

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Vikas Publishing House Private Limited

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

We have audited the accompanying Ind AS financial statements of Vikas Publishing House Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

~~In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.~~



## Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the [Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- ❖ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and,



based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - g) According to the information and explanation given by the management, we report that remuneration of the Managing Director for the year ended March 31, 2019 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto, by Rs 2.16 million. We are informed by



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

the management that it is in the process of recovering the excess amount from the director;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Yogesh Midha

Partner

Membership Number: 94941

Place of Signature: New Delhi

Date: May 24, 2019



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

**Re: Vikas Publishing House Private Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physical verified by the management in the current year in accordance with the planned programme of verifying them once in three years which, in our opinion, is reasonable having regards to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable interval during the year and no material discrepancies noted on such verification. Inventories lying with third parties have been confirmed by them on various date and no material discrepancies were noticed in respect of such confirmation.
- (iii) According to the information and explanation given to us, the Company has not granted any loan secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause iii(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loan, investment guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act 2013, for the product/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a one case.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:



Name of the statute	Nature of the dues	Amount	Period to which amount relates	Due Date	Date of payment*
Income Tax Act, 1961	Income Tax	INR 33.51 million	AY 2017-18	30/09/2017	Not yet paid

\*No demand has been raised by Income Tax Department.

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

Name of the statute	Nature of the dues	Amount	Period to which amount relates	Due Date	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 271DA	INR 0.88 million	AY 2018-19	May 07, 2019	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company does not have any dues to in respect of debenture holders or government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, we report that remuneration of the Managing Director for the year ended March 31, 2019 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto, by Rs 2.16 million. We are informed by the management that it is in the process of recovering the excess amount from the director.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- ~~(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.~~
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



**per Yogesh Midha**

Partner

Membership Number: 94941



Place: New Delhi

Date: May 24, 2019

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VIKAS PUBLISHING HOUSE PRIVATE LIMITED**

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

We have audited the internal financial controls over financial reporting of **Vikas Publishing House Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

---

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

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





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

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

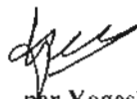
### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Yogesh Midha

Partner

Membership Number: 94941

Place: New Delhi

Date: May 24, 2019



	Notes	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	711.81	724.69
Intangible assets			
- Goodwill	4	2.36	2.36
- Other intangible assets	4	154.55	134.77
Capital work-in-progress		-	1.95
Financial assets			
- Investments	5A	70.00	70.00
- Loans	5C	11.40	10.14
- Other financial assets	5E	2.92	3.06
Income tax assets (net)	7C	22.44	1.43
Deferred tax assets (net)	8	-	0.98
Other non-current assets	7	2.10	4.15
<b>Total non-current assets</b>		<b>977.58</b>	<b>953.53</b>
<b>Current assets</b>			
Inventories	6	486.69	408.14
Financial assets			
- Trade receivables	5B	1,449.19	1,567.18
- Loans	5C	23.60	23.16
- Cash and cash equivalents	5D	202.56	112.55
- Other financial assets	5E	76.35	7.75
Other current assets	7	11.18	4.61
<b>Total current assets</b>		<b>2,249.57</b>	<b>2,123.39</b>
<b>Total assets</b>		<b>3,227.15</b>	<b>3,076.92</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	9	4.01	4.01
Other equity			
- Retained earnings	10	1,416.69	1,339.22
- Other reserves	10	101.62	101.29
<b>Total equity</b>		<b>1,522.32</b>	<b>1,444.52</b>
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	11A	323.78	447.95
Provisions	14	19.05	34.17
Deferred tax liabilities (net)	8	26.74	-
<b>Total non current liabilities</b>		<b>369.57</b>	<b>482.12</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	11B	439.82	479.30
- Trade payables	12		
Micro enterprises and small enterprises (refer note 34)		25.39	-
Other than micro enterprises and small enterprises		589.48	453.39
- Other financial liabilities	13	211.55	113.06
Provisions	14	33.51	72.15
Other current liabilities	15	35.51	32.38
<b>Total current liabilities</b>		<b>1,335.26</b>	<b>1,150.28</b>
<b>Total equity and liabilities</b>		<b>3,227.15</b>	<b>3,076.92</b>

Summary of significant accounting policies

2.1

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

As per our report of even date

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

Prakash Midha  
Partner  
Membership No.: 94941

Place: New Delhi  
Date: 24 May 2019



For and on behalf of the Board of Directors of  
Vikas Publishing House Private Limited

Himanshu Gupta  
Director  
DIN: 00054015

Savitri Gupta  
Whole-Time Director  
DIN: 00053988

Vikas Publishing House Private Limited  
Statement of Profit and Loss for the year ended 31 March 2019  
CIN: U74899DL1971PTC005766

(Rs. In million)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue from Operations	16	1,853.10	2,045.11
II Other Income	17	11.36	2.85
III Total Income (I+II)		<u>1,864.46</u>	<u>2,047.96</u>
IV Expenses			
Cost of raw material consumed	18	366.16	435.49
Cost of traded goods sold	19	90.21	42.78
Cost of printing material consumed	20	150.26	126.86
(Increase)/decrease in inventories of finished goods and work in progress	21	(71.38)	(39.41)
Publication expenses	22	311.21	325.70
Employee benefits expense	23	381.06	340.22
Selling and distribution expenses	24	169.75	155.51
Finance cost	25	125.15	122.55
Depreciation and amortisation expense	26	57.24	49.88
Other expenses	27	173.63	123.92
Total expenses		<u>1,753.29</u>	<u>1,683.50</u>
V Profit before tax (III-IV)		111.17	364.46
VI Tax expense:	48		
Current tax		28.22	112.16
Adjustment of taxes for earlier years		(1.90)	-
Deferred tax charge		21.80	6.15
Total tax expenses		<u>48.12</u>	<u>118.31</u>
VII Profit for the year (V-VI)		63.05	246.15
VIII Other Comprehensive Income	28		
- Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		20.34	(6.65)
Tax impact on re-measurement (gain)/ loss on defined benefit plans		(5.92)	1.94
IX Total Comprehensive Income for the year (VII + VIII)		<u>77.47</u>	<u>241.44</u>
X Earnings per equity share:	29		
(1) Basic		1,570.78	6,132.17
(2) Diluted		1,570.78	6,132.17
Summary of significant accounting policies	2.1		

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

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

per Yogesh Midha  
Partner  
Membership No.: 94941



For and on behalf of the Board of Directors of  
Vikas Publishing House Private Limited

Himanshu Gupta  
Director  
DIN: 00054015

Savita Gupta  
Whole-Time Director  
DIN: 00053988

Place : New Delhi  
Date : 24 May 2019

h

Vikas Publishing House Private Limited  
Cash flow statement for the year ended 31 March 2019  
CIN: U74899DL1971PTC005766

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	111.17	364.46
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortization	57.24	49.88
Employee stock option expense	0.33	2.02
Amount written back	(4.59)	-
Interest expense	119.03	119.34
Interest income	(3.63)	(2.41)
Property, plant and equipment written off	0.14	-
(Profit)/Loss on sale of property, plant and equipment	(0.03)	0.26
Amount written off	0.92	1.97
Provision for bad & doubtful debts	33.51	12.14
<b>Operating profit before working capital changes</b>	<b>314.09</b>	<b>547.66</b>
Adjustments for changes in working capital		
Decrease/ (Increase) in trade receivables	83.57	(6.95)
(Increase) Decrease in other non-current assets and in other current assets	(5.97)	0.07
(Increase)/ decrease in loans & advances	(1.69)	5.21
(Increase)/decrease in inventories	(78.55)	79.76
(Increase)/decrease in other financial assets	(68.46)	30.48
Increase/(decrease) in trade payables	166.07	(368.86)
Increase in other financial liabilities	5.10	33.83
Increase/(decrease) in other current liabilities	3.13	(8.14)
Increase in long term provisions	5.21	7.92
<b>Cash generated from/(used in) operations</b>	<b>422.50</b>	<b>320.98</b>
Direct tax paid	(85.97)	(104.77)
<b>Net cash generated from operation</b>	<b>(A) 336.53</b>	<b>216.21</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, capital advances and capital work in progress (net of capital creditor)	(60.93)	(98.37)
Proceeds from sale of property, plant and equipment	0.08	4.02
Interest received	3.63	2.40
<b>Net cash used in investing activities</b>	<b>(B) (57.22)</b>	<b>(91.95)</b>
<b>C. Cash flow from financing activities</b>		
Proceed/(Repayment) for long-term borrowings (net)	6.31	27.74
Proceeds/(Repayment) from short term borrowings (net)	(39.48)	(32.56)
Interest paid	(156.13)	(119.34)
<b>Net cash from financing activities</b>	<b>(C) (189.30)</b>	<b>(124.16)</b>

(This space has been intentionally left blank)



*AL*

		(Rs. In million)	
		For the year ended 31 March 2019	For the year ended 31 March 2018
Net increase in cash & cash equivalents	(A+B+C)	90.01	0.10
Cash and cash equivalents - at the beginning of the year		112.55	112.45
Cash and cash equivalents - at the end of the year		<u>202.56</u>	<u>112.55</u>
<b>Components of cash and cash equivalents</b>			
Cash in hand		1.49	0.10
Balance with banks on current accounts		136.09	90.76
Cheques in hand		64.98	21.69
Total Cash and cash equivalents (refer note 5D)		<u>202.56</u>	<u>112.55</u>
<b>Non-cash investing and financing transaction</b>			
Acquisition of property, plant and equipment by means of a finance lease		-	-

Notes.

1. Reconciliation of liabilities arising from financing activities


	(Rs. In million)		
	As at 31 March 2018	Cash flows	As at 31 March 2019
Long term borrowings (including current maturity)	478.98	6.31	485.29
Short term borrowings	479.30	(39.48)	439.82
	<u>958.28</u>	<u>(33.17)</u>	<u>925.11</u>

Summary of significant accounting policies

2.1

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

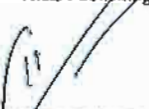
For S.R. Batliboi & Associates LLP  
 ICAI Firm Registration No. 101049W / E300004  
 Chartered Accountants


  
 per Yogesh Midha  
 Partner  
 Membership No.: 94941



Place : New Delhi  
 Date: 24 May 2019

For and on behalf of the Board of Directors of  
 Vikas Publishing House Private Limited

  
 Mananshu Gupta  
 Director  
 DIN: 00054015

  
 Sayita Gupta  
 Whole-Time Director  
 DIN: 00053988



Vikas Publishing House Private Limited  
Statement of changes in equity for the year ended 31 March 2019  
CIN: U74899DL1971PTC005766

	(Rs. In million)		(Rs. In million)				Total
	Issued, subscribed and fully paid up (Share of ₹ 100/- each)	No. of shares	Retained earnings	General reserve	Revaluation reserve	Deemed capital contribution	
<b>A. Equity share capital:</b>							
At 01 April 2017	40,140	40,140	-	-	-	-	-
Issued during the year	-	-	-	-	-	-	-
At 31 March 2018	40,140	40,140	-	-	-	-	-
Issued during the year	-	-	-	-	-	-	-
At 31 March 2019	40,140	40,140	-	-	-	-	-
<b>B. Other equity</b>							
As at 1 April 2017			1,097.78	46.30	51.21	1.76	1,197.05
Profit for the year			246.15	-	-	-	246.15
Other comprehensive income for the year			(4.71)	-	-	-	(4.71)
Total Comprehensive Income for the year			241.44	-	-	-	241.44
Share based payments			-	-	-	2.02	2.02
As at 31 March 2018			1,339.22	46.30	51.21	3.78	1,440.51
Profit for the year			63.05	-	-	-	63.05
Other comprehensive income for the year			14.42	-	-	-	14.42
Total Comprehensive Income for the year			77.47	-	-	-	77.47
Share based payments			-	-	-	0.33	0.33
As at 31 March 2019			1,416.69	46.30	51.21	4.11	1,518.31

Summary of significant accounting policies

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

As per our report of even date

For S.R. Badiboi & Associates LLP  
ICAI Firm-Registration No. 101049W / E3000004  
Chartered Accountants

per Yogesh Midha  
Partner  
Membership No.: 94941



Place : New Delhi  
Date: 24 May 2019

For and on behalf of the Board of Directors of  
Vikas Publishing House Private Limited

Himanshu Gupta  
Director  
DIN: 00054018

Savitri Chandra  
Whole-Time Director  
DIN: 00053988

✓

**1. Corporate information**

Vikas Publishing House Private Limited (the Company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Vikas has head office in Delhi and corporate office at Noida, Uttar Pradesh and warehouse at Sahibabad, Uttar Pradesh and has seven sales offices in the cities of Mumbai, Patna, Lucknow, Ahmadabad, Bangalore, Chennai and Kolkata. These are standalone financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

The Company is engaged in printing and publishing of college text books, school textbooks, and mass-market books and provides job work services to its customers.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

For all periods up to and including the year ended March 31, 2017 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP).

The 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 financial statements are presented in INR (Indian Rupees) and all values are rounded to the nearest Million (INR 1,000,000), except when otherwise indicated.

**2.2 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when:

- i. It is expected to be realised or intended to sold or consumed in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is 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 classified as 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 the liability for at least twelve months after the reporting period



The Company classifies all other liabilities as non-current.

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

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

## 2.3 Foreign currencies

### Functional and presentational currency

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

### Transactions and balances

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

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

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

## 2.4 Fair value measurement

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

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

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

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

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

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

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

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





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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (Note 2.20)
- Quantitative disclosures of fair value measurement hierarchy (Note 47)
- Investment in unquoted equity shares (Note 5A)
- Financial instruments (including those carried at amortised cost) (Note 45)
- Equity Settled employee share based payment plan (Note 42)

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

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

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



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

#### Variable consideration

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

- **Rights of return**

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

- **Volume rebates**

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

- **Cash rebates**

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

#### Contract assets

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

#### Trade receivables

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

#### Contract liabilities

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

#### Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable for all financial instruments measured at amortised cost and other interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts



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

#### *Dividends*

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

#### *Ind AS 115 adoption*

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

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

The company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the financial statements. Further there were no significant adjustments required to the retained earnings at April 1, 2018. The adoption of the standard did not have any material impact on the recognition and measurement of revenue and related items in the financial results.

## 2.6 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 Company operates and generates taxable income.

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

#### **Deferred tax**

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

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

- i. 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



- ii. 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:

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

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

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

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

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

## 2.7 Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment, except land and building acquired before 1<sup>st</sup> April 2016, were carried in the balance sheet at cost, net of accumulated depreciation and accumulated impairment losses, if any. The Company has elected to continue with the carrying value for all its item of property, plant and equipment as recognised in its Indian GAAP financial as deemed cost at the transition date, viz, April 01, 2016.

~~On March 31, 2006 the company revalued its land and building situated at Sahibabad. This land and building are measured at fair value on the revaluation date less accumulated depreciation and impairment losses, if any, recognized after the date of revaluation. In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve.~~

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



present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1<sup>st</sup> April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, have been carried forward with no adjustments. (Refer Note 3).

#### Depreciation

Till March 31, 2017 depreciation on property, plant and equipment was being provided on written down value method. W.e.f. April 01, 2017 depreciation is being provided on straight line method.

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
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
Others – Computer	3 - 6 years	3 years
Electrical Installations	10 years	10 years
Building (including factory building)	40 - 60 years	30 years

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

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

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

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

#### 2.8 Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet at cost, net of accumulated amortization and accumulated impairment losses, if any. The Company has elected to continue with the carrying value for all its item of intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date, viz, April 01, 2016.

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with no adjustments (refer Note 4).



#### 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.

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 expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

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

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

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

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (5 years)	Amortized on straight line basis over the period of useful lives	Acquired
Goodwill on business combination	Indefinite	No amortization	Acquired



Copyrights	Finite (5 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

## 2.9 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.

## 2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## 2.11 Inventories

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

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

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

## 2.12 Impairment of non-financial assets

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



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

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

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

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

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

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

## 2.13 Financial Instruments

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

### Financial assets

#### Initial recognition and measurement

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

- i. Financial assets at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)





- iii. Equity instruments at fair value through other comprehensive income (FVTOCI)
- iv. Financial assets at fair value through profit or loss (FVTPL)

#### Financial assets at amortised cost

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

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. 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.

#### Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

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

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

#### Equity instruments at FVTOCI

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

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

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

---

#### Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

~~In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').~~

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

#### De-recognition



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

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

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

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

#### Impairment of financial assets

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

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are measured as at FVTOCI
- Lease receivables under Ind-AS 17.
- Contract assets and trade receivables under Ind-AS 18.
- Loan commitments which are not measured as at FVTPL.
- Financial guarantee contracts which are not measured as at FVTPL

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

- i. Trade receivables, and
- ii. All lease receivables resulting from transactions within the scope of Ind AS 17.

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

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

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



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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company has estimated provision of 3.51% is required to be made on outstanding receivables at the reporting date:

Age bracket	Not due	0 – 215 days	215 – 365 days	365 – 730 days	More than 730 days
<b>Credit Loss Rate</b>	0.02%	0.86%	23.10%	100%	100%

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

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

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

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

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

## Financial liabilities

### Initial recognition and measurement

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

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



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

#### **Subsequent measurement**

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

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

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

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

#### **Loans and borrowings**

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

#### **Financial guarantee contracts**

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

#### **De-recognition**

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

#### **Re-classification of Financial Assets**

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



#### Offsetting of Financial Instruments

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

#### 2.14 Retirement and other employee benefits

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

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

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

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

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

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

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

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

#### Compensated absences

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

#### 2.15 Provisions

##### General

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



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

#### 2.16 Cash and cash equivalents

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

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

#### 2.17 Earnings Per Share (EPS)

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

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

#### 2.18 Cash dividend and non-cash distribution to equity holders of the Company

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

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

#### 2.19 Significant accounting judgements, estimates and assumptions

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

##### A. Judgement

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

Operating lease commitments – Company as a lessee

The Company has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retains the significant risks and rewards of ownership



of these properties and accounts for the contracts as operating leases.

Revenue from contracts with customers

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

**Determining method to estimate variable consideration and assessing the constraint**

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

The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

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

**B. Estimates and assumptions**

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

**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)**

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

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

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

Further details about gratuity obligations are given in Note 33.

**Provision for trade receivable**



Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer Note 5c.

#### Impairment of non-financial assets

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

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

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

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

Certain contracts for the sale of books include a right of return, volume rebates and cash rebates that give rise to variable consideration. In estimating the variable consideration, the 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 Company estimates variable considerations to be included in the transaction price for the sale of electricity with cash rebates.

## 2.20 Standards issued but not yet effective

### a. Ind AS 116 "Leases"

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April, 01, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- (a) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors





- (b) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- (a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or  
(b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The company is under the process of evaluation of available transition options and a reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once Company completes its assessment.

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

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

**c. Amendment to Ind AS 12: Income Taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

**d. Amendment 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 current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine 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; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

**e. Amendment to Ind AS 109: Prepayment Feature 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 the 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.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019.

The company is under the process of evaluation impact on the financial statements of the Company.

**f. Amendment to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively in accordance with Ind AS 8 for annual reporting periods on or after 1 April 2019.

The company is under the process of evaluation impact on the financial statements of the Company.

**g. Annual improvement to Ind AS (2018);**

These improvements include:

**Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation**



The amendments clarify that, when an party to a joint arrangement obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

#### **Amendments to Ind AS 111: Joint Arrangements**

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not re-measured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 April 2019. These amendments are currently not applicable to the Company but may apply to future transactions.

#### **Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.



3. Property, plant and equipment

	Leasehold Land*	Building Office	Building Factory*	Plant & Machinery	Furniture & Fixtures**	Vehicles**	Office Equipment	Electrical Installations	Computers	Total
(Rs. In million)										
<b>Gross block</b>										
As at 1 April 2017	65.25	13.90	204.92	438.99	8.35	4.04	20.80	14.86	4.16	775.27
Additions	-	-	-	46.65	0.60	6.24	2.14	-	1.52	57.13
Disposals	-	-	-	(5.00)	-	-	-	-	(0.08)	(5.08)
As at 31 March 2018	65.25	13.90	204.92	480.62	8.95	10.28	22.94	14.86	5.60	827.32
Additions	-	-	-	15.65	1.04	1.15	0.49	-	1.59	19.88
Disposals	-	-	-	-	-	(0.31)	(0.01)	-	(0.04)	(0.36)
As at 31 March 2019	65.25	13.90	204.92	496.25	9.99	11.10	23.42	14.86	7.15	846.84
<b>Accumulated depreciation</b>										
As at 1 April 2017	1.14	0.62	10.31	45.77	2.06	1.18	6.63	5.86	2.06	73.63
Charge for the year	1.14	0.22	3.34	18.50	0.85	0.69	2.75	1.31	1.00	29.80
Deductions	-	-	-	(0.76)	-	-	-	-	(0.01)	(0.80)
As at 31 March 2018	2.28	0.84	13.65	63.51	2.91	1.87	9.38	5.17	3.02	102.63
Charge for the year	1.14	0.22	3.34	20.42	0.94	1.68	2.99	1.31	1.15	32.57
Deductions	-	-	-	-	-	(0.15)	(0.01)	-	(0.03)	(0.17)
As at 31 March 2019	3.42	1.06	16.99	83.93	3.85	2.82	12.36	6.48	4.12	135.83
<b>Net block</b>										
As at 31 March 2018	62.97	13.06	191.27	417.11	6.04	8.41	13.56	9.69	2.58	724.69
As at 31 March 2019	61.83	12.84	187.93	412.32	6.14	8.28	11.06	8.38	3.03	711.81

\* Land and buildings at E-28, Sector 8, Noida with a carrying amount of INR 25.24 million (31 March 2018: INR 25.68 million) is subject to a first charge to secure Deutsche Bank term loan.

\*\* Vehicles under loan contracts at 31 March 2019 was INR 7.27 million (31 March 2018: INR 7.53 million). Additions during the year include INR 0.81 million (31 March 2018: INR 6.24 million). Loaned assets are pledged as security for the related loan.

Note: The Company has changed its estimate of depreciation on property, plant and equipment from financial year 2017-18. Impact of change in estimate is given below for the year 2017-18.

Particulars	(Rs. In million)
Depreciation as per written down value method	74.47
Depreciation as per straight line method	29.80
Profit for previous year increased by	44.67



AZ

4. Intangible assets	(Rs. In million)			
	Content development (including In-house Content)	Computer Software's	Goodwill	Total
<b>Gross block</b>				
As at 1 April 2017	130.02	5.18	2.36	137.56
Additions	35.64	1.81	-	37.45
Disposals	-	-	-	-
As at 31 March 2018	165.66	6.99	2.36	175.01
Additions	44.12	0.33	-	44.45
Disposals	-	-	-	-
As at 31 March 2019	209.78	7.32	2.36	219.46
<b>Accumulated depreciation</b>				
As at 1 April 2017	15.77	2.03	-	17.80
Amortization for the year	19.33	0.75	-	20.08
Disposals	-	-	-	-
As at 31 March 2018	35.10	2.78	-	37.88
Amortization for the year	23.74	0.93	-	24.67
Disposals	-	-	-	-
As at 31 March 2019	58.84	3.71	-	62.55
<b>Net block</b>				
As at 31 March 2018	130.56	4.21	2.36	137.13
As at 31 March 2019	150.94	3.61	2.36	156.91

**Impairment testing of goodwill**

The Company performed 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



*AS*

5. Financial assets

5A. Investments

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>a. Investments at cost</b>		
<b>i. Investments in equity shares (Unquoted)</b>		
<b>Investments in subsidiaries</b>		
4,900 (Previous year 4,900) shares of Rs. 10 each fully paid up in M/s New Saraswati House (India) Private Limited	70.00	70.00
100 (Previous year 100) shares of Rs. 10 each fully paid up in M/s Safari Digital Education Initiative Private Limited	0.00	0.00
	<u>70.00</u>	<u>70.00</u>
<b>Current</b>	-	-
<b>Non-Current</b>	70.00	70.00

5B. Trade receivables

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>Trade receivables</b>		
Secured, considered good		
Unsecured, considered good	1,449.19	1,567.18
Receivable which have significant increase in credit risk	76.49	57.90
Receivable credit impaired	-	-
	<u>1,525.68</u>	<u>1,625.08</u>
<b>Less: Allowance for expected credit loss</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	(76.49)	(57.90)
Receivable credit impaired	-	-
	<u>(76.49)</u>	<u>(57.90)</u>
<b>Net trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	1,449.19	1,567.18
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	<u>1,449.19</u>	<u>1,567.18</u>
<b>Trade receivables from related parties (refer note 32b)</b>	496.63	457.20
<b>Current</b>	1,449.19	1,567.18
<b>Non-Current</b>	-	-

The movement in impairment of trade receivables as follow:

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Opening balance	57.90	56.87
Additions	33.51	12.14
Write off (net of recovery)	(14.92)	(11.11)
Closing balance	<u>76.49</u>	<u>57.90</u>

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



*[Handwritten signature]*

5C. Loans

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Security deposits - Non Current	11.40	10.14
Security deposits - Current	2.17	1.84
Advances recoverable in cash or kind (refer note (a) below)	21.43	21.32
<b>Total Loans and Advances</b>	<b>35.00</b>	<b>33.30</b>
<b>Current</b>	<b>23.60</b>	<b>23.16</b>
<b>Non-Current</b>	<b>11.40</b>	<b>10.14</b>
<b>Note (a)</b>		
<b>Advances recoverable in cash or kind</b>		
Considered good, unsecured	21.43	21.32
Considered good, secured	-	-
Recoverable which have significant increase in credit risk	-	-
Recoverable - credit impaired	-	-
	<u>21.43</u>	<u>21.32</u>
Less: Allowance for expected credit loss	-	-
	<u>21.43</u>	<u>21.32</u>

5D. Cash and cash equivalents

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- In current accounts	136.09	90.76
Cash in hand	1.49	0.10
Cheques in hand	64.98	21.69
<b>Total Cash and cash equivalents</b>	<b>202.56</b>	<b>112.55</b>
<b>Current</b>	<b>202.56</b>	<b>112.55</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>

5E. Other financial assets

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Margin money deposit (refer note a below)		
- Deposits with remaining maturity for less than 12 months	76.35	7.75
- Deposits with remaining maturity for more than 12 months	2.92	3.06
<b>Total other financial assets</b>	<b>79.27</b>	<b>10.81</b>
<b>Current</b>	<b>76.35</b>	<b>7.75</b>
<b>Non-Current</b>	<b>2.92</b>	<b>3.06</b>

Note (a)

i. Margin money deposit with a carrying amount of Rs. Nil (31 March 2018: Rs. 5.94 million) has been earmarked for the repayment of buyer credit taken from IndusInd Bank.

ii. Margin money deposits with a carrying amount of Rs. 4.18 million (31 March 2018: Rs. 4.33 million) are subject to first charges to secure the company's EPCG bank guarantees.

iii. Margin money deposits with carrying amount of Rs. 0.59 million (31 March 2018: Rs. 0.54 million) is subject to Registration of U/P VAT & DVAT.

iv. Margin money deposits with carrying amount of Rs. 74.50 million (31 March 2018: Rs. Nil) has been earmarked against the LC taken from IndusInd Bank.



6. Inventories

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Raw materials	10.60	8.37
Raw materials others	-	2.46
Printing material	23.88	12.82
Work in progress	1.31	11.17
Traded goods	13.80	17.46
Finished goods	437.10	355.86
<b>Total Inventories</b>	<b>486.69</b>	<b>408.14</b>

7. Other assets

7A. Capital advances

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	1.00	2.45
<b>Total capital advances</b>	<b>1.00</b>	<b>2.45</b>

7B. Prepaid expenses

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Prepaid expenses (Non current)	1.10	1.70
Prepaid expenses (Current)	11.18	4.61
<b>Total Prepaid expenses</b>	<b>12.28</b>	<b>6.31</b>
<b>Current</b>	<b>11.18</b>	<b>4.61</b>
<b>Non-Current</b>	<b>2.10</b>	<b>4.15</b>

7C. Income tax asset (net)

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Advance income tax (net of provision)	22.44	1.43
<b>Total</b>	<b>22.44</b>	<b>1.43</b>

8. Deferred taxes

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018

**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	7.76	9.95
Provision for doubtful debt & advances	22.28	16.86
<b>Total deferred tax assets</b>	<b>30.04</b>	<b>26.81</b>

**Items leading to creation of deferred tax liabilities**

Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	56.78	25.83
<b>Total deferred tax liabilities</b>	<b>56.78</b>	<b>25.83</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(26.74)</b>	<b>0.98</b>





9. Share Capital	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>Authorised</b>		
65,000 (31 March 2018: 65,000) equity shares of Rs 100/- each	6.50	6.50
<b>Issued, subscribed and fully paid up</b>		
40,140 (31 March 2018: 40,140) equity shares of Rs 100/- each	4.01	4.01
	<u>4.01</u>	<u>4.01</u>

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

Equity shares	Numbers	(Rs. In million)
<b>Issued, subscribed and fully paid up</b>		
As at 1 April 2017	40,140	4.01
Increase/(Decrease) during the year	-	-
As at 31 March 2018	<u>40,140</u>	<u>4.01</u>
Increase/(Decrease) during the year	-	-
As at 31 March 2019	<u>40,140</u>	<u>4.01</u>

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the Board of Directors during the year ended 31 March 2019 (31 March 2018: Nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company and their subsidiaries

	(Rs. In million)	
	31 March 2019	31 March 2018
S Chand And Company Limited (formerly S Chand And Company Private Limited)	3.93	3.93
Nirja Publishers & Printers Private Limited, Subsidiary of the Holding Company	0.08	0.08

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

	No. of shares held	% of holding
S Chand And Company Limited, the Holding Company (formerly S Chand And Company Private Limited)		
As at 31 March 2018	39,339	98%
As at 31 March 2019	<u>39,339</u>	<u>98%</u>

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

10. Other equity	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>Retained earning</b>		
Balance as the beginning of reporting year	1,339.22	1,097.78
Add: Profits for the year	63.05	246.15
Add: Other comprehensive income during the year	14.42	(4.71)
<b>Balance as the end of reporting year</b>	<u>1,416.69</u>	<u>1,339.22</u>
<b>Revaluation reserve (refer note 50)</b>		
Balance as the beginning of reporting year	51.21	51.21
Increase/(Decrease) during the year	-	-
<b>Balance as the end of reporting year</b>	<u>51.21</u>	<u>51.21</u>
<b>General reserve (refer note 50)</b>		
Balance as the beginning of reporting year	46.30	46.30
Increase/(Decrease) during the year	-	-
<b>Balance as the end of reporting year</b>	<u>46.30</u>	<u>46.30</u>
<b>Deemed capital contribution (refer note 50)</b>		
Balance as the beginning of reporting year	3.78	1.76
Increase/(Decrease) during the year	0.33	2.02
<b>Balance as the end of reporting year</b>	<u>4.11</u>	<u>3.78</u>



**II. Borrowings**

**IIA. Non-current borrowings**

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>Term Loans</b>		
Foreign currency loan from banks (secured) (refer note e and f below)	-	-
Indian rupee loan from banks (secured) (refer note d below)	46.07	-
Indian rupee loan from financial institution (secured) (refer note e and g below)	7.37	27.45
Indian rupee loan from related party (Holding company - Unsecured) (refer note h below)	266.00	416.00
<b>Vehicle Loans</b>		
Indian rupee loan from banks (secured) (refer note a and b below)	0.78	0.31
Indian rupee loan from financial institution (secured) (refer note f below)	3.56	4.19
<b>Total Non-current borrowings</b>	<b>323.78</b>	<b>447.95</b>
<b>Secured</b>	<b>57.78</b>	<b>31.95</b>
<b>Unsecured</b>	<b>266.00</b>	<b>416.00</b>

**From bank includes :-**

- Company has taken vehicle loan from HDFC Bank Limited which carries interest at 9.50% p.a. It is repayable in 60 Monthly equated monthly instalments, starting from May 2016 and it is secured by hypothecation of respective vehicle.
- Company has taken vehicle loan amounting Rs. 0.65 million from ICICI Bank Limited which carries interest at 9.26% p.a. It is repayable in 36 Monthly equated monthly instalments, starting from May 2018 and it is secured by hypothecation of respective vehicle.
- During FY 18-19, the Company has taken foreign currency term loan for the purpose of working capital from RBL Bank Limited 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 and movable fixed assets (excluding those assets which are specifically charged to other lenders), both present and future and corporate guarantee of S Chand And Company Limited. Interest to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited.
- During FY 18-19, the Company has taken loan against property from Deutsche Bank which carries interest at 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. F-28, Sector -8, Noida (U.P.).

**From financial institutions includes :-**

- Company has taken three term loan 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 Monthly equated monthly instalments and it is secured by hypothecation of respective machine and Corporate Guarantee of S Chand And Company 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 and it is secured by hypothecation of respective vehicle.
- Company has taken three term loans from Siemens Financial Services Private Limited for purchase of machines, which carries interest ranging between 11.5% to 13% p.a. It is repayable in 33 to 36 equated monthly instalments and it is secured by hypothecation of respective machine and Corporate Guarantee of S Chand And Company Limited. Company has made interest free refundable security deposits of Rs 2.73 million to lender, included in non current security deposit in Note 5C. Out of these three loans, one loan has been fully repaid during the year 2018-19.

**From related party includes :-**

- Company has taken a optional convertible loan of amounting Rs. 466.00 million from S Chand And Company Limited which carries interest @ SBI 2 year MCLR + 250 basis points p.a. Term of loan is 3 years. Loan can be convertible at the option of borrower after 1 year and if not converted on or before 3 years the loan shall be repaid on the completion of 3 years. Company has repaid Rs. 50 million during the year 2017-18 and Rs. 150 million during the year 2018-19.

**Loan covenants**

- The Company 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. As at March 31, 2019 the Company could not meet some of the debt covenants and accordingly the entire loan has been classified as "current maturity of long term borrowing".



11B. Current borrowings

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>Current maturity of long term borrowings</b>		
<b>Term loans</b>		
Foreign currency loan from banks (secured)	137.50	-
Indian rupee loan from banks (secured)	2.78	-
Indian rupee loan from financial institution (secured)	20.08	29.66
<b>Vehicle loan</b>		
Indian rupee loan from banks (secured)	0.58	0.52
Indian rupee loan from financial institution (secured)	0.57	0.85
<b>Total current maturity of long term borrowings</b>	<b>161.51</b>	<b>31.03</b>
<b>Buyers credit</b>		
Foreign currency loan from bank (secured) (refer note c below)	-	39.69
<b>Cash credit</b>		
Indian rupee loan from bank (secured) (refer note a below)	359.82	199.61
<b>Working capital demand loan</b>		
Indian rupee loan from bank (secured) (refer note b below)	80.00	240.00
<b>Total current borrowings</b>	<b>601.33</b>	<b>510.33</b>
Less: Amount presented under "other financial liabilities"	(161.51)	(31.03)
<b>Net current borrowings</b>	<b>439.82</b>	<b>479.30</b>
<b>Secured</b>	<b>439.82</b>	<b>479.30</b>
<b>Unsecured</b>	<b>-</b>	<b>-</b>

- a. Company has taken the cash credit facility from HDFC Bank, IndusInd Bank, DBS bank, RBL Bank, HSBC Bank and Standard Chartered Bank which 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 specifically charged to other lenders) and corporate guarantee of S Chand And Company Limited and has been considered as secured. Cash credit availed over and above the sanction limit has been considered as unsecured and carries same interest rate as secured facility and is repayable on demand. Cash credit facility from IndusInd Bank has been repaid during the financial year 2018-19.
- b. Working capital demand loan from HDFC Bank, DBS Bank, RBL Bank, HSBC Bank and Standard Chartered Bank carries interest ranging from 8.75% to 10.20% p.a which are repayable on maturity. Working capital demand loan is facility is the sub limit of cash credit facility and secured by the same security as provided in cash credit facility mentioned in point no. a above
- c. Buyers credit from IndusInd Bank carries interest at 1.72 % p.a facility is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding specifically charged to other lenders) and corporate guarantee of S Chand And Company Limited. This loan has been repaid in full during the year.

12. Trade payables

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Trade payables of micro enterprises and small enterprises (refer note 34)	25.39	-
Trade payables other than micro enterprises and small enterprises	589.48	453.39
<b>Total trade payables</b>	<b>614.87</b>	<b>453.39</b>
<b>Current</b>	<b>614.87</b>	<b>453.39</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>



13. Other financial liabilities

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Current maturity of long term borrowings (refer note 11B above)	161.51	31.03
Interest accrued but not due on borrowings	5.13	42.23
Payable to employees	44.91	39.80
<b>Total other financial liabilities</b>	<b>211.55</b>	<b>113.06</b>
<b>Current</b>	<b>211.55</b>	<b>113.06</b>
<b>Non current</b>	<b>-</b>	<b>-</b>

14. Provisions

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
Provision for gratuity	19.05	34.17
Provision for income tax (net of advance tax) (refer note 43)	33.51	72.15
<b>Total provisions</b>	<b>52.56</b>	<b>106.32</b>
<b>Current</b>	<b>33.51</b>	<b>72.15</b>
<b>Non current</b>	<b>19.05</b>	<b>34.17</b>

15. Other liabilities

	(Rs. In million)	
	As at 31 March 2019	As at 31 March 2018
<b>Other payables:</b>		
Statutory dues	21.07	23.07
Advance from customers	14.44	9.31
<b>Total other liabilities</b>	<b>35.51</b>	<b>32.38</b>
<b>Current</b>	<b>35.51</b>	<b>32.38</b>
<b>Non current</b>	<b>-</b>	<b>-</b>

(This space has been intentionally left blank)



16. Revenue from operations

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Sale of manufactured products</b>		
Finished goods (Publishing and Printing)	1,611.87	1,875.78
Less: Discounts	(282.49)	(278.03)
	<u>1,329.38</u>	<u>1,597.75</u>
<b>Sale of services</b>		
Job work	401.62	360.15
Royalty income	1.00	1.20
	<u>402.62</u>	<u>361.35</u>
<b>Sale of traded goods</b>		
Books	22.24	14.49
Paper	74.36	37.00
Less: Discounts	(3.73)	-
	<u>92.87</u>	<u>51.49</u>
<b>Other operating revenue</b>		
Scrap sales	28.23	34.52
	<u>28.23</u>	<u>34.52</u>
<b>Total revenue from operations</b>	<u>1,853.10</u>	<u>2,045.11</u>

**Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	(Rs. In million)	
	For the year ended 31 March 2019	
	Publishing	Printing
Type of good or service		
Sale of manufactured goods	1,182.21	147.17
Sale of traded goods	18.51	74.36
Scrap sales	2.37	25.86
Jobwork (printing of books)	-	401.62
Content & royalty income	1.00	-
<b>Total revenue from contracts with customers</b>	<u>1,204.09</u>	<u>649.01</u>
India	1,204.09	649.01
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<u>1,204.09</u>	<u>649.01</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	1,203.09	247.39
Services transferred over time	1.00	401.62
<b>Total revenue from contracts with customers</b>	<u>1,204.09</u>	<u>649.01</u>



Segment	(Rs. In million)	
	For the year ended 31 March 2018	
	Publishing	Printing
Type of good or service		
Sale of manufactured goods	1,345.73	252.02
Sale of traded goods	14.49	37.00
Scrap sales	2.38	32.14
Jobwork (printing of books)	-	360.15
Content & royalty income	1.20	-
<b>Total revenue from contracts with customers</b>	<b>1,363.80</b>	<b>681.31</b>
India	1,363.80	681.31
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>1,363.80</b>	<b>681.31</b>
Timing of revenue recognition		
Goods transferred at a point in time	1,362.60	321.16
Services transferred over time	1.20	360.15
<b>Total revenue from contracts with customers</b>	<b>1,363.80</b>	<b>681.31</b>

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

Contract balances	(Rs. In million)	
	March 31, 2019	March 31, 2018
Trade receivables	1,449.19	1,567.18
Contract assets	-	-
Contract liabilities	14.44	9.31

Trade receivables are non-interest bearing and are generally on terms of 150 days. In March 2019, INR 33.51 million (March 2018: INR 12.14 million) was recognised as provision for expected credit losses on trade receivables.

Right to return asset and refund liability	(Rs. In million)	
	March 31, 2019	March 31, 2018
Refund liabilities		
Arising from discounts	155.52	120.81
Arising from rights of return	315.03	173.27
	<b>470.55</b>	<b>294.08</b>

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price	(Rs. In million)	
	March 31, 2019	March 31, 2018
Revenue as per contracted price	2,749.11	2,673.24
Adjustments		
Sales return	(609.79)	(350.10)
Discount	(286.22)	(278.03)
	<b>1,853.10</b>	<b>2,045.11</b>

#### Performance obligation

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

##### Manufactured goods

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

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

##### Services

The performance obligation is satisfied upon when services are provided.



17. Other Income

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>17.1 Finance Income</b>		
Interest income		
-on bank deposit	2.47	1.11
-on tax refund	0.78	1.14
-on others	0.06	-
Unwind of interest on security deposits	0.32	0.16
<b>Total finance income (A)</b>	<b>3.63</b>	<b>2.41</b>
<b>17.2 Other Income</b>		
Foreign exchange differences (net)	1.10	-
Miscellaneous income	2.01	0.44
Amount written back	4.59	-
Gain on sale of property, plant and equipment (net)	0.03	-
<b>Total other income (B)</b>	<b>7.73</b>	<b>0.44</b>
<b>Grand Total (A+B)</b>	<b>11.36</b>	<b>2.85</b>

*(This space has been intentionally left blank)*



18. Cost of raw material consumed

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year	8.37	125.75
Add: Purchases during the year	442.15	351.26
	<u>450.52</u>	<u>477.01</u>
Less: Inventory written off	-	(1.90)
Less: cost of sales of paper	(73.76)	(31.25)
Less: Inventories at the end of the year	(10.60)	(8.37)
	<u>366.16</u>	<u>435.49</u>
<b>Details of raw material purchased</b>		
Paper	442.15	351.26
	<u>442.15</u>	<u>351.26</u>

19. Cost of traded goods sold

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year	17.46	18.81
Add: Purchases during the year	86.55	41.43
	<u>104.01</u>	<u>60.24</u>
Less: Inventories at the end of the year	(13.80)	(17.46)
	<u>90.21</u>	<u>42.78</u>

20. Cost of printing material consumed

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year	12.82	16.59
Add: Purchases during the year	161.32	123.09
	<u>174.14</u>	<u>139.68</u>
Less: Inventories at the end of the year	(23.88)	(12.82)
	<u>150.26</u>	<u>126.86</u>
<b>Details of printing material purchased</b>		
Printing binding material	161.32	123.09
	<u>161.32</u>	<u>123.09</u>

21. (Increase)/Decrease in inventories

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Inventories at the end of the year</b>		
Finished goods	437.10	355.86
Work in progress	1.31	11.17
	<u>438.41</u>	<u>367.03</u>
<b>Inventories at the beginning of the year</b>		
Finished goods	355.86	305.22
Work in progress	11.17	22.40
	<u>367.03</u>	<u>327.62</u>
<b>(Increase)/decrease in inventories</b>	<u>(71.38)</u>	<u>(39.41)</u>





Details of inventories	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Work in progress</b>		
Printed material for books	1.31	11.17
	<b>1.31</b>	<b>11.17</b>
<b>Finished goods</b>		
- <b>Manufactured goods</b>		
Books	437.10	355.86
- <b>Traded goods</b>		
Books	13.80	17.46
	<b>450.90</b>	<b>373.32</b>
<b>Raw material</b>		
Paper	10.60	8.37
Printing material	23.88	12.82
Others	-	2.46
	<b>34.48</b>	<b>23.65</b>

## 22 Publication expenses

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Printing and binding charges	124.72	131.15
Power & fuel	58.38	48.84
Packing expenses	36.06	30.20
Repairs and maintenance - machinery	30.81	36.32
Other publishing expenses	29.20	23.70
Royalty expenses	27.94	51.62
Freight inward	4.10	3.87
<b>Total publication expenses</b>	<b>311.21</b>	<b>325.70</b>

## 23 Employee benefit expenses

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	337.38	298.66
Employee stock option expense (refer note 42)	0.33	2.02
Contribution to provident and other funds	19.38	17.12
Gratuity expense (refer note 30)	10.68	9.10
Staff welfare expenses	13.29	13.32
<b>Total employee benefits expenses</b>	<b>381.06</b>	<b>340.22</b>

## 24 Selling and distribution expenses

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Travelling and conveyance	66.41	58.04
Freight and forwarding charges	46.42	48.14
Advertisement and sales promotion	29.93	25.62
Book workshop expenses	15.82	12.04
Meeting & conference expenses	11.17	11.67
<b>Total selling and distribution expenses</b>	<b>169.75</b>	<b>155.51</b>



25 Finance cost

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest	119.03	118.64
Bank charges	6.12	3.21
Amortization of ancillary borrowing costs	-	0.70
<b>Total finance cost</b>	<b>125.15</b>	<b>122.55</b>

26 Depreciation and amortisation expenses

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment (refer note 3)	32.57	29.80
Amortisation of intangible assets (refer note 4)	24.67	20.08
<b>Total depreciation and amortisation expenses</b>	<b>57.24</b>	<b>49.88</b>

27 Other expenses

	(Rs. In million)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Communication cost	6.32	6.56
Rent (refer note 31)	26.32	26.61
Rates and taxes	0.97	0.80
Insurance	10.01	9.03
Repairs and maintenance		
-Buildings	1.45	1.12
-Others	31.06	31.83
Printing and stationery	3.42	3.85
Legal and professional fee	16.88	15.68
Shared service cost (refer note 40)	21.35	-
Payment to auditor (refer details below)	3.08	1.96
Security expenses	7.32	7.01
Foreign exchange differences (net)	-	0.13
Corporate social responsibility expenses (refer note 39)	5.00	4.26
Director sitting fee	0.30	0.32
Donation	4.60	-
Amount written off	0.92	1.97
Provision for bad & doubtful debts	33.51	12.14
Property, plant and equipment discarded	0.14	-
Loss on sale of property, plant and equipment (net)	-	0.26
Miscellaneous expenses	0.98	0.39
<b>Total other expenses</b>	<b>173.63</b>	<b>123.92</b>

Payment to auditor

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>As auditor</b>		
Audit fee	1.80	1.80
Limited review fee	1.05	-
Others	0.23	0.16
	<b>3.08</b>	<b>1.96</b>



**28 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 2019	For the year ended 31 March 2018
Re-measurement gains/(losses) on defined benefit plans	20.34	(6.65)
Tax impact on re-measurement gains/(losses) on defined benefit plans	(5.92)	1.94
	<u>14.42</u>	<u>(4.71)</u>

**29 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 2019	For the year ended 31 March 2018
Profit attributable to equity holders of the company	63.05	246.15
Weighted average number of equity shares used for computing Earning per Share (Basic & Diluted)	40,140	40,140
Basic EPS	1,570.78	6,132.17
Diluted DPS	1,570.78	6,132.17

*(This space has been intentionally left blank)*



### 30 Gratuity and other post-employment benefits plan

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

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

#### Statement of Profit & Loss account

##### Net employee benefit expense recognised in employee Cost:

	(Rs. In million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	8.07	4.97
Past service cost	-	2.71
Interest cost on defined obligation	2.83	1.65
Expected return on plan assets	(0.22)	(0.23)
	<u>10.68</u>	<u>9.10</u>
<b>Amount recognised in Other Comprehensive Income:</b>		
	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gains) / losses on obligation	(20.20)	6.65
Actuarial gains / (losses) on assets	0.14	-
	<u>(20.34)</u>	<u>6.65</u>

#### Balance sheet

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening defined benefit obligation	37.02	22.70
Current service cost	8.07	4.97
Past service cost	-	2.71
Interest cost	2.83	1.65
Benefits paid from plan assets	(0.98)	(0.58)
Benefits paid directly by employer	(0.46)	(1.08)
Actuarial (gains) / losses on obligation	(20.20)	6.65
Closing defined benefit obligation	<u>26.28</u>	<u>37.02</u>

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening fair value of plan assets	2.85	3.08
Expected return	0.22	0.23
Contributions by employer	5.00	0.12
Benefits paid	(0.98)	(0.58)
Actuarial gain/(loss)	0.14	-
Closing fair value of plan assets	<u>7.23</u>	<u>2.85</u>
<b>Current Portion</b>	-	-
<b>Non - Current Portion</b>	19.05	34.17

The Company expects to contribute Rs. 2.13 million to gratuity in this year (31 March 2018: Rs 0.54 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 March 31, 2019	For the year ended March 31, 2018
Investments with insurer	100%	100%



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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.70%	7.70%
Expected rate of return on assets	7.70%	7.70%
Expected rate of salary increase	6%	10%
Retirement Age (In years)	60 years	60 years
Employee turnover :-		
- Age upto 30 years	3.00%	3.00%
- Age 31 - 41 years :	2.00%	2.00%
- Age above 44 years :	1.00%	1.00%
Mortality Rate	LIC (1994-96) Ultimate and Kotak	LIC (1994-96) Ultimate and Kotak

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:

	Change in assumptions	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	+ 1%	23.27	32.00
	- 1%	29.79	43.14
Expected rate of salary increase	+ 1%	29.65	42.62
	- 1%	23.30	32.22

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

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Year 1	2.13	0.54
Year 2	0.52	2.02
Year 3	0.62	0.51
Year 4	1.27	0.62
Year 5	0.86	1.56
Year 6 to 10	9.35	8.72

The average duration of the defined benefit plan obligation at the end of the reporting period is 18.76 years (31 March 2018: 19.15 years).

(This space has been intentionally left blank)



31 Leases

Operating lease: company as lessee

The Company has taken premises for office and storage use under cancellable and non-cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs 26.32 million (March 31, 2018: Rs 26.61 million). There are no restrictions imposed by the lease agreements.

Further minimum rental payable under non-cancellable operating lease are as follows

	(Rs. In million)	
	31 March 2019	31 March 2018
Within one year	-	-
After one year but not more than five years	-	-
After five years	-	-

32 Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

Holding Company S Chand And Company Limited

Related parties with whom transactions have taken place during the year

Fellow subsidiaries

Blackie & Son (Calcutta) Private Limited  
 New Saraswati House (India) Private Limited  
 BPI ( India) Private Limited  
 Nija Publishers & Printery Private Limited  
 Safari Digital Education Initiatives Private Limited  
 DS Digital Private Limited  
 S Chand Edutech Private Limited  
 Eurasia Publishing House Private Limited  
 Chhaya Prakashan Private Limited

Enterprise over which KMP or their relatives exercise significant influence

Hotel Tourist  
 SC Hotel Tourist Deluxe Private Limited

Key Management Personnel

Mr. Himanshu Gupta, Director  
 Mr. Dinesh Kumar Jhunjhunwala, Director  
 Mr. Gaurav Kumar Jhunjhunwala, Whole-Time Director  
 Mrs. Savita Gupta, Whole-Time Director  
 Mr. Deep Mishra, Director (till 02 November 2018)  
 Mr. Rajagopalakrishnan Chandrasekar  
 Ms. Archana Kapoor  
 Mr. Sanjay Goyal (w.e.f. from 02 November 2018 till 05 March, 2019)

(This space has been intentionally left blank)



32.b. Related party transactions

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

(Rs. In million)

	Year Ended	Holding Company	Fellow Subsidiaries	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Total
<b>Sale of Goods (publishing and Printing)/ Services</b>						
S Chand And Company Limited	31 March 2019	324.80	-	-	-	324.80
	31 March 2018	487.13	-	-	-	487.13
S Chand Edutech Private Limited	31 March 2019	-	2.76	-	-	2.76
	31 March 2018	-	-	-	-	-
New Saraswati House India Private Limited	31 March 2019	-	134.45	-	-	134.45
	31 March 2018	-	147.85	-	-	147.85
BPI (India) Private Limited	31 March 2019	-	9.69	-	-	9.69
	31 March 2018	-	6.31	-	-	6.31
Safari Digital Education Initiative Private Limited	31 March 2019	-	34.90	-	-	34.90
	31 March 2018	-	25.81	-	-	25.81
Nirja Publishers & Printers Private Limited	31 March 2019	-	18.91	-	-	18.91
	31 March 2018	-	4.79	-	-	4.79
Chhaya Prakashani Private Limited	31 March 2019	-	64.38	-	-	64.38
	31 March 2018	-	1.50	-	-	1.50
<b>Sale of paper</b>						
S Chand And Company Limited	31 March 2019	-	-	-	-	-
	31 March 2018	10.82	-	-	-	10.82
New Saraswati House India Private Limited	31 March 2019	-	-	-	-	-
	31 March 2018	-	5.54	-	-	5.54
Chhaya Prakashani Private Limited	31 March 2019	-	74.36	-	-	74.36
	31 March 2018	-	0.38	-	-	0.38
Nirja Publishers & Printers Private Limited	31 March 2019	-	-	-	-	-
	31 March 2018	-	20.26	-	-	20.26
<b>Remuneration paid*</b>						
Gaurav Kumar Jhunjhunwala	31 March 2019	-	-	-	8.17	8.17
	31 March 2018	-	-	-	6.69	6.69
Savita Gupta	31 March 2019	-	-	-	5.78	5.78
	31 March 2018	-	-	-	6.42	6.42
<b>Expenses incurred by the related party on behalf of the Company</b>						
Reimbursement of Expenses	31 March 2019	0.24	-	-	-	0.24
	31 March 2018	0.21	-	-	-	0.21
<b>Expenses incurred by the company on behalf of the related party</b>						
Reimbursement of Expenses	31 March 2019	0.49	-	-	-	0.49
	31 March 2018	0.05	-	-	-	0.05
<b>Purchase of Capital Goods</b>						
S Chand And Company Limited	31 March 2019	-	-	-	-	-
	31 March 2018	12.15	-	-	-	12.15
<b>Sale of Capital Goods/ Services</b>						
Nirja Publishers & Printers Private Limited	31 March 2019	-	-	-	-	-
	31 March 2018	-	3.10	-	-	3.10
<b>Royalty paid</b>						
S Chand And Company Limited	31 March 2019	0.27	-	-	-	0.27
	31 March 2018	0.09	-	-	-	0.09
BPI (India) Private Limited	31 March 2019	-	0.36	-	-	0.36
	31 March 2018	-	0.89	-	-	0.89
<b>Purchase of Paper</b>						
S Chand And Company Limited	31 March 2019	5.46	-	-	-	5.46
	31 March 2018	-	-	-	-	-
New Saraswati House India Private Limited	31 March 2019	-	4.00	-	-	4.00
	31 March 2018	-	-	-	-	-
<b>Purchase of Goods (publishing and Printing)/ Services</b>						
S Chand And Company Limited	31 March 2019	24.68	-	-	-	24.68
	31 March 2018	3.59	-	-	-	3.59
Hotel Tourist	31 March 2019	-	-	-	-	-
	31 March 2018	-	-	0.06	-	0.06
Chhaya Prakashani Private Limited	31 March 2019	-	0.05	-	-	0.05
	31 March 2018	-	-	-	-	-
SC Hotel Tourist Deluxe Private Limited	31 March 2019	-	-	0.15	-	0.15
	31 March 2018	-	-	-	-	-
Nirja Publishers & Printers Private Limited	31 March 2019	-	4.21	-	-	4.21
	31 March 2018	-	0.16	-	-	0.16
Safari Digital Education Private Limited	31 March 2019	-	8.20	-	-	8.20
	31 March 2018	-	7.04	-	-	7.04
<b>Employee stock option expense</b>						
S Chand And Company Limited	31 March 2019	0.33	-	-	-	0.33
	31 March 2018	2.02	-	-	-	2.02
<b>Rent paid</b>						
S Chand And Company Limited	31 March 2019	0.06	-	-	-	0.06
	31 March 2018	0.40	-	-	-	0.40
<b>Interest expense</b>						
S Chand And Company Limited	31 March 2019	43.86	-	-	-	43.86
	31 March 2018	42.79	-	-	-	42.79
<b>Director sitting fee</b>						
Mr. Rajagopalan Chandrasekar	31 March 2019	-	-	-	0.10	0.10
	31 March 2018	-	-	-	0.14	0.14
Ms. Archana Kapoor	31 March 2019	-	-	-	0.13	0.13
	31 March 2018	-	-	-	0.05	0.05
Mr. Sanjay Goyal	31 March 2019	-	-	-	0.05	0.05
	31 March 2018	-	-	-	-	-

\*Including perquisites paid during the year for year ended March 31, 2019



Outstanding Balances as at the year end:

(Rs. In million)

	Year Ended	Holding Company	Fellow Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel	Total
<b>Trade Receivables</b>						
S Chand And Company Limited	31 March 2019	116.97	-	-	-	116.97
	31 March 2018	198.87	-	-	-	198.87
S Chand Edu-tech Private Limited	31 March 2019	-	2.91	-	-	2.91
	31 March 2018	-	-	-	-	-
New Saraswati House India Private Limited	31 March 2019	-	232.08	-	-	232.08
	31 March 2018	-	158.68	-	-	158.68
BPI (India) Private Limited	31 March 2019	-	46.00	-	-	46.00
	31 March 2018	-	36.42	-	-	36.42
Nirja Publishers & Printers Private Limited	31 March 2019	-	19.64	-	-	19.64
	31 March 2018	-	22.28	-	-	22.28
Safar Digital Education Initiative Private Limited	31 March 2019	-	71.10	-	-	71.10
	31 March 2018	-	40.24	-	-	40.24
Chhaya Prakashani Private Limited	31 March 2019	-	7.93	-	-	7.93
	31 March 2018	-	0.71	-	-	0.71
<b>Loan received and payment thereof</b>						
S Chand And Company Limited						
Loan taken	31 March 2019	-	-	-	-	-
	31 March 2018	466.00	-	-	-	466.00
Loan repayment	31 March 2019	150.00	-	-	-	150.00
	31 March 2018	59.00	-	-	-	59.00
<b>Employee receivable</b>						
Mrs Savita Gupta	31 March 2019	-	-	-	2.16	2.16
	31 March 2018	-	-	-	-	-
<b>Interest payable</b>						
S Chand And Company Limited						
	31 March 2019	-	-	-	-	-
	31 March 2018	38.51	-	-	-	38.51





### 33 Capital & other commitments

	(Rs. In million)	
	March 31, 2019	March 31, 2018
Relating to the purchases of machinery and office equipment	0.25	-
Relating to Export Promotion Capital Goods commitment (refer note 38)	22.59	77.89

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

	(Rs. In million)	
	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	25.39	-
- Interest due on above	-	-
	25.39	-

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

### 35 Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2019 and 31 March 2018 are as under:

	Foreign currency	Amount in foreign currency		(Rs. In million)	
		March 31, 2019	March 31, 2018	March 31, 2019*	March 31, 2018**
		Trade Receivables	USD	-	1,310
Trade Payable	GBP	1,350	-	0.09	-
	USD	8,19,757	-	56.84	-
Buyer Credit	USD	-	6,10,133	-	39.69

\*Exchange Rate for 31 March 2019, 1 USD = Rs. 69.32, 1 GBP = Rs. 90.28

\*\*Exchange Rate for 31 March 2018, 1 USD = Rs. 65.05

### 36 Expenditure in foreign currency (accrual basis)

	(Rs. In million)	
	March 31, 2019	March 31, 2018
Raw material	61.64	38.90
Repair & maintenance - machinery	3.42	5.33
Meeting & conference	2.18	2.76
Travelling and conveyance	0.77	0.67
Interest on buyer credit	0.49	0.21
Training expenses	0.26	-
Publishing expenses	0.09	0.26
	68.85	48.13

### 37 Imported and indigenous raw materials consumed

Raw Materials	Percentage (%)		(Rs. In million)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Imported	11.94%	6.92%	61.64	38.90
Indigenous	88.06%	93.08%	454.78	523.15



### 38 Contingent liabilities

- a) 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 Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.
- b) During FY 18-19, the Company has received Penalty Order from Income tax authorities under Section 271DA of Income Tax Act, 1961 requiring the Company to pay Rs. 0.88 million (previous year- Rs. Nil) for the assessment year 2018-19. The Company has paid Rs. Nil (previous year: Rs. Nil) and has filed an appeal with CIT(A) contesting the demand.
- c) The Company has export obligation outstanding as on March 31, 2019 amounting to Rs. 22.59 million against which the Company had saved the import duty of Rs. 3.77 million. In view of expiration of period during the year, within which export obligation was to be fulfilled, the Company has applied for extension of export obligation period with Directorate General of Foreign Trade (DGFT). The management expects to receive the extension, hence no adjustment has been made in the financial statements in this respect.

### 39 Corporate Social Responsibility (CSR)

	(Rs. In million)	
	March 31, 2019	March 31, 2018
(a) Gross amount required required to be spent by the Company during the year	5.09	4.02
(b) Amount spent during the year	5.00	4.26

### 40 Shared service cost

The Holding Company renders various administrative and management services to its subsidiaries companies to facilitate its day to day operations accordingly, the Holding Company has charged INR Rs. 21.35 million (31 March 2018 INR Rs. NIL) towards such services rendered during the year ended march 31, 2019.

### 41 Significant customer

Revenue from one major customer accounted for amounting to INR 324.80 million aggregating to 17% of total revenue (one major customers amounting to INR 497.94 million aggregating to 24% of total revenue for the year ended March 31, 2018).

### 42 Employee stock compensation expense

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

- 43 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 (formerly S Chand and Company Private 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.



**44 Segment Information**

The Company's operating segments are organized and managed separately through the respective business managers, according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by the chairman of the company. Chief Operating Decision Maker - CODM).

The amounts reported to CODM are based on accounting principles used in the preparation of financial statements as per Ind AS. Segment performance is evaluated based on segment revenue and segment result less profit or loss from operating activities before exceptional items and tax. Accordingly, finance cost, income, non-operating expenses and exceptional items are allocated to individual segment.

Inter segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter segment revenues are eliminated upon consolidation of segments and reflected in the elimination column (if any).

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, intangible assets under development, non-current investments, intangibles, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprise additions to property, plant and equipment and intangible assets.

The Company is engaged in the business of publishing of college text books, school text books and mass-market books for its customers and as well as provides printing job work, services to its customers. The Company organized its operations into two main businesses, printing and publishing of books. Both these business segments are governed by different risk and return and hence been considered as reportable business segment.

The Company provides services to its customers in India and does not have any operations in the economic environment with different risk and returns and hence, it is considered that the company is operating in a single geographical segment.

Business segments	Year ended March 31, 2019		Year ended March 31, 2018	
	Publishing	Printing	Publishing	Printing
Revenue	1,182.21	147.17	1,329.38	232.02
Sales of manufactured goods	-	-	-	1,597.74
Job work income	-	491.62	-	366.34
Sale of traded goods	18.51	72.36	14.49	37.09
Contract & royalty income	1.00	-	3.70	-
Scrap sales	2.37	55.86	28.73	34.32
Total revenue	1,304.09	649.01	1,653.10	681.31
Direct Cost	581.07	296.30	846.44	294.35
Indirect Cost	519.07	214.37	779.44	181.76
Operating profit	142.95	139.25	382.70	305.50
Depreciation	26.93	28.21	57.34	49.38
Segment Result	113.92	111.04	325.36	256.12
Finance costs	44.16	80.89	123.15	81.10
Other income including finance income	8.37	2.99	11.36	2.21
Unallocated income	-	-	-	6.64
Profit before tax	76.13	33.04	111.37	99.87
Tax expense	-	48.13	-	178.31
Net profit	-	63.05	-	246.15

	As at March 31, 2019		As at March 31, 2018	
	Publishing	Printing	Publishing	Printing
Segment assets	1,694.58	1,462.57	1,868.01	1,138.99
Unallocated assets	296.27	1,421.10	455.26	1,724.99
Total assets	1,990.85	2,883.67	2,323.27	3,463.98
Segment liabilities	1,604.38	1,462.57	1,868.01	1,138.99
Unallocated liabilities	70.00	70.00	70.00	70.00
Total liabilities	1,674.38	1,532.57	1,938.01	1,208.99

**Other segment information**

	2019	2018
Capital expenditure	16.11	9.88
Addition in intangible assets	44.21	44.45
Disposals in intangible assets	4.41	32.57
Amortisation	21.61	24.67
(Profit) Loss on sale of property, plant and equipment	(0.03)	0.20
Property, plant and equipment discarded	0.14	0.14



**45 Financial Instruments:- Financial risk management objectives and policies**

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

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

**A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 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 2019 and 31 March 2018.

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 2019.

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

**a. Interest rate risk.**

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

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

		(Rs. In million)	
	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
<b>As at March 31, 2018</b>			
INR Borrowings	+0.5%	(4.79)	-
	-0.5%	4.79	-
<b>As at March 31, 2019</b>			
INR Borrowings	+0.5%	(3.94)	-
	-0.5%	3.94	-



**b. Foreign currency risk**

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

The company has done 100% hedging its foreign currency exposure against financing activities, hence sensitivity analysis is not required for financing activities, in which Company has foreign exposure.

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

		(Rs. In million)	
	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2018</b>			
USD	+5%	1.99	-
	-5%	(1.99)	-
<b>For the year ended March 31, 2019</b>			
USD	+5%	2.84	-
	-5%	(2.84)	-

*(This space has been intentionally left blank)*



**B. Credit Risk**

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

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

(Rs. In million)						
Age Bracket	Not Due	0-215 Days	216-365 Days	365-730 Days	More than 730 Days	Total
As at 31 March 2018	1,410.12	88.99	38.33	-	29.74	1,567.18
As at 31 March 2019	1,084.83	91.11	212.00	15.57	45.68	1,449.19

**C. Liquidity Risk**

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

(Rs. In million)		
	As at March 31, 2019	As at March 31, 2018
<b>On Demand</b>		
- Borrowings	359.82	199.61
	<u>359.82</u>	<u>199.61</u>
<b>Less than 1 year</b>		
- Borrowings	80.00	279.69
- Trade payables	614.87	453.39
- Other financial liabilities	211.55	113.06
	<u>906.42</u>	<u>846.14</u>
<b>More than 1 year</b>		
- Other financial liabilities	323.78	447.95
	<u>323.78</u>	<u>447.95</u>

**46 Capital management**

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

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

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 30% to 50%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company, as applicable.



Company's adjusted net debt to equity ratio as at 31 March 2019 is as follow:		(Rs. In million)	
Gearing Ratio	As at 31 March, 2019	As at 31 March, 2018	
Borrowings (Note 11A & 11B)	763.60	927.25	
Less: cash and cash equivalents (Note 5D)	(202.56)	(112.55)	
Adjusted net debt (A)	561.04	814.70	
Equity	1,522.32	1,444.52	
Total equity (B)	1,522.32	1,444.52	
Total equity and net debt [C = (A+B)]	2,083.36	2,259.22	
Gearing Ratio (A/C)	26.93%	36.06%	

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Refer note 11A for breach in the financial covenants of interest bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

*(This space has been intentionally left blank)*



47 Fair Values

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

Particulars	31 March 2019			31 March 2018		
			FVIOCI			FVTOCI
	Amortized Cost	FVTPL		Amortized Cost	FVTPL	
<b>Assets</b>						
<b>Financial assets</b>						
- Trade receivables	1,449.19	-	-	1,567.18	-	-
- Loans	35.00	-	-	33.30	-	-
- Investments	70.00	-	-	70.00	-	-
- Other financial assets	79.27	-	-	10.81	-	-
- Cash and cash equivalents	202.56	-	-	112.55	-	-
<b>Non Current Financial liabilities</b>						
- Borrowings	323.78	-	-	447.95	-	-
- Other financial liabilities	19.05	-	-	34.17	-	-
<b>Current Financial liabilities</b>						
- Borrowings	439.82	-	-	479.30	-	-
- Trade payables	614.87	-	-	453.39	-	-
- Other financial liabilities	211.55	-	-	113.06	-	-

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





48 Major components of income tax expense for the year ended 31 March 2019 and 31 March 2018 are as follows:

Profit or loss section	(Rs. In million)	
	31 March 2019	31 March 2018
<b>Current income tax</b>		
Current income tax charge	28.22	112.16
Adjustment of taxes for earlier years	(1.90)	-
<b>Deferred tax</b>		
Relating to origination and reversal of timing differences	21.80	6.15
<b>Income tax expense reported in the statement of profit or loss</b>	<b>48.12</b>	<b>118.31</b>
<b>OCI section</b>	<b>(Rs. In million)</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on remeasurement of defined benefit plan	(5.92)	1.94
<b>Income tax charged to OCI</b>	<b>(5.92)</b>	<b>1.94</b>
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018.		
	<b>(Rs. In million)</b>	
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>
Accounting profit before tax	111.17	364.46
At India's statutory income tax rate of 29.12% (31 March 2018: 34.608%)	32.37	126.13
Non deductible expenses for tax purposes	1.40	4.22
Permanent difference not considered for deferred taxes	6.91	(8.20)
Others	7.44	(3.84)
At the effective income tax rate of 43.30% (31 March 2018: 32.46%)	<b>48.12</b>	<b>118.31</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>48.12</b>	<b>118.31</b>

49 During the year ended March 31, 2019, the Company experienced significant sales return which was more than the management estimates made during year ended March 31, 2018.

50 Nature and purpose of reserves

**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.

**Revaluation reserve**

The Company has recognised revaluation reserve on revaluation of land and building.

**Deemed capital contribution**

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



Vikas Publishing House Private Limited  
Notes to financial statement as at 31 March 2019  
CIN: U74899DL1971PTC005766


---

51 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this years 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 Yogesh Midha  
Partner  
Membership No : 94941



For and on behalf of the Board of Directors of  
Vikas Publishing House Private Limited



Himanshu Gupta  
Director  
DIN: 00054015



Savita Gupta  
Whole-Time Director  
DIN: 00053988

Place : New Delhi  
Date: 24 May 2019

---

---