4,139	4,109	10,949	10,949	25,227	20,944	20,580	20,404	112	139	60

Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till 31 March 2018 is as below:

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Exercise Period	Exercise on listing but not later than two years from the listing/on sale										
Exercise price	61.55	61.55	249.12	249.12	249.12	304.05	304.05	304.05	304.00	304.00	392.00
Fair value of shares at the time of grant	27.97	27.77	73.98	73.98	170.45	141.51	139.15	137.87	112.41	138.97	60.40

The details of activities under Growth option (Grant I) are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)**	No. of options	WAEP (in ₹)**
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

** denotes weighted average exercise price

The details of activities under Thankyou option (Grant II) are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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The details of activities under Grant III a and III b are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding as at 31 March 2020 is Nil (31 March 2019: Nil).

The Company had granted 441 option during the financial year ended 31 March 2016. The details of activities under Grant IV(a) are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The Company had granted 473 option during the financial year ended 31 March 2016. The details of activities under Grant IV(b), IV(c) and IV(d) are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	40,034	304	40,034	304
Granted during the year	-	-	-	-
Forfeited during the year	14,578	-	-	-
Exercised during the year	-	-	-	-
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	25,456	304	40,034	304
Exercisable at the end of the year	25,456	304	40,034	304

The weighted average remaining contractual life for options outstanding as at 31 March 2020 under Grant IV(b) is 2.41 years, under Grant IV(c) is 2.5 years and under Grant IV(d) is 1.52 years.

The Company had granted 93,388 option during the year ended 31 March 2017. The details of activities under Grant V are summarized below:

70,202

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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The Company had granted 51,060 option during the year ended 31 March 2017. The details of activities under Grant VI are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	38,295	304	38,295	304
Granted during the year	-	-	-	-
Forfeited during the year	12,765	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	25,530	304	38,295	304
Exercisable at the end of the year	25,530	304	12,765	304

The weighted average remaining contractual life for option outstanding under Grant VI as at 31 March 2020 is 3.38 years.

The Company had granted 12,506 option during the year ended 31 March 2017. The details of activities under Grant VII are summarized below:

	31 March 2020		31 March 2019	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	6,451	392	6,451	392
Granted during the year	-	-	-	-
Forfeited during the year	1,750	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	4,701	392	6,451	392
Exercisable at the end of the year	4,701	392	6,451	392

The weighted average remaining contractual life for option outstanding under Grant VII as at 31 March 2020 is 1.67 years.

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

	Grant IVa 31 March 2016	Grant IVb 31 March 2016	Grant IVc 31 March 2016	Grant IVd 31 March 2016	Grant V 31 March 2017	Grant VI 31 March 2017	Grant VII 31 March 2017
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	17.05%	16.46%	16.20%	16.57%	16.43%	16.41%	17.86%
Risk-free interest rate	7.67%	7.71%	7.46%	7.36%	6.73%	6.86%	5.99%
Weighted average fair market price (Rs.)	377	377	377	377	376	376	376
Exercise price (Rs.)	249	304	304	304	304	304	392
Expected life of options granted in years	2.43	3.22	3.20	3.15	2.00	3.50	2.50
Weighted average fair value of option at the time of grant (Rs.)	170.45	141.51	139.13	137.87	112.41	138.97	60.40

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

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37. Leases

The Group has adopted Ind AS 116 "Leases" from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

Transition

Effective 1st April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st 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 ₹ 594.19 million (excluding leasehold land of ₹ 160.53 million) with a corresponding lease liability. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4. The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the comapany relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10% with maturity between 2021-2026

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

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2020
As at 1 April	160.53	-
Additions (Note 4B)	594.19	-
Deletions	(6.04)	-
Depreciation expense (Note 28)	(125.59)	-
As at 31 March	**623.09**	-

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 2020	For the year ended 31 March 2019
Opening Balance	103.39	-
Additions	500.38	-
Accretion of interest	50.46	-
Deletion during the year	(16.77)	-
Payments	(145.61)	-
Closing Balance	**491.85**	-
Current	**125.93**	**0.00**
Non-current	**365.92**	**0.00**

The following are the amounts recognised in Profit or Loss:

(₹ in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation expense of right-of-use assets	125.59	-
Interest expense on lease liabilities	50.46	-
Expense relating to short-term leases (included in other expenses)	58.46	-
Total amount recognised in Profit or Loss	**234.51**	-

The Group had total cash outflows for leases of ₹ 118.61 million in 31 March 2020 (31 March 2019 ₹ NIL). The Group also had non-cash additions to lease liabilities of ₹ 391.48 million in 31 March 2020 (31 March 2019 ₹ NIL).

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

Rental expense recorded for short-term leases was ₹ 58.46 million for the year ended March 31,2020.

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

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38. Related party disclosure

a. Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year:

Enterprises over which Key Management personnel or their relatives exercise significant influence	:	Hotel Tourist (Partnership firm)
	:	SC Hotel Tourist Deluxe Private Limited
	:	Shaara Hospitalities Private Limited
	:	S Chand Properties Private Limited
	:	Shyam Lal Charitable Trust
	:	RKG Hospitalities Private Limited
Associate	:	Edutor Technologies India Private limited
	:	Smartivity Labs Private Limited

Key Management Personnel (KMP) & their relatives

Mrs. Savita Gupta	:	Non- Executive Director
Mr. Himanshu Gupta	:	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	:	Whole-time Director
Mr. Gaurav Jhunjhnuwala	:	Non- Executive Director
Mr. Desh Raj Dogra	:	Chairman, Non-Executive, Independent Director
Mrs. Archana Capoor	:	Non-Executive, Independent Director
Mr. Sanjay Vijay Bhandarkar	:	Non-Executive, Independent Director
Mr. Rajagopalan Chandrashekar	:	Non-Executive, Independent Director (w.e.f 23 July 2018)
Mr. Sanjay Gujral		Non-Executive, Independent Director (from 02 Nov 2018 till 05 Mar 2019)
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary
Relatives of KMP	:	Mr. Ravindra Kumar Gupta
	:	Mrs. Neerja Jhunjhnuwala

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(₹ in millions)

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Sale of E-Books					
Edutor Technologies India Private Limited	31 March 2020	-	-	0.06	0.06
	31 March 2019	-	-	0.29	0.29
Purchase of Goods and Services					
Edutor Technologies India Private Limited (App Development support services)	31 March 2020	-	-	13.81	13.81
	31 March 2019	-	-	7.43	7.43
Smartivity Labs Private Limited (VRX Sets)	31 March 2020	-	-	0.59	0.59
	31 March 2019	-	-	15.59	15.59
Purchase of Services					
SC Hotel Tourist Deluxe Private Limited	31 March 2020	0.52	-	-	0.52
	31 March 2019	2.66	-	-	2.66
Hotel Tourist	31 March 2020	0.21	-	-	0.21
	31 March 2019	3.34	-	-	3.34
Ravindra Kumar Gupta	31 March 2020	-	0.01	-	0.01
	31 March 2019	-	-	-	-
Development work of Project VRX					
Smartivity Labs Private Limited	31 March 2020	-	-	-	-
	31 March 2019	-	-	9.42	9.42
Other expenses paid (reimbursement)					
Shyam Lal Charitable Trust	31 March 2020	0.04	-	-	0.04
	31 March 2019	0.01	-	-	0.01
Edutor Technologies India Private Limited	31 March 2020	-	-	0.03	0.03
	31 March 2019	-	-	-	-
S Chand Properties Private Limited	31 March 2020	0.71	-	-	0.71
	31 March 2019	-	-	-	-
Rentals paid					
S Chand Properties Private Limited	31 March 2020	16.40	-	-	16.40
	31 March 2019	34.05	-	-	34.05
Mrs.Savita Gupta	31 March 2020	-	1.16	-	1.16
	31 March 2019	-	3.52	-	3.52
Mrs.Neerja Jhunjhnuwala	31 March 2020	-	0.67	-	0.67
	31 March 2019	-	2.69	-	2.69
Mr. Ravindra Kumar Gupta	31 March 2020	-	0.23	-	0.23
	31 March 2019	-	1.40	-	1.40
SC Hotel Tourist Deluxe Private Limited	31 March 2020	10.10	-	-	10.10
	31 March 2019	11.04	-	-	11.04
Investment made during the period					
Smartivity Labs Private Limited (Preference shares)	31 March 2020	-	-	-	-
	31 March 2019	-	-	2.96	2.96
Remuneration to KMP					
Mr. Himanshu Gupta	31 March 2020	-	14.54	-	14.54
	31 March 2019	-	12.88	-	12.88
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2020	-	14.48	-	14.48
	31 March 2019	-	12.95	-	12.95
Mr. Desh Raj Dogra	31 March 2020	-	0.53	-	0.53
	31 March 2019	-	0.59	-	0.59
Ms. Archana Capoor	31 March 2020	-	0.50	-	0.50
	31 March 2019	-	0.56	-	0.56
Mr. Sanjay Vijay Bhandarkar	31 March 2020	-	0.41	-	0.41
	31 March 2019	-	0.21	-	0.21
Mr. Rajagopalan Chandrashekar	31 March 2020	-	0.38	-	0.38
	31 March 2019	-	0.12	-	0.12
Mr. Sanjay Gujral	31 March 2020	-	-	-	-
	31 March 2019	-	0.18	-	0.18
Mr. Saurabh Mittal	31 March 2020	-	9.90	-	9.90
	31 March 2019	-	12.94	-	12.94
Mr. Jagdeep Singh	31 March 2020	-	5.52	-	5.52
	31 March 2019	-	7.11	-	7.11

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(₹ in millions)

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Interest income					
Smartivitys Lab Private Limited	31 March 2020	-	-	0.11	0.11
	31 March 2019	-	-	-	-
SC Hotel Tourist Deluxe Private Limited	31 March 2020	0.07	-	-	0.07
	31 March 2019	-	-	-	-
Loans and Advances given					
Edutor Technologies India Private Limited	31 March 2020	-	-	-	-
	31 March 2019	-	-	7.50	7.50
Smartivity Labs Private Limited	31 March 2020	-	-	2.00	2.00
	31 March 2019	-	-	-	-
SC Hotel Tourist Deluxe Private Limited	31 March 2020	1.10	-	-	1.10
	31 March 2019	-	-	-	-

Balances outstanding as at 31 March 2020

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Security deposit receivable					
SC Hotel Tourist Deluxe Private Limited	31 March 2020	4.20	-	-	4.20
	31 March 2019	4.20	-	-	4.20
S Chand Properties Private Limited	31 March 2020	0.58	-	-	0.58
	31 March 2019	12.55	-	-	12.55
Mrs.Savita Gupta	31 March 2020	-	0.39	-	0.39
	31 March 2019	-	0.54	-	0.54
Mrs.Neerja Jhunjhunwala	31 March 2020	-	-	-	-
	31 March 2019	-	0.12	-	0.12
Mr. Ravindra Kumar Gupta	31 March 2020	-	0.41	-	0.41
	31 March 2019	-	0.41	-	0.41
Loans and advances					
SC Hotel Tourist Deluxe Private Limited	31 March 2020	2.12	-	-	2.12
	31 March 2019	1.48	-	-	1.48
Hotel Tourist	31 March 2020	0.43	-	-	0.43
	31 March 2019	-	-	-	-
Shaara Hospitalities Private Limited	31 March 2020	-	-	-	-
	31 March 2019	0.01	-	-	0.01
RKG Hospitalities Private Limited	31 March 2020	0.34	-	-	0.34
	31 March 2019	0.34	-	-	0.34
Smartivity Labs Private Limited	31 March 2020	-	-	2.10	2.10
	31 March 2019	-	-	-	
S Chand Properties Private Limited	31 March 2020	8.62	-	-	8.62
	31 March 2019	-	-	-	-
Shyam Lal Charitable Trust	31 March 2020	0.01	-	-	0.01
	31 March 2019	-	-	-	-
Edutor Technologies India Private Limited	31 March 2020	-	-	-	-
	31 March 2019	-	-	4.39	4.39
Loans and advances to KMP					
Neerja Jhunjhunwala	31 March 2020	-	0.35	-	0.35
	31 March 2019	-	0.93	-	0.93
Mr. Saurabh Mittal	31 March 2020	-	3.14	-	3.14
	31 March 2019	-	3.98	-	3.98
Mr. Jagdeep Singh	31 March 2020	-	-	-	-
	31 March 2019	-	0.60	-	0.60
Trade payables					
Hotel Tourist	31 March 2020	0.05	-	-	0.05
	31 March 2019	0.18	-	-	0.18
SC Hotel Tourist Deluxe Private Limited	31 March 2020	0.02	-	-	0.02
	31 March 2019	0.46	-	-	0.46
Edutor Technologies India Pvt Ltd	31 March 2020	-	-	3.49	3.49
	31 March 2019	-	-	0.97	0.97
Smartivity Labs Private Limited	31 March 2020	-	-	-	-
	31 March 2019	-	-	1.07	1.07
S Chand Properties Private Limited	31 March 2020	0.87	-	-	0.87
	31 March 2019	-	-	-	-
Ravindra Kumar Gupta	31 March 2020	-	0.23	-	0.23
	31 March 2019	-	-	-	-

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Notes to consolidated financial statements for the year ended 31 March 2020
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(₹ in millions)

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Directors remuneration payable					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2020	-	0.43	-	0.43
	31 March 2019	-	0.42	-	0.42
Mr. Himanshu Gupta	31 March 2020	-	0.40	-	0.40
	31 March 2019	-	0.44	-	0.44
Mr. Saurabh Mittal	31 March 2020	-	0.27	-	0.27
	31 March 2019	-	0.54	-	0.54
Mr. Jagdeep Singh	31 March 2020	-	0.20	-	0.20
	31 March 2019	-	0.44	-	0.44
Investments made as at 31st Mar 2020					
Edutor Technologies India Pvt Ltd	31 March 2020	-	-	165.10	165.10
	31 March 2019	-	-	162.93	162.93
Smartivity Labs Private Limited	31 March 2020	-	-	18.41	18.41
	31 March 2019	-	-	24.61	24.61

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39. Capital and other commitment

(₹ in millions)

	31 March 2020	31 March 2019
a. Capital commitment (net of advance)	0.25	0.52
b. Relating to Export Promotion Capital Goods commitment	25.39	22.59
c. Other commitments	-	24.25

40. Contingent liabilities

(₹ in millions)

	31 March 2020	31 March 2019
Stamp duty (refer note 'a' below)	95.01	95.01
Registration fee (refer note 'a' below)	9.15	9.15
Income Tax demand (refer note 'b', 'c','d','e' and 'f' below)	83.05	77.14
VAT claim by U. P. VAT Act. (refer note 'g')	2.75	2.75
Kolkata VAT (refer note 'h')	1.05	-
EPCG laibility (refer note 'i' below)	2.77	3.77
Dealer financing (refer note 'j' below)	-	100.00

a. During the year 2015-16, S Chand And Company Ltd. received notice under Indian Stamp Act, 1899 for non-payment of stamp duty on transfer of property on amalgamation and demerger held in the financial year 2011-12. The district registrar contented that order of Hon'ble High Court for amalgamation and demerger does not grants exemption in respect of payment of stamp duty.

During the year 2017-18, the Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9.15 million (31 March 2019: 9.15 million)

As per the legal opinion obtained, management is of the view that no liability would accrue on the Company on account of such case. Accordingly, no provision has been made in the books of account for the same.

b. In S Chand And Company Ltd., In respect of Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Delhi High Court. The amount involved is ₹ 0.67 million (31 March 2019: ₹ 0.67 million).

c. In S Chand And Company Ltd., In respect of Assessment Year 2015-16 a disallowance under section 36(1)(va) read with section 2(24)(x) of the act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filling return. The matter is pending with CIT (A). The amount involved is ₹ 0.72 million (31 March 2019: ₹ 0.72 million).

d In Nirja Publishers & Printers Private Limited, During FY 2012-13, the Company received demand notice from the income tax authorities requiring to pay additional tax of ₹ 39.44 million (31 March 2019: ₹ 39.44 million) for assessment year 2011-12. Demand pertains to disallowance of deduction under section 80IC of the Income Tax Act. The company has not paid any amount towards this demand. The matter has been decided in Company's favour by CIT (Appeals) and is currently pending with the ITAT. The management is confident that the matter will be decided in company's favour.

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e. In Nirja Publishers & Printers Private Limited, during FY 2014-15, the Company received demand notice from the income tax authorities requiring to pay additional tax of ₹ 35.43 million (31 March 2019: ₹ 35.43 million) for assessment year 2012-13. Demand pertains to disallowance of deduction under section 80IC of the Income Tax Act. The company has not paid any amount towards this demand. The matter has been decided in Company's favour by CIT (Appeals) and is currently pending with the ITAT. The management is confident that the matter will be decided in comoanv's favour.

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

g. In DS Digital Private Limited, Company had received Claim for levy of penalty U/S 54(1) of U P. VAT Act.vide Appelate order by UP VAT Act for ₹2.75 million. Company has paid ₹ 1.10 million and booked under security deposit . The order has been set aside for re-adjudication.

h. In Vikas Publishing House Pvt. Ltd., Company has received a notice in the year 2019-20 from Kolkata VAT with demand of ₹ 1.05 million for the year 2016-17. Company has filed an appeal with Sr. joint Commissioner against this notice.

i. In Vikas Publishing House Private Limted, the Company has export obligation outstanding as on March 31, 2020 against which the Company had saved the import duty of ₹ 2.77 million (March 31, 2019 ₹ 3.77 million).

j. In S Chand And Company Ltd., During the year Nil (31 March 2019 ₹ 100 millions) dealer financing facility is availed through Yes Bank. The same amount has been repaid during the year.

k. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated 28th February, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

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41. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2020 and 31 March 2019 are as under:

	Foreign currency	Amount in foreign currency		Amount in ₹ (million)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade receivable	USD	3,24,161	4,27,372	24.41	29.67
	QAR	50,000	2,34,998	1.04	4.47
	AED	9,58,586	73,900	19.68	1.39
	MXN	545	1,116	0.00	0.00
	JPY	10,366	14,600	0.01	0.01
	GBP	350	331	0.03	0.03
	EUR	280	478	0.02	0.04
	CAD	160	235	0.01	0.01
	BRL	230	506	0.00	0.01
	AUD	272	267	0.01	0.01
Trade payable	GBP	9,767	1,350	0.74	0.09
	USD	-	8,19,757	-	56.84
Advance from Customer	USD	2,440	-	0.18	-

42. BPI India Private Limited had entered into a contract with a foreign party for supply of certain children books. As per the contract material was to be supplied in lots. After receiving certain lots the Company had requested the vendor to terminate the contract as there were no demands for such books. But the party had continued to supply books. The party has filed case against the Company for recovery of amount with interest. The case has been decided by Delhi High court vide its order dated 17 February 2020. The court has directed to the Registrar General to release a sum of ₹ 2.32 million to the foreign party from the amount of ₹ 4.17 million lying with Registrar General and balance amount shall be repaid to the company.

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43. Financial Instruments:- Financial risk management objectives and policies

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

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

A. Market Risk

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

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 2020 and 31 March 2019.

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

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

a. Interest rate risk.

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

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

(₹ in millions)

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2020			
Borrowings	+0.50%	(10.76)	-
	-0.50%	10.76	-
As at 31 March 2019			
Borrowings	+0.50%	(12.40)	-
	-0.50%	12.40	-

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b. Foreign currency risk

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

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

(₹ in millions)

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
For the year ended 31 March 2020			
USD	+0.5%	0.12	-
	-0.5%	(0.12)	-
QAR	+0.5%	0.01	-
	-0.5%	(0.01)	-
AED	+0.5%	0.10	-
	-0.5%	(0.10)	-
For the year ended 31 March 2019			
USD	+0.5%	(0.14)	-
	-0.5%	0.14	-
QAR	+0.5%	0.02	-
	-0.5%	(0.02)	-
AED	+0.5%	0.01	-
	-0.5%	(0.01)	-

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B. Credit Risk

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

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

(₹ in millions)

Age Bracket	Not Due	Due	Total
As at 31 March 2019	3,667.99	778.04	4,446.03
As at 31 March 2020	2,548.32	800.33	3,348.65

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

(₹ in millions)

	31 March 2020	31 March 2019
On Demand		
- Borrowings	1,052.56	1,299.38
	1,052.56	1,299.38
Less than 1 year		
- Borrowings	441.59	353.34
- Trade payables	1,582.47	1,943.72
- Other financial liabilities	210.59	246.67
	2,234.65	2,543.73
More than 1 year		
- Borrowings	608.17	727.27
- Trade payables	-	6.82
- Other financial liabilities	-	8.05
	608.17	742.14

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44. Capital management

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

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

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

Group's adjusted net debt to equity ratio as at 31 March 2020 is as follows:

(₹ in millions)

Gearing Ratio	**31 March 2020**	**31 March 2019**
Borrowings (Note 13A & 13B) (including current maturities)	2,152.32	2,479.19
Less: cash and cash equivalents (Note 5E)	(98.10)	(603.96)
Adjusted Net debt (A)	**2,054.22**	**1,875.23**
Equity	8,213.00	9,332.98
Total equity (B)	**8,213.00**	**9,332.98**
Total equity and net debt [C = (A+B)]	**10,267.22**	**11,208.21**
Gearing Ratio (A/C)	20%	17%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breaches in the financial covenants of some of the interest-bearing loans and borrowing in the current period.

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

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45. Fair Values

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

(₹ in millions)

Particulars	31 March 2020			31 March 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Assets						
Non current financial assets						
- Investments	223.25	0.11	-	241.80	0.18	-
- Loans	55.85	-	-	95.40	-	-
- Other financial assets	14.06	-	-	12.73	-	-
Current Financial assets						
- Trade receivables	3,348.65	-	-	4,446.03	-	-
- Loans	59.67	-	-	66.72	-	-
- Investments	-	167.02	-	14.06	201.52	-
- Other financial assets	20.31	-	-	90.86	-	-
- Cash and cash equivalents	98.10	-	-	603.96	-	-
Liabilities						
Non Current Financial liabilities						
- Borrowings	608.17	-	-	727.27	-	-
- Trade payables	-	-	-	6.82	-	-
- Lease Liability	365.92	-	-			
- Other financial liabilities	-	-	-	8.05	-	-
Current Financial liabilities						
- Borrowings	1,114.39	-	-	1,408.87	-	-
- Trade payables	1,582.47	-	-	1,943.72	-	-
- Lease Liability	125.93	-	-	-	-	-
- Other financial liabilities	640.35	-	-	589.72	-	-

The fair values of current financial assets like trade receivables, loans and cash & cash equivalents and current financial liabilities like trade payables and other current financial liabilities are considered to be same as their carrying values due to their short term nature.

The carrying amounts of other items carried at amortized cost are reasonable approximation of their fair values.

The Group classifies all its financial assets and financial liabilities to be measured at amortized cost. Hence the group has not classified its financial instruments into three levels of fair value measurement hierarchy in accordance with the relevant accounting standards

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Chand And Company Limited

46. As per requirement of Companies Act, 2013, following additional disclosure needs to be given in the Notes to Accounts for the year ended 31 March 2020 along with comparative numbers for 31 March 2019:

As at 31 March 2020

(₹ in millions)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
S Chand And Company Limited	53.84%	4,421.80	30.85%	(343.89)	67.87%	(4.08)	31.05%	(347.96)
Subsidiaries								
Indian								
Eurasia Publishing House Private Limited	1.84%	151.30	-0.45%	4.98	0.00%	-	-0.44%	4.98
BPI (India) Private Limited	0.30%	24.49	0.13%	(1.43)	6.83%	(0.41)	0.16%	(1.84)
Safari Digital Education Initiatives Private Limited	0.88%	72.40	13.17%	(146.81)	-4.56%	0.27	13.08%	(146.54)
Blackie & Son (Calcutta) Private Limited	0.86%	70.50	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nirja Publishers & Printers Private Limited	9.47%	778.00	-1.77%	19.71	0.00%	-	-1.76%	19.71
Vikas Publishing House Private Limited	17.36%	1,425.84	8.73%	(97.29)	-13.43%	0.81	8.61%	(96.50)
S Chand Edutech Private Limited	-0.47%	(38.45)	2.73%	(30.41)	-0.12%	0.01	2.71%	(30.40)
D S Digital Private Limited	-0.08%	(6.98)	9.43%	(105.13)	-1.71%	0.10	9.37%	(105.02)
New Saraswati House (India) Private Limited	2.45%	201.47	47.06%	(524.61)	31.69%	(1.90)	46.98%	(526.51)
Chhaya Prakashani Private Limited	10.80%	886.86	-9.33%	104.04	15.85%	(0.95)	-9.20%	103.09
Indian Progressive Publishing Company Private Limited	0.17%	13.78	-0.51%	5.72	0.00%	-	-0.51%	5.72
Minority interest in all subsidiaries	0.35%	28.48	-0.04%	0.47	-2.25%	0.13	-0.05%	0.59
Associates (Indian)								
Investment as per Equity Method	2.23%	183.51	0.00%	-	0.00%	-	0.00%	-
	100.00%	**8,213.00**	**100.00%**	**(1,114.68)**	**100.17%**	**(6.01)**	**100.00%**	**(1,120.69)**

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46. As per requirement of Companies Act, 2013, following additional disclosure needs to be given in the Notes to Accounts for the year ended 31 March 2020 along with comparative numbers for 31 March 2019:

As at 31 March 2020

(₹ in millions)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
S Chand And Company Limited	53.84%	4,421.80	30.85%	(343.89)	67.73%	(4.07)	31.05%	(347.96)
Subsidiaries								
Indian								
Eurasia Publishing House Private Limited	1.84%	151.30	-0.45%	4.98	0.00%	-	-0.44%	4.98
BPI (India) Private Limited	0.30%	24.49	0.13%	(1.43)	6.82%	(0.41)	0.16%	(1.84)
Safari Digital Education Initiatives Private Limited	0.88%	72.40	13.17%	(146.81)	-4.56%	0.27	13.08%	(146.54)
Blackie & Son (Calcutta) Private Limited	0.86%	70.50	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Nirja Publishers & Printers Private Limited	9.47%	778.00	-1.77%	19.71	0.00%	-	-1.76%	19.71
Vikas Publishing House Private Limited	17.36%	1,425.84	8.73%	(97.29)	-13.42%	0.81	8.61%	(96.50)
S Chand Edutech Private Limited	-0.47%	(38.45)	2.73%	(30.41)	-0.12%	0.01	2.71%	(30.40)
D S Digital Private Limited	-0.08%	(6.98)	9.43%	(105.13)	-1.70%	0.10	9.37%	(105.02)
New Saraswati House (India) Private Limited	2.45%	201.47	47.06%	(524.61)	31.66%	(1.90)	46.98%	(526.51)
Chhaya Prakashani Private Limited	10.80%	886.86	-9.33%	104.04	15.84%	(0.95)	-9.20%	103.09
Indian Progressive Publishing Company Private Limited	0.17%	13.78	-0.51%	5.72	0.00%	-	-0.51%	5.72
Minority interest in all subsidiaries	0.35%	28.48	-0.04%	0.47	-2.24%	0.13	-0.05%	0.59
Associates (Indian)								
Investment as per Equity Method	2.23%	183.51	0.00%	-	0.00%	-	0.00%	-
	100.00%	**8,213.00**	**100.00%**	**(1,114.68)**	**100.00%**	**(6.01)**	**100.00%**	**(1,120.69)**

47. S Chand And Company Limited has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Son (Calcutta) Private Limited ("Blackie"), Nirja Publishers & Printers Private Limited ("Nirja"), DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited ("S Chand") and their respective shareholders and creditors (Composite Scheme) with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"). The Scheme inter alia includes amalgamation of Blackie & Nirja with and into S Chand, demerger of the education business of DS Digital & Safari with and into S Chand and amalgamation of residual business (after demerger) of DS Digital with and into Safari. The Company had filed the Scheme with NCLT. NCLT vide its order dated February 10, 2020 had directed to convene meetings of shareholders, secured & unsecured creditors of S Chand and meeting of secured & unsecured creditors of Nirja and DS Digital ("the meetings") for approval of the Scheme. However, due to Covid19 pandemic and nationwide lockdown the meetings were adjourned. NCLT vide its order dated May 29, 2020 has directed to convene the meetings through video conferencing in the month of July 2020.

48. The Shareholders of Vikas Publishing House Private Limited (transferee) and Rajendra Ravindra Printer Private Limited (transferor) (RRPL), a subsidiary of S Chand And Company Limited (SCCL), had approved a scheme of amalgamation (the scheme) u/s 391-394 of the Companies Act, 1956 and applicable provisions of Companies Act 2013 (to the extent applicable). In accordance with the scheme RRPL merged with the Company w.e.f. 1st April, 2014. The Hon'ble Delhi High Court had given its approval to the Scheme on February 18, 2016 and order was received by the company on April 7, 2016. The approved scheme was filed with the Registrar of Companies on April 27, 2016 and the Scheme became effective from such date. Assets and liabilities, rights and obligation of the RRPL were transferred into the Company (as provided in the Scheme).
During FY 2012-13, Rajendra Ravindra Printing Private Limited 'Amalgamating Company' had sold its certain land and building (acquired in 1972) to its wholly owned subsidiary, and claimed exemption under section 47(iv) of Income Tax Act, 1961 ("Act"). However, by virtue of merger of RRPL, the subsidiary company ceases to be wholly owned subsidiary of RRPL before expiry of 8 years from the date of transfer, accordingly, capital gains claimed as exempt under section 47(iv), would now be taxable in the year of transfer due to trigger of section 47A. Considering this, tax liability for Rs 33.51 million has been recognised in the books of accounts. The company has filed an application with the department.

49. S Chand And Company Limited had made an investment in 410 optionally convertible redeemable debentures of ₹ 100,000 each fully paid in Waldorf Integration Solutions Limited (formerly Cityxys Technologies Limited) during the financial year 2007-08 as per the debenture subscription agreement dated 14 May 2007. The debentures were converted into 512,500 optionally convertible or redeemable preference shares during the financial year 2008-09 as per the debenture conversion agreement dated 03 March 2009. These preference shares were redeemable or convertible at the option of the shareholder as per the debenture conversion agreement. The preference shares were due for redemption or conversion during the financial year 2011-12 and the Company opted for redemption of preference shares which the Waldorf Integration Solutions Limited (formerly Cityxys Technologies Limited) failed and defaulted in redeeming the preference shares. The Company had filed a case against Waldorf Integration Solutions Limited (formerly Cityxys Technologies Limited) demanding redemption of the preference shares held by the Company and on March 28, 2018, the Hon'ble Arbitral Tribunal, awarded the case in favour of the Company. The management in consultation with lawyers, has reversed the provision made of ₹ 41 Million and accured premium on redemption of ₹ 23 Million in the current financial year. During the FY 2018-19, Citixyxs approached the company for settlement and paid ₹ 72.50. Accordingly ₹ 8.44 has been realised as other income. During the FY 2019-20 the company has received ₹ 14.06 million.

50. **Corporate social responsibility**

		(₹ in millions)
	31 March 2020	**31 March 2019**
a) Gross amount required to be spent by the Group during the year	16.62	24.51
b) Amount spent during the year	17.00	12.30

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

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52. Impact of COVID -19

The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity including India. This event has significantly effected economic activities and the impact of coronavirus on our business will depend on future developments that cannot be reliably predicted. Post the outbreak, certain premises (including warehouse) of the Group and third party (used for job work purposes) have been closed since March 22, 2020, however, effective May 08, 2020, operations have commenced in a phased manner as per the directives from the government.

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

As at the balance sheet date, the Group has evaluated the impact of COVID 19 on its financial results the impact of COVID 19 may differ from the estimates as at the date of approval of these financial statements. There have been no material changes in the controls or processes followed in the financial statements closing process of the Group. The Group will continue to monitor any future changes to the business and financial statements due to COVID-19.

The management, based on its current and future business plans, after considering COVID 19 impact, has assessed that the Group's ability to meet its contractual obligations and liabilities that fall due in near future including repayment of the debts taken from banks / financial institutions and their related covenants, is dependent upon timely realization of debtors collections and subsequent sale of inventory. The management has assessed that it will be able to realize the collections on timely basis despite COVID 19 challenges and would be able to arrange sufficient working capital facilities from banks/ financial intuitions, if required, to ensure continuity of operations. The management has availed moratorium offered by one financial institutions during the month of Apr-May'20 to manage cash flows.

53. In New Saraswati House (India) Pvt. Ltd., the company has one of its warehouse situated at "Sahibabad" . During the year ended March 31, 2019, a fire broke in warehouse, which resulted in loss of finished goods lying in warehouse at that point in time. The valuation of goods computed by the management at cost is INR 58.13 million, which has been disclosed as an exceptional item. The company has received insurance claim of INR 50.13 million and the scrap value realised from such stock is INR 0.87 million during the year ended March 31, 2019 , which have been netted off from the exceptional item.

54. During the year ended March 31, 2019, the group experienced significant sales return which was more than the management estimates made during year ended March 31, 2018, out of which ₹ 226.27 million was considered exceptional as being other than the ordinary course of business.

55. During the quarter and year ended March 31, 2020, due to Covid-19, Group has performed a detailed assessment of its existing inventory and as a result, the Group has further reduced the valuation of certain titles to their current realisable value and recorded additional provision of Rs. 87.16 million as exceptional cost.

56. During the year ended March 31, 2020, in Safari Digital Education Initiatives Private Limited, diminution in the carrying value of investment in respect of Gyankosh Solutions Pvt. Ltd. amounting to ₹ 12.07 million (represented by Investment in Preference Shares) has been made to recognise a decline in the value of its investments in resultant business, other than temporary in the value of the investment.

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

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

per Sanjay Bachchani
Partner
Membership No.: 400419

Place: Gurugram
Date: 30 June 2020

For and on behalf of the Board of Directors of
S Chand And Company Limited

Himanshu Gupta
Managing Director
DIN: 00054015
Place: New Delhi
Date: 30 June 2020

Dinesh Kumar Jhunjhunwala
Whole-time Director
DIN: 00282988
Place: New Delhi
Date: 30 June 2020

Saurabh Mittal
Chief Financial Officer
Place: New Delhi
Date: 30 June 2020

Jagdeep Singh
Company Secretary
Place: New Delhi
Date: 30 June 2020