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Independent Auditor's Report

To the Members of Vikas Publishing House Private Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of **Vikas Publishing House Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As explained in the note 6 of the financial statement, due to outbreak of second wave of COVID-19 pandemic, the management could not perform physical count of inventory as at 31 March 2021 through to the date of approval of these financial statements. Accordingly, we were not able to observe the physical count of inventory nor obtain sufficient appropriate audit evidence through any alternate audit procedures and therefore, we were unable to verify the existence/condition of inventories of INR 306.23 million finished goods, INR 0.22 of work in progress and INR 39.99 million raw materials to determine any adjustments that may be required to be made in the value of such inventory balances and any consequential effect thereof to the financial statements as at 31 March 2021. The aforesaid inventory balances were also qualified by the previous auditor vide their audit report dated 26 June 2021 on the financial statements of the Company for the year ended 31 March 2020 in absence of physical count of such inventory as on that date for similar reasons.

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

Independent auditor's report of even date to the members of Vikas Publishing House Private Limited on the Financial Statements for the financial year ended 31 March 2021 (Cont'd)

Emphasis of Matter – Impact of COVID 19

5. We draw attention to note 46 of the accompanying financial statements which describes the uncertainties relating to the COVID-19 pandemic outbreak and management's evaluation of impact on the operations and the accompanying financial statements of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

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

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

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

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

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

Responsibilities of Management for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Independent auditor's report of even date to the members of Vikas Publishing House Private Limited on the Financial Statements for the financial year ended 31 March 2021 (Cont'd)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Other Matter

13. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, S.R. Batliboi & Associates LLP, who have expressed a qualified opinion on those financial statements vide their audit report dated 26 June 2020.

Report on Other Legal and Regulatory Requirements

14. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

16. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

Independent auditor's report of even date to the members of Vikas Publishing House Private Limited on the Financial Statements for the financial year ended 31 March 2021 (Cont'd)

d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) the matter described in paragraph 3 under the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;

f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

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

h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 18 June 2021 as per Annexure B expressed modified opinion; and

i) 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, as detailed in note 37 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021.;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 21099514AAAADK4714

Place: Gurugram
Date: 18 June 2021

Annexure A to the Independent Auditor's Report of even date to the members of Vikas Publishing House Private Limited, on the financial statements for the year ended 31 March 2021

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

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

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) The Company as part of its policy performs physical verification of inventory bi-annually in September and March every year. In our opinion, the frequency of verification is reasonable. The management had carried out physical verification of inventory as at 30 September 2020. No material discrepancies were noticed on such physical verification. However as explained in the note 6, the management could not perform physical verification of inventory as at 31 March 2021, therefore, we are unable to comment on discrepancies, if any, between physical and book records as at 31 March 2021.

(iii) The Company has granted unsecured loans to company covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of principal and payment of interest has been stipulated and the principal amount is not due for repayment currently and the receipt of interest (5 cases) are not regular

(c) the total amount which is overdue for more than 90 days in respect of loans granted to such companies is as follows-

Particulars	Amount (₹)	No. of Cases	Remarks, if any
Interest	1,593,262	5	None

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, 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) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

Annexure A to the Independent Auditor's Report of even date to the members of Vikas Publishing House Private Limited, on the financial statements for the year ended 31 March 2021 (Cont'd)

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise, goods and service tax and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under Protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	11.23	-	AY 2019-20	CIT (A)	None

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to the government and no dues payable to debenture holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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Annexure A to the Independent Auditor's Report of even date to the members of Vikas Publishing House Private Limited, on the financial statements for the year ended 31 March 2021 (Cont'd)

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 21099514AAAADK4714

Place: Gurugram
Date: 18 June 2021

Annexure B

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

1. In conjunction with our audit of the financial statements of Vikas Publishing House Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report of even date to the members of Vikas Publishing House Private Limited, on the financial statements for the year ended 31 March 2021(Cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Qualified opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2021:

   a) The Company's internal financial control system with respect to physical verification of inventory at the balance sheet date, as explained in note 6 to the financial statements, were not operating effectively, which could lead to a potential material misstatement in the carrying amount of inventory and its consequential impact on earnings, reserves and related disclosures in the accompanying financial statements.

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

10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of 31 March 2021.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2021, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514

UDIN: 21099514AAAADK4714

Place: Gurugram
Date: 18 June 2021

Vikas Publishing House Private Limited
Balance Sheet as at 31 March 2021
CIN: U74899DL1971PTC005766

(Amount in million)

	Notes	As at 31 March 2021	As at 31 March 2020 (refer note 48)
Assets			
Non-current assets			
Property, plant and equipment	3	588.11	621.26
Right of use assets	4B	111.24	135.75
Intangible assets			
- Goodwill	4A	-	2.36
- Other intangible assets	4A	118.80	135.11
Financial assets			
- Investments	5A	70.00	70.00
- Loans	5D	62.95	16.76
- Other financial assets	5G	0.76	0.86
Income tax assets (net)	7B	-	17.57
Deferred tax assets (net)	8	43.83	22.66
Other non-current assets	7A	0.49	2.13
Total non-current assets		**996.18**	**1,024.46**
Current assets			
Inventories	6	346.44	571.40
Financial assets			
- Investment	5B	50.00	-
- Trade receivables	5C	1,183.30	1,223.25
- Cash and cash equivalents	5E	103.47	4.00
- Bank balances other than cash and cash equivalents above	5F	3.90	4.25
- Loans	5D	13.34	22.13
Income tax assets (net)	7B	-	1.42
Other current assets	7A	7.39	11.59
Total current assets		**1,707.84**	**1,838.04**
Total assets		**2,704.02**	**2,862.50**
Equity and liabilities			
Equity			
Equity share capital	9	4.01	4.01
Other equity	10	1,493.61	1,421.83
Total equity		**1,497.62**	**1,425.84**
Non-current liabilities			
Financial liabilities			
- Borrowings	11A	294.44	139.05
- Lease liabilities	13A	35.66	59.85
Provisions	14	29.11	25.71
Total non current liabilities		**359.21**	**224.61**
Current liabilities			
Financial liabilities			
- Borrowings	11B	333.29	254.66
- Lease liabilities	13A	19.17	20.94
- Trade payables	12		
- total outstanding dues of micro enterprises and small enterprises; and		47.38	36.83
- total outstanding dues of creditors other than micro enterprises and small enterprises		235.78	464.41
- Other financial liabilities	13B	130.26	367.86
Other current liabilities	15	14.75	33.42
Provisions	14	66.56	33.93
Total current liabilities		**847.19**	**1,212.05**
Total equity and liabilities		**2,704.02**	**2,862.50**
Summary of significant accounting policies	2		

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

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514
Place: Gurugram
Date: 18 June 2021

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

Himanshu Gupta
Director
DIN: 00054015
Place: New Delhi
Date: 18 June 2021

Savita Gupta
Director
DIN: 00053988
Place: New Delhi
Date: 18 June 2021

Naveen Rajlani
Chief Executive Officer
Place: New Delhi
Date: 18 June 2021

Vikas Publishing House Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
CIN: U74899DL1971PTC005766

(Amount in million)

		Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I	Revenue from operations	16	1,354.93	1,285.50
II	Other income	17	17.72	14.32
III	**Total income**		**1,372.65**	**1,299.82**
IV	**Expenses**			
	Cost of raw material consumed	18	140.47	241.24
	Purchase of stock-in-trade	19	81.37	76.36
	Cost of printing material consumed	20	64.50	114.93
	(Increase)/decrease in inventories of finished goods and work in progress	21	206.21	(74.25)
	Publication expenses	22	169.23	271.08
	Employee benefits expense	23	257.85	334.67
	Selling and distribution expenses	24	54.49	128.68
	Finance cost	25	96.85	109.99
	Depreciation and amortisation expense	26	89.34	99.52
	Other expenses	27	111.64	97.55
	Total expenses		**1,271.95**	**1,399.77**
V	**Profit/(loss) before tax and exceptional items**		**100.70**	**(99.95)**
VI	Exceptional item	28	-	27.54
VII	**Profit/(loss) before tax**		**100.70**	**(127.49)**
VIII	**Tax expense/ (credit):**	45		
	Current tax		45.56	-
	Adjustment of taxes relating to earlier years		8.73	19.46
	Deferred tax credit		(22.23)	(49.67)
	Total tax expense/ (credit)		**32.06**	**(30.20)**
IX	**Profit /(loss) for the period**		**68.64**	**(97.29)**
X	**Other comprehensive income (OCI)**			
	- Items that will not be reclassified to profit or loss			
	Re-measurement gains on defined benefit plans		4.20	1.08
	Tax impact on re-measurement gain on defined benefit plans		(1.06)	(0.27)
XI	**Total comprehensive income for the period**		**71.78**	**(96.48)**
XII	**Earnings per equity share:**	29		
	(1) Basic		1,710	(2,424)
	(2) Diluted		1,710	(2,424)
	Summary of significant accounting policies	2		

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

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 18 June 2021

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

Himanshu Gupta
Director
DIN: 00054015
Place: New Delhi
Date: 18 June 2021

Savita Gupta
Director
DIN: 00053988
Place: New Delhi
Date: 18 June 2021

Naveen Rajlani
Chief Executive Officer
Place: New Delhi
Date: 18 June 2021

Vikas Publishing House Private Limited
Cash flow statement for the year ended 31 March 2021
CIN. U74899DL1971PTC005766

		(Amount in million)	
		For the year ended 31 March 2021	**For the year ended 31 March 2020**
A. Cash flow from operating activities			
Profit/(loss) before tax		**100.70**	**(127.49)**
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		89.34	99.52
Amount written back		(4.03)	(10.11)
Interest expense		94.13	106.49
Interest income		(3.47)	(0.90)
(Gain)/loss on sale of property, plant and equipment (net)		1.21	(0.06)
Amount written off		7.89	1.82
Provision for doubtful advances		-	0.40
Provision for slow moving inventory		-	27.54
Gain on modification of lease		(5.12)	-
Unrealised gain on mutual funds		(0.01)	-
Provision for expected credit loss		27.82	5.20
Operating profit before working capital changes		**308.46**	**102.41**
Adjustments for changes in working capital :			
Decrease in trade receivables		12.13	218.92
(Increase)/ decrease in other assets		4.84	(0.44)
Increase in loans		3.48	(3.92)
(Increase)/ decrease in inventories		224.96	(112.25)
Decrease in other financial assets		0.45	74.16
Decrease in trade payables		(214.05)	(103.52)
Decrease in other financial liabilities		(6.94)	(13.18)
Decrease in other current liabilities		(18.65)	(2.09)
Increase in other provisions		7.85	7.74
Cash generated from operations		**322.53**	**167.83**
Income tax paid (net of refunds)		(2.91)	(15.62)
Net cash generated from operation	**(A)**	**319.62**	**152.21**
B. Cash flow from investing activities			
Purchase of property, plant and equipment, capital advances and capital work in progress (net of capital creditor)		(17.41)	(27.31)
Proceeds from sale of property, plant and equipment		3.51	0.50
Loan given to related party		(45.67)	-
Purchase of current investments		(50.00)	-
Interest received		0.37	0.54
Net cash used in investing activities	**(B)**	**(109.20)**	**(26.27)**
C. Cash flow from financing activities			
Proceeds from non-current borrowings		-	350.00
Repayment of non-current borrowings		(76.02)	(363.79)
Proceed/(repayment) from short term borrowings (net)		78.63	(185.16)
Payment of lease liability		(25.55)	(26.44)
Interest paid		(88.01)	(99.11)
Net cash used in financing activities	**(C)**	**(110.95)**	**(324.50)**
Net increase in cash and cash equivalents	**(A+B+C)**	99.47	(198.56)
Cash and cash equivalents - at the beginning of the year		4.00	202.56
Cash and cash equivalents - at the end of the year		**103.47**	**4.00**
Components of cash and cash equivalents			
Cash in hand		0.14	0.05
Balance with banks on current accounts		103.33	3.95
Total Cash and cash equivalents (refer note 5E)		**103.47**	**4.00**

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Vikas Publishing House Private Limited
Cash flow statement for the year ended 31 March 2021
CIN. U74899DL1971PTC005766

Notes:

1. Reconciliation of liabilities arising from financing activities

(Amount in million)

Particulars	As at 31 March 2020	Cash flows	Non-cash movement	As at 31 March 2021
Long term borrowings (including current maturities)	471.51	(76.02)	-	395.49
Short term borrowings	254.66	78.63	-	333.29
Lease liability (refer note 31)	80.79	(25.55)	(0.41)	54.83
	806.95	**(22.94)**	**(0.41)**	**783.62**

(Amount in million)

Particulars	As at 31 March 2019	Cash flows	Non-cash movement	As at 31 March 2020
Long term borrowings (including current maturities)	485.30	(13.79)	-	471.51
Short term borrowings	439.82	(185.16)	-	254.66
Lease liability (refer note 31)	-	(26.44)	107.23	80.79
	925.12	**(225.40)**	**107.23**	**806.95**

Summary of significant accounting policies 2

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

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 18 June 2021

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

Himanshu Gupta
Director
DIN: 00054015

Place: New Delhi
Date: 18 June 2021

Savita Gupta
Director
DIN: 00053988

Place: New Delhi
Date: 18 June 2021

Naveen Rajlani
Chief Executive Officer

Place: New Delhi
Date: 18 June 2021

Vikas Publishing House Private Limited
Statement of Changes in Equity for the year ended 31 March 2021
CIN: U74899DL1971PTC005766

A. Equity share capital:

Issued, subscribed and fully paid up (Share of ₹ 100 each)	No. of shares	(Amount in million)
At 1 April 2019	40,140	4.01
At 31 March 2020	40,140	4.01
At 31 March 2021	40,140	4.01

B. Other equity

(Amount in million)

	Reserve and Surplus			Deemed capital contribution	Other Comprehensive income	Total
	Retained earnings	General reserve	Revaluation reserve			
As at 1 April 2019	1,403.54	46.30	51.21	4.11	13.15	**1,518.31**
Loss for the year	(97.29)	-	-	-	-	(97.29)
Other comprehensive income for the year (net)	-	-	-	-	0.81	0.81
As at 31 March 2020	**1,306.25**	**46.30**	**51.21**	**4.11**	**13.96**	**1,421.83**
Profit for the year	68.64	-	-	-	-	68.64
Other comprehensive income for the year (net)	-	-	-	-	3.14	3.14
As at 31 March 2021	**1,374.89**	**46.30**	**51.21**	**4.11**	**17.10**	**1,493.61**

Summary of significant accounting policies 2

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

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514

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

Himanshu Gupta
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Savita Gupta
Director
DIN: 00053988

Place: New Delhi
Date: 18 June 2021

Naveen Rajlani
Chief Executive Officer

Place: New Delhi
Date: 18 June 2021

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. The Company has head office in Delhi, corporate office in Noida, Uttar Pradesh and warehouse in Sahibabad, Uttar Pradesh.

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

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

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

The financial statements are presented in "INR" "Indian Rupees" or "₹". All values are rounded to the nearest Million (INR 1,000,000) and two decimals thereof, except when otherwise indicated.

2.2 Current versus non-current classification

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

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

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

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

2.3 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.4 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i. Disclosures for significant estimates and assumptions (refer note 2.19)
ii. Quantitative disclosures of fair value measurement hierarchy (note 43)
iii. Investment in unquoted equity shares (note 5A)

2.5 Revenue from contract with customers

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

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

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

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

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

Job work
Revenue from job work services 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 or to the customer as per the terms of the contract.

Variable consideration

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

- **Rights of return**

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

- **Volume rebates**

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

- **Cash rebates**

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

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

2.6 Taxes

Current income tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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

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

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

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

2.7 Property, plant and equipment

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

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

Depreciation

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Building	40 – 60 years	30 years
Plant and equipment	15 – 25 years	15 years
Furniture and fixture	10 years	10 years
Vehicle	8- 10 years	8 years
Office equipment	5 – 15 years	5 years
Electrical installation	10 years	10 years
Computers	3 – 6 years	3 years

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

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

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

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

2.8 Intangible assets

Recognition and measurement

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

Amortisation and useful lives

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

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

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

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.

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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
Goodwill on business acquisition	Indefinite	No amortization	Acquired
Computer software	Finite (5 years)	Amortized on straight line basis over the period of useful lives	Acquired
Copyrights	Finite (10 years)	Amortized on straight line basis over the period of copyright	Acquired
Content development (including In-house contents)	Finite (10 seasons)	Amortized on straight line basis over the period of content	Internally generated
Content development (Translation work in regional languages)	Finite (3 seasons)	Amortized on straight line basis over the period of content	Internally generated

Research and development costs

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

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

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

2.9 Borrowing cost

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

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

2.10 Leases

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

Company as a lessee

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

Right of use assets

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

Lease liability

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

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

Short term leases and leases of low value assets

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

Ind AS 116 adoption

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method (alternative II). Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate with equal amount of right to use asset at the date of initial application. Comparatives as at and for the year ended March 31, 2019 were not retrospectively adjusted.

2.11 Inventories

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

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

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

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

2.12 Impairment of non–financial assets

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

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

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

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

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

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

2.14 Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss (FVTPL)

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

- Financial assets that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Lease receivables under Ind-AS 116.
- Contract assets and trade receivables under Ind-AS 115.

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

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

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

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

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

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

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

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

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

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

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

2.15 Employee benefits

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

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

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

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

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the unconsolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Compensated absences
Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

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

2.16 Provisions, contingent liabilities and contingent assets

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

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

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

2.17 Cash and cash equivalents

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

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

2.18 Earnings per share (EPS)

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

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

2.19 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:

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

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

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

ii) Revenue from contracts with customers

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

Determining method to estimate variable consideration and assessing the constraint

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

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

B. Estimates and assumptions

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

i) Deferred tax assets

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.

ii) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 30.

iii) Provision for expected credit losses of trade receivables and contract assets

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

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

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

iv) Impairment of financial and non-financial assets

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

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

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

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

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

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

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

vi) Leases - estimating the incremental borrowing rate

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

vii) Exceptional item

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

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

2.20 Segment reporting

The Company's operating segments are organised 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's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs/ income, non-operating expenses and exceptional items are not allocated to individual segment.

Inter segment pricing and terms are reviewed and changed by the management to reflects 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, intangibles, intangible assets under development, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets. 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. Refer note 40 for segment reporting.

2.21 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

2.22 Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or noncurrent.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

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3. Property, plant and equipment

(Amount in million)

	Leasehold land*	Building*	Plant & equipment	Furniture & fixtures	Vehicles**	Office equipment	Electrical installations	Computers	Total
Gross block									
At 01 April 2019	65.25	218.82	496.25	9.99	11.10	23.42	14.86	7.15	846.84
Additions	-	-	0.56	-	1.75	0.32	-	0.99	3.62
Adjustment - transfer to right of use asset	(65.25)	-	-	-	-	-	-	-	(65.25)
Disposals	-	-	-	-	(0.23)	(0.19)	-	(3.83)	(4.26)
At 31 March 2020	-	**218.82**	**496.81**	**9.99**	**12.62**	**23.55**	**14.86**	**4.31**	**780.96**
Additions	-	-	1.25	-	0.23	0.48	-	0.33	2.29
Disposals	-	-	-	-	(6.42)	-	-	(0.14)	(6.56)
At 31 March 2021	-	**218.82**	**498.06**	**9.99**	**6.43**	**24.03**	**14.86**	**4.50**	**776.69**
Accumulated depreciation									
At 01 April 2019	3.42	18.05	83.92	3.84	2.83	12.36	6.49	4.12	135.03
Charge for the year	-	3.57	20.78	0.97	1.21	2.86	1.32	1.20	31.91
Adjustment - transfer to right to use asset	(3.42)	-	-	-	-	-	-	-	(3.42)
Disposals	-	-	-	-	(0.11)	(0.09)	-	(3.61)	(3.81)
At 31 March 2020	-	**21.61**	**104.70**	**4.81**	**3.93**	**15.13**	**7.81**	**1.71**	**159.71**
Charge for the year	-	3.55	20.80	0.86	0.95	2.34	1.31	0.90	30.71
Disposals	-	-	-	-	(1.77)	-	-	(0.08)	(1.85)
At 31 March 2021	-	**25.17**	**125.50**	**5.67**	**3.11**	**17.47**	**9.12**	**2.54**	**188.58**
Net block									
At 31 March 2021	-	**193.65**	**372.56**	**4.32**	**3.32**	**6.56**	**5.74**	**1.96**	**588.11**
At 31 March 2020	-	**197.20**	**392.11**	**5.18**	**8.69**	**8.42**	**7.05**	**2.61**	**621.26**

* Land and buildings at E-28, Sector 8, Noida with a carrying amount of ` 24.70 million (31 March 2020: ` 24.80 million) is subject to a first charge to secure Duestche bank term loan.

* Land and buildings at 20/4, Site - IV, Sahibabad Industrial Area, Sahibabad with a carrying amount of ` 228.50 million (31 March 2020: ` 232.75 million) is subject to a first charge to secure Tata Capital Financial services Limited term loan.

* Buildings at Bengaluru with a carrying amount of 0.33 million (31 March 2020: 0.34 million) is subject to a first charge to secure IndusInd bank cash credit facility granted to its fellow subsidiary BPI (India) Private Limited.

**Includes vehicles purchased through borrowings as at 31 March 2021 was ` 1.27 million (31 March 2020: ` 6.37 million). Vehicles are hypothecated as security for the related loan.

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4A. Intangible assets

(Amount in million)

	Goodwill*	Computer Software	Content development	Total
Grosss block				
At 01 April 2019	2.36	7.32	209.78	219.46
Additions	-	-	23.69	23.69
At 31 March 2020	**2.36**	**7.32**	**233.47**	**243.15**
Additions	-	-	18.47	18.47
Disposals/adjustment	(2.36)	-	(12.37)	(14.73)
At 31 March 2021	**-**	**7.32**	**239.57**	**246.89**
Accumulated amortisation				
At 01 April 2019	-	3.71	58.84	62.55
Amortisation for the year	-	0.96	42.17	43.13
At 31 March 2020	**-**	**4.67**	**101.01**	**105.68**
Amortisation for the year	-	0.95	33.83	34.78
Disposals/adjustment	-	-	(12.37)	(12.37)
At 31 March 2021	**-**	**5.62**	**122.47**	**128.09**
Net block				
At 31 March 2021	**-**	**1.70**	**117.10**	**118.80**
At 31 March 2020	**2.36**	**2.65**	**132.46**	**137.47**

*As required by Ind AS 36 – 'Impairment of Assets', the Company performs impairment tests on goodwill on an annual basis by computing value-in-use amount for the cash-generating unit ('CGU'). The management has reviewed the carrying value of its intangibles to estimate the recoverable amounts of these assets, using internal and external information available, basis that management has recorded an impairment of ` 2.36 million in the Statement of Profit and Loss during the year.

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4B. Right of use asset (refer note 31)

(Amount in million)

	Leasehold land	Building	Total
Grosss block			
At 01 April 2019	-	-	-
Adjustments (transition to IND AS 116)	65.25	98.40	163.65
Additions	-	-	-
At 31 March 2020	**65.25**	**98.40**	**163.65**
Additions	-	2.06	2.06
Disposals/adjustments	-	(5.69)	(5.69)
At 31 March 2021	**65.25**	**94.77**	**160.02**
Accumulated depreciation			
At 01 April 2019	-	-	-
Adjustments (transition to IND AS 116)	3.42	-	3.42
Amortisation for the year	1.15	23.33	24.48
At 31 March 2020	**4.57**	**23.33**	**27.90**
Amortisation for the year	1.15	22.70	23.85
Disposals/adjustments	-	(2.98)	(2.98)
At 31 March 2021	**5.72**	**43.05**	**48.77**
Net block			
At 31 March 2021	**59.53**	**51.71**	**111.24**
At 31 March 2020	**60.68**	**75.07**	**135.75**

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5. Financial assets

5A. Investments - Non-current

	(Amount in million)	
	As at 31 March 2021	**As at 31 March 2020**
i. Investments in equity shares (Unquoted), valued at cost		
Investments in subsidiaries of its holding company		
4,900 (31 March 2020: 4,900) shares of ` 10 each fully paid up in M/s New Saraswati House (India) Private Limited	70.00	70.00
100 (31 March 2020: 100) shares of ` 10 each fully paid up in M/s Safari Digital Education Initiatives Private Limited	0.00	0.00
	70.00	**70.00**
Aggregate value of unquoted investment	**70.00**	**70.00**
Aggregate amount of impairment in value of investments	-	-

5B. Investments - Current

	As at 31 March 2021	**As at 31 March 2020**
Investments in mutual fund (Quoted)		
15,610.86 units (31 March 2020: nil) in SBI liquid fund	50.00	-
	50.00	-
Aggregate book value of quoted investments	**50.00**	-
Aggregate market value of quoted investments	**50.00**	-
Aggregate amount of impairment in value of investments	-	-

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5C. Trade receivables

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,183.30	1,223.25
Receivable which have a significant increase in credit risk	89.92	79.77
Receivable credit impaired	-	-
	1,273.22	**1,303.02**
Less: Allowance for expected credit loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have a significant increase in credit risk	(89.92)	(79.77)
Receivable credit impaired	-	-
	(89.92)	**(79.77)**
Net trade receivables		
Secured, considered good	-	-
Unsecured, considered good	**1,183.30**	**1,223.25**
Receivable which have a significant increase in credit risk	-	-
Receivable credit impaired	-	-
	1,183.30	**1,223.25**
Trade receivables from related parties (refer note 32B)	373.53	395.80

The movement in impairment of trade receivables as follow:

	As at 31 March 2021	As at 31 March 2020
Opening balance	79.77	76.49
Additions	27.82	5.21
Write off (net of recovery)	(17.67)	(1.93)
Closing balance	**89.92**	**79.77**

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

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5D. Loans

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposits	17.68	17.16
Less: Provision for doubtful advances	0.40	0.40
	17.28	16.76
Loan to related party* (refer note 32B)	45.67	-
	62.95	**16.76**
Current		
Advances recoverable in cash or kind (unsecured, considered good)	9.15	15.92
Security deposits	1.66	6.21
Interest accrued on loan to related party * (refer note 32B)	2.53	-
	13.34	**22.13**
	76.29	**38.89**
Non-current	**62.95**	**16.76**
Current	**13.34**	**22.13**

* During the financial year ended 31 March 2021, the Company has granted an optionally convertible unsecured loan for business purpose to a fellow subsidiary BPI (India) Private Limited for three years carrying an interest rate equal to SBI 2 year MCLR plus 250 Bps per annum.

5E. Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- On current accounts	103.33	3.95
Cash on hand	0.14	0.05
	103.47	**4.00**

5F. Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Margin money deposit (refer note a below)		
- Deposits with remaining maturity for less than 12 months	3.90	4.25
	3.90	**4.25**

Note (a)

i. Margin money deposits with a carrying amount of ` 3.90 million (31 March 2020: ` 4.25 million) are subject to first charges to secure the Company's bank guarantees.

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5G. Other financial assets

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Margin money deposit (refer note a below)		
- Deposits with remaining maturity for more than 12 months	0.76	0.86
	0.76	**0.86**
Non-current	**0.76**	**0.86**
Current	**-**	**-**

Note (a)

i. Margin money deposits with a carrying amount of ` 0.08 million (31 March 2020: ` 0.23 million) are subject to first charges to secure the Company's bank guarantees.

ii. Margin money deposits with carrying amount of ` 0.68 million (31 March 2020: ` 0.63 million) is subject to registration of UP VAT and DVAT.

6. Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials	14.46	44.81
Raw materials others	-	0.25
Printing material	25.53	25.39
Work in progress	0.22	4.85
Traded goods	-	15.83
Finished goods	306.23	507.81
	346.44	**598.94**
Less: Provision for slow moving inventory (refer note 28)	-	(27.54)
	346.44	**571.40**

The amount of inventory recorded as at 31 March 2021, comprises of inventory lying physically at the Company's warehouse. The Company as part of its policy performs physical verification of inventory bi-annually every year. However, due to the impact of the second wave of COVID-19 on the Company, the management was not able to perform inventory count as at 31 March 2021 till the date of approval of these financial statements. The management, based on its assessment, is of the opinion that consequential adjustments, if any, due to physical verification of inventory items lying at its warehouse, is not expected to be material and further intends to complete the physical verification process in the subsequent quarter.

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7A. Other assets

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Non-current		
Capital advance (unsecured, considered good)	-	1.00
Prepaid expenses	0.49	1.13
	0.49	**2.13**
Current		
Prepaid expenses	7.39	11.59
	7.39	**11.59**
	7.88	**13.72**
Non-current	**0.49**	**2.13**
Current	**7.39**	**11.59**

7B. Income tax asset (net)

	As at 31 March 2021	As at 31 March 2020
Non-current		
Advance income tax (net of provision)	-	17.57
	-	17.57
Current		
Advance income tax (net of provision)	-	1.42
	-	1.42
	-	18.99
Non-current	-	17.57
Current	-	1.42

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8. Deferred taxes

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
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	81.12	6.57
Provision for doubtful debt/advances	22.74	20.18
Losses available for offsetting against future taxable income	-	49.28
Lease liability	13.80	20.33
Total deferred tax assets	**117.66**	**96.36**
Items leading to creation of deferred tax liabilities		
Property, plant and equipment: impact of differences between tax depreciation and depreciation/ amortisation charged in the financial statements	73.83	73.70
Total deferred tax liabilities	**73.83**	**73.70**
Net deferred tax assets	**43.83**	**22.66**

Note:

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

	As at 31 March 2020	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2021
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	6.57	75.61	(1.06)	81.12
Provision for doubtful debt/advances	20.18	2.56	-	22.74
Losses available for offsetting against future taxable income	49.28	(49.28)	-	-
Impact of right of use assets and lease liabilities	20.33	(6.53)	-	13.80
Total deferred tax assets	**96.36**	**22.36**	**(1.06)**	**117.66**
Items leading to creation of deferred tax liabilities				
Property, plant and equipment: impact of differences between tax depreciation and depreciation/ amortisation charged in the financial statements	73.70	0.13	-	73.83
Total deferred tax liabilities	**73.70**	**0.13**	**-**	**73.83**
Net deferred tax assets/(liabilities)	**22.66**	**22.23**	**(1.06)**	**43.83**

	As at 31 March 2019	Recognised in Profit and loss	Recognised in OCI	As at 31 March 2020
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	(0.91)	(0.27)	6.57
Provision for doubtful debt/advances	22.28	(2.10)	-	20.18
Losses available for offsetting against future taxable income	-	49.28	-	49.28
Impact of right of use assets and lease liabilities	-	20.33	-	20.33
Total deferred tax assets	**30.04**	**66.59**	**(0.27)**	**96.36**
Items leading to creation of deferred tax liabilities				
Property, plant and equipment: impact of differences between tax depreciation and depreciation/ amortisation charged in the financial statements	56.78	16.92	-	73.70
Total deferred tax liabilities	**56.78**	**16.92**	**-**	**73.70**
Net deferred tax assets/(liabilities)	**(26.74)**	**49.67**	**(0.27)**	**22.66**

Note- Refer note 44 for effective tax reconciliation

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9. Equity share capital

		(Amount in million)
	As at 31 March 2021	As at 31 March 2020
Authorised		
65,000 (31 March 2020: 65,000) equity shares of ` 100/- each	6.50	6.50
Issued, subscribed and fully paid up		
40,140 (31 March 2020: 40,140) equity shares of ` 100/- each	4.01	4.01
	4.01	**4.01**

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

Equity shares	Numbers	(Amount in million)
Issued, subscribed and fully paid up		
As at 1 April 2019	40,140	4.01
Increase/(decrease) during the year	-	-
As at 31 March 2020	40,140	4.01
Increase/(decrease) during the year	-	-
As at 31 March 2021	**40,140**	**4.01**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 100 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been proposed by the Board of Directors during the year ended 31 March 2021 (31 March 2020: 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. The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

d. Share capital held by holding company and its subsidiaries

	31 March 2021	31 March 2020
S Chand And Company Limited	3.93	3.93
Nirja Publishers & Printers Private Limited, Subsidiary of the Holding Company	0.08	0.08

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

	No. of shares held	% No. of shares held
S Chand And Company Limited, the Holding Company		
As at 31 March 2021	39,339	98%
As at 31 March 2020	39,339	98%

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10. Other equity

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
General reserve		
Balance as the beginning of reporting period	46.30	46.30
Balance as the end of reporting period	**46.30**	**46.30**
Revaluation reserve		
Balance as the beginning of reporting period	51.21	51.21
Balance as the end of reporting period	**51.21**	**51.21**
Deemed capital contribution		
Balance as the beginning of reporting period	4.11	4.11
Balance as the end of reporting period	**4.11**	**4.11**
Retained earnings		
Balance as the beginning of reporting period	1,306.25	1,403.54
Add: Profits for the year	68.64	(97.29)
Balance as the end of reporting period	**1,374.89**	**1,306.25**
Other comprehensive income		
Balance as the beginning of reporting period	13.96	13.15
Add: Other comprehensive income during the year	3.14	0.81
Balance as the end of reporting period	**17.10**	**13.96**
Total	**1,493.61**	**1,421.83**

Nature and purpose of reserves

A. General reserve
General reserve represents amount appropriated out of retained earnings.

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

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

D. Retained earnings
Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities.

E. Other comprehensive income
Other comprehensive income comprise of re-measurement of defined benefit liability.

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11. Borrowings

11A. Non-current borrowings

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Term loans		
Foreign currency loan from banks (refer note a and h below)	50.00	87.50
Indian rupee loan from banks (refer note b and c below)	144.46	144.10
Indian rupee loan from financial institution (refer note d, e and h below)	200.94	235.54
Vehicle loans		
Indian rupee loan from banks (refer note f below)	0.09	0.73
Indian rupee loan from financial institution (refer note g below)	-	3.63
	395.49	**471.51**
Less: current maturities of non-current borrowings		
Term loans		
Foreign currency loan from banks	50.00	87.50
Indian rupee loan from banks	12.50	5.14
Indian rupee loan from financial institution	38.46	235.54
Vehicle loan		
Indian rupee loan from banks	0.09	0.64
Indian rupee loan from financial institution	-	3.63
	101.05	**332.46**
	294.44	**139.05**
Secured	**294.44**	**139.05**
Unsecured	-	-

Nature of security	Terms of repayment
Term loans from banks and financial institutions	
a. The Company has taken foreign currency term loan from RBL Bank Limited in FY 2018-19 which is secured by first pari passu charge by way of hypothecation on entire current assets inclusive of stock and book debts, both present and future, first pari passu charge by way of hypothecation on entire movable fixed assets, both present and future (excluding those exclusively charged to other lenders) and corporate guarantee of S Chand And Company Limited. Interest is to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited. Due to COVID -19, Bank has allowed the moratorium period for the quarterly instalment due for the month of April 2020.	Repayable in 12 quarterly installments of `12.50 million plus interest on reducing balance Rate of interest - 9.95% p.a.
b. The Company has taken mortgage loan form Indian Bank in FY 2019-20 which is secured by equitable mortgage on industrial property owned by the holding company S Chand And Company Limited, situated at 40/2A, Sahibabad Industrial Area - Site - IV, Sahibabad (U.P.). The loan is also secured by personal guarantee of two directors, Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala and corporate guarantee of S Chand And Company Limited. Due to COVID -19, bank has allowed a moratorium period for EMI for the months of April 2020 to August 2020.	Repayable in 120 equated monthly installments ` 1.42 millions Rate of interest - 10.65% to 11.05% p.a.
c. The Company has taken loan against property from Deutsche Bank in FY 2018-19 which is secured by equitable mortgage of property bearing no. E-28, Sector -8, Noida (U.P.). Due to COVID -19, bank has allowed a moratorium period for EMI for the months of April 2020 to August 2020.	Repayable in 120 equated monthly installments of ` 0.69 millions Rate of interest- 9.05% to 9.75% p.a
d. The Company has taken Indian rupee term loan from Tata Capital Financial Services Limited in FY 2019-20 which is secured by equitable mortgage on industrial property situated at 20/4, Sahibabad Industrial Area, Site - IV, Sahibabad (U.P.), corporate guarantee of S Chand And Company Limited and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala. Due to Covid -19 effect, financial institution has allowed the moratorium period for the principal and interest due for the months of April and May 2020 and the interest amount due for such months are repayable at the end of the original term loan in 2 installment.	Repayable in 78 equal monthly installments of ` 3.21 millions Rate of interest- 11% p.a.
e. The Company had taken three term loan from Siemens Financial Services Private Limited for purchase of machines during the FY 2017-18, which carried interest @ 11.50% p.a. It was repayable in 36 equated monthly instalments and was secured by hypothecation of respective machines and corporate guarantee of S Chand And Company Limited. Loan has been completely repaid during the year 2020-21	Repayable in 36 equated monthly installments of ` 0.15 to ` 0.64 millions Rate of interest- MCLR for 3months plus 1.70% p.a
Vehicle loans from banks and financial institutions	
f. The Company had taken vehicle loan from HDFC Bank Limited and ICICI Bank Limited and the same are secured by hypothecation of respective vehicle.	Repayable in 36 to 60 equal monthly installments of ` 0.02 to ` 0.04 millions Rate of interest- 9.26% to 9.25% p.a.
g. The Company had taken vehicle loan from Daimler Financial Services Private Limited which was secured by hypothecation of respective vehicle. Loan has been completely repaid during the year 2020-21.	Repayable in 36 equal monthly installments of ` 0.08 millions Rate of interest- 9.00 % p.a

Loan covenants

h. 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 31 March 2020, the Company could not meet some of the debt covenants and accordingly the entire loan from Tata Capital Financial Services Limited and RBL Bank Limited were classified under "current maturities of long term borrowings"

11B. Current borrowings

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Cash credit		
Indian rupee loan from bank (refer note a below)	183.29	154.66
Working capital demand loan		
Indian rupee loan from bank (refer note b below)	150.00	100.00
	333.29	**254.66**
Secured	**333.29**	**254.66**
Unsecured	-	-

Note :-

a. Cash credit from HDFC bank, DBS bank, RBL bank, State Bank of India and Standard Chartered bank are secured by way of first pari passu charge on entire existing and future current assets and movable fixed assets of the company (excluding assets which are specifically charged to other lenders), corporate guarantee of S Chand And Company Limited and and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, directors of the company. These loans carries interest at MCLR plus spread (ranging from 1.30% to 2.15 %) p.a. State Bank of India has taken over the cash credit facility of DBS Bank, RBL Bank and Standard Chartered Bank during the year 2020-21.

b. Working capital demand loan from HDFC bank, DBS bank, and RBL Bank carries interest ranging from 8.75% to 10.70% p.a which are repayable on maturity. Working capital demand loan facility is a sub limit of cash credit facility and secured by the same security as provided in cash credit facility mentioned in point no. a above. Working capital demand loan from DBS bank and RBL Bank have been repaid during the year 2020-21.

12. Trade payables

	As at 31 March 2021	As at 31 March 2020
Current		
Trade payables of micro enterprises and small enterprises (refer note 34)	47.38	36.83
Trade payables other than micro enterprises and small enterprises	235.78	464.41
	283.16	**501.24**

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13A. Lease liabilities

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Non-current		
Lease liability (refer note 31)	35.66	59.85
	35.66	**59.85**
Current		
Lease liability (refer note 31)	19.17	20.94
	19.17	**20.94**
	54.83	**80.79**
Non current	35.66	59.85
Current	19.17	20.94

13B. Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturity of long term borrowings (refer note 11A)	101.05	332.46
Interest accrued but not due on borrowings	4.42	3.67
Payable to employees	24.79	31.73
	130.26	**367.86**

14. Provisions

	As at 31 March 2021	As at 31 March 2020
Non-current		
Provision for gratuity (refer note 30)	22.77	21.67
Provision for compensated absences	6.34	4.04
	29.11	**25.71**
Current		
Provision for compensated absences	0.67	0.42
Provision for income tax (net of advance tax)	32.38	-
Others (refer note 47)	33.51	33.51
	66.56	**33.93**
	95.67	**59.64**
Non current	29.11	25.71
Current	66.56	33.93

15. Other liabilities

	As at 31 March 2021	As at 31 March 2020
Other payables:		
Advance from customers	1.56	16.14
Statutory dues	13.19	17.28
	14.75	**33.42**

16. Revenue from operations

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of manufactured products		
Finished goods (net of returns)	1,313.42	1,291.12
Less: Discounts	(222.74)	(363.74)
	1,090.68	**927.38**
Sale of services		
Job work	163.73	247.37
Royalty income	10.39	0.75
	174.12	**248.12**
Sale of traded goods		
Books (net of returns)	22.06	20.02
Paper (net of returns)	50.08	68.01
	72.14	**88.03**
Other operating revenue		
Scrap sales	17.99	21.97
	17.99	**21.97**
Total revenue from operations	**1,354.93**	**1,285.50**

Disaggregated revenue information

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

Segment	**For the year ended 31 March 2021**	
	Publishing	**Printing**
Type of good or service		
Sale of manufactured goods	1,036.43	54.25
Sale of traded goods	22.06	50.08
Scrap sales	0.07	17.92
Job work (printing of books)	-	163.73
Content and royalty income	10.39	-
Total revenue from operations	**1,068.95**	**285.98**
India	1,068.95	285.98
Outside India	-	-
Total revenue from operations	**1,068.95**	**285.98**
Timing of revenue recognition		
Goods transferred at a point in time	1,058.56	122.25
Services transferred over time	10.39	163.73
Total revenue from operations	**1,068.95**	**285.98**

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(Amount in million)

Segment	For the year ended 31 March 2020	
	Publishing	Printing
Type of good or service		
Sale of manufactured goods	855.66	71.73
Sale of traded goods	20.02	68.01
Scrap sales	-	21.97
Job work (printing of books)	-	247.37
Content and royalty income	0.75	-
Total revenue from operations	**876.42**	**409.08**
India	876.42	409.08
Outside India	-	-
Total revenue from operations	**876.42**	**409.08**
Timing of revenue recognition		
Goods transferred at a point in time	875.67	161.71
Services transferred over time	0.75	247.37
Total revenue from operations	**876.42**	**409.08**

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 contracts with customers.

Contract balances

	As at 31 March 2021	As at 31 March 2020
Trade receivables	1,183.30	1,223.25
Contract liability		
Advance from customer	1.56	16.14

Trade receivables are non-interest bearing and are generally on terms of 150 days. For the year ended 31 March 2021 ` 27.82 million (31 March 2020: ` 5.20 million) was recognised as provision for expected credit losses on trade receivables.

Right to return asset and refund liability

	As at 31 March 2021	As at 31 March 2020
Refund liabilities		
Arising from discounts	172.63	170.07
Arising from rights of return	255.55	315.37
	428.18	**485.44**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue as per contracted price	2010.05	2059.05
Adjustments		
Sales return	(432.38)	(409.81)
Discount	(222.74)	(363.74)
	1,354.93	**1,285.50**

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

Services

The performance obligation is satisfied upon delivery of the job work goods to the customer.

17. Other income

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
-on bank deposit	0.37	0.53
-on others	2.73	-
Insurance claim received	2.14	-
Lease rental income	1.17	0.78
Amount written back	4.03	10.11
Miscellaneous income	7.28	2.90
	17.72	**14.32**

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18. Cost of raw material consumed

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	44.81	10.61
Add : Purchases during the year	110.12	275.45
	154.93	**286.06**
Less : Inventories at the end of the year	(14.46)	(44.81)
	140.47	**241.24**
Details of raw material purchased		
Paper	110.12	275.45
	110.12	**275.45**
Details of inventories		
Paper	14.46	44.81
	14.46	**44.81**

19. Purchase of stock-in-trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	15.83	13.80
Add : Purchases during the year	65.54	78.39
	81.37	**92.19**
Less : Inventories at the end of the year	-	(15.83)
	81.37	**76.36**
Details of traded goods purchased		
Books	15.62	10.60
Paper	49.92	67.79
	65.54	**78.39**
Details of inventories		
Books	-	15.83
	-	**15.83**

20 Cost of printing material consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	25.39	23.88
Add : Purchases during the year	64.64	116.44
	90.03	**140.32**
Less : Inventories at the end of the year	(25.53)	(25.39)
	64.50	**114.93**
Details of printing material purchased		
Printing binding material	64.64	116.44
	64.64	**116.44**
Details of inventories		
Printing material	25.53	25.39
	25.53	**25.39**

21 (Increase)/decrease in inventories of finished goods and work in progress

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the end of the year		
Finished goods	306.23	507.81
Work in progress	0.22	4.85
	306.45	**512.66**
Inventories at the beginning of the year		
Finished goods	507.81	437.10
Work in progress	4.85	1.31
	512.66	**438.41**
(Increase)/ decrease in inventories	**206.21**	**(74.25)**

Details of inventories

	For the year ended 31 March 2021	For the year ended 31 March 2020
Work in progress		
Printed material for books	0.22	4.85
	0.22	**4.85**
Finished goods		
- Manufactured goods		
Books	306.23	507.81
	306.23	**507.81**

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22 Publication expenses

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Printing and binding charges	49.30	96.09
Royalty expenses	30.28	36.59
Packing expenses	18.80	26.15
Power and fuel	29.95	46.43
Repairs and maintenance - machinery	23.76	32.32
Other publishing expenses	17.14	33.50
	169.23	**271.08**

23 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	234.31	300.22
Contribution to provident and other funds	20.28	24.29
Staff welfare expenses	3.26	10.16
	257.85	**334.67**

24 Selling and distribution expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Advertisement and sales promotion	4.61	20.11
Meeting and conference expenses	0.08	4.51
Travelling and conveyance	17.96	52.80
Freight and forwarding charges	31.27	41.37
Book workshop expenses	0.57	9.89
	54.49	**128.68**

25 Finance cost

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Expenses		
-on borrowings	79.18	80.21
-on lease liabilites	5.37	8.84
-on other liabilites	9.58	18.33
Loan processing fee	2.72	2.61
	96.85	**109.99**

26 Depreciation and amortisation expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 3)	30.71	31.91
Depreciation of right of use asset (refer note 4B)	23.85	24.48
Amortisation of intangible assets (refer note 4A)	34.78	43.13
	89.34	**99.52**

27 Other expenses

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Communication cost	3.22	2.89
Rent (refer note 31)	1.17	1.00
Rates and taxes	1.38	0.53
Insurance	11.94	11.66
Repairs and maintenance:		
-Buildings	0.37	0.36
-Others	16.22	14.90
Printing and stationery	1.05	2.97
Legal and professional fee	12.64	18.15
Management expenses (refer note 39)	11.68	14.87
Payment to auditor (refer details below)	2.04	3.13
Security expenses	3.15	2.88
Foreign exchange difference (net)	0.01	0.86
Corporate social responsibility expenses (refer note 38)	2.80	5.19
Director sitting fee	0.12	0.18
Donation	6.53	9.81
Amount written off	7.89	1.82
Provision for expected credit loss	27.82	5.20
Provision for doubtful advances	-	0.40
Income tax penalty	-	0.22
Loss on sale of property, plant and equipment (net)	1.21	-
Miscellaneous expenses	0.40	0.53
	111.64	**97.55**

Payment to auditor

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor		
Audit fee	1.20	1.80
Limited review fee	0.80	1.05
In other capacity		
Certification fee	0.04	0.00
Out of pocket expenses	0.00	0.28
	2.04	**3.13**

28 Exceptional item

	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for slow moving inventory	-	27.54
	-	**27.54**

During the previous year ended 31 March 2020, due to Covid-19, Company has performed a detailed assessment of its existing inventory and as a result, the Company has further reduced the valuation of certain titles to their current realisable value and recorded additional provision of ` 27.54 million as exceptional cost.

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29 Earnings per share

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

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit/(loss) attributable to equity holders of the Company	68.64	(97.29)
Weighted average number of equity shares used for computing Earning per Share (Basic and Diluted)	40,140	40,140
Basic EPS (Amount in `.)	1,710	(2,424)
Diluted DPS (Amount in `.)	1,710	(2,424)

30 Gratuity and other post- employment benefits plan

A. Gratuity

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

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

Statement of Profit and Loss account

Net employee benefit expense recognised in employee cost:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	4.81	4.61
Interest cost on defined obligation	1.88	1.94
Expected return on plan assets	(0.43)	(0.55)
	6.26	**6.00**

Amount recognised in Other Comprehensive Income:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Actuarial (gains) / losses on obligation	(3.72)	(1.23)
Actuarial gains / (losses) on assets	0.48	(0.15)
	(4.20)	**(1.08)**

Balance sheet

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening defined benefit obligation	28.04	26.27
Current service cost	4.81	4.61
Interest cost	1.88	1.94
Benefits paid from plan assets	(0.21)	(1.26)
Benefits paid directly by employer	(0.96)	(2.29)
Actuarial (gains) / losses on obligation	(3.72)	(1.23)
Closing defined benefit obligation	**29.84**	**28.04**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening fair value of plan assets	6.37	7.23
Expected return	0.43	0.55
Contributions by employer	-	-
Benefits paid	(0.21)	(1.26)
Actuarial gain/(loss)	0.48	(0.15)
Closing fair value of plane assets	**7.07**	**6.37**
Current Portion	-	-
Non - Current Portion	**22.77**	**21.67**

The Company expects to contribute ` 0.57 million (31 March 2020: ` 0.46 million) to plan assets.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows: **(Amount in million)**

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

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.94%	6.78%
Expected rate of return on assets	6.94%	6.78%
Expected rate of salary increase	6%	6%
Retirement age (In years)	60 years	60 years
Employee turnover :-		
- Age upto 30 years :	3.00%	3.00%
- Age 31 - 44 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 31 March 2021	For the year ended 31 March 2020
Discount rate	+ 1%	26.35	24.64
	- 1%	33.96	32.09
Expected rate of salary increase	+ 1%	33.86	31.99
	- 1%	26.38	24.67

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 31 March 2021	For the year ended 31 March 2020
Year 1	0.57	0.46
Year 2	0.99	0.56
Year 3	0.67	0.97
Year 4	1.30	0.66
Year 5	2.39	1.29
Year 6 to 10	10.40	9.73

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.50 years (31 March 2020: 18.25 years).

B. Defined contribution plan

An amount of ` 13.18 millions [31 March 2020 : ` 17.46 millions] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund and an amount of ` 0.84 millions [31 March 2020 : ` 0.83 millions] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

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31 Leases

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

Transition

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

On transition, the adoption of the new standard resulted in recognition of Right of use asset (ROU) of ` 98.40 million (excluding leasehold land of ` 61.84 million) with a corresponding lease liability. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

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

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

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

Set out below are the carrying amount of right to use assets recognised and movement during the year **(Amount in million)**

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	135.76	-
Adjustments (transition to IND AS 116)	-	160.24
Additions	2.06	-
Disposal/ adjustments	(2.72)	-
Amortisation	(23.85)	(24.48)
Closing balance	**111.25**	**135.76**

Set out below is the carrying amount of lease liability and movement during the year

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	80.79	-
Adjustments (transition to IND AS 116)	-	98.40
Additions	2.06	-
Accretion of interest	5.37	8.84
Disposal/ adjustments	(2.72)	-
Gain on lease modification*	(5.12)	-
Payment	(25.55)	(26.45)
Closing balance	**54.83**	**80.79**
Contractual maturity of lease liability		
- Within one year	19.17	20.94
- 1-5 years	35.66	59.85
	54.83	**80.79**

*During the year, the Company has recognised a gain on modification of one lease amounting to ` 5.12 millions under the head other income in the Statement of Profit and Loss.

The following are the expense recognised in the Statement of Profit and Loss:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation expense of right to use assets	23.85	24.48
Interest expense on lease liability	5.37	8.84
Expense relating to short term leases (included in other expenses)	1.17	1.00
Total amount recognised in profit and loss	**30.39**	**34.32**

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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

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

32 Related party disclosure

32A Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Holding Company	S Chand And Company Limited
Fellow subsidiaries	Blackie & Son (Calcutta) Private Limited New Saraswati House (India) Private Limited BPI (India) Private Limited Nirja Publishers & Printers Private Limited Safari Digital Education Initiatives Private Limited DS Digital Private Limited S. Chand Edutech Private Limited Eurasia Publishing House Private Limited Chhaya Prakashani Limited Indian Progressive Publishing Co Pvt Ltd
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 Jhunjhnuwala, Director Mr. Gaurav Kumar Jhunjhnuwala, Whole Time Director Mrs. Savita Gupta, Whole Time Director Mr. Rajagopalan Chandrashekhar, Independent Director Ms. Archana Capoor, Independent Director Mr. Naveen Rajlani, Chief Executive Officer (w.e.f. 7th February 2020)

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32B - 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:

(Amount in million)

Nature of Transactions	Year Ended	Holding Company	Fellow Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel	Total
Revenue from operations						
Sale of goods (printing and publishing) and services						
S Chand And Company Limited	31 March 2021	141.01	-	-	-	141.01
	31 March 2020	186.08	-	-	-	186.08
S. Chand Edutech Private Limited	31 March 2021	-	2.53	-	-	2.53
	31 March 2020	-	7.47	-	-	7.47
New Saraswati House (India) Private Limited	31 March 2021	-	31.52	-	-	31.52
	31 March 2020	-	54.99	-	-	54.99
BPI (India) Private Limited	31 March 2021	-	3.74	-	-	3.74
	31 March 2020	-	-	-	-	-
DS Digital Private Limited	31 March 2021	-	0.08	-	-	0.08
	31 March 2020	-	0.82	-	-	0.82
Safari Digital Education Initiatives Private Limited	31 March 2021	-	46.45	-	-	46.45
	31 March 2020	-	52.97	-	-	52.97
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	1.86	-	-	1.86
Indian Progressive Publishing Co Private Limited	31 March 2021	-	0.09	-	-	0.09
	31 March 2020	-	0.61	-	-	0.61
Chhaya Prakashani Limited	31 March 2021	-	19.79	-	-	19.79
	31 March 2020	-	39.44	-	-	39.44
Sale of traded goods (paper)						
New Saraswati House (India) Private Limited	31 March 2021	-	0.24	-	-	0.24
	31 March 2020	-	-	-	-	-
Indian Progressive Publishing Co Private Limited	31 March 2021	-	1.15	-	-	1.15
	31 March 2020	-	-	-	-	-
Chhaya Prakashani Limited	31 March 2021	-	42.61	-	-	42.61
	31 March 2020	-	68.01	-	-	68.01
Subtotal	**31 March 2021**	**141.01**	**148.19**	**-**	**-**	**289.19**
	31 March 2020	**186.08**	**226.16**	**-**	**-**	**412.24**
Other income						
Royalty received						
S Chand And Company Limited	31 March 2021	0.54	-	-	-	0.54
	31 March 2020	-	-	-	-	-
Interest income						
BPI (India) Private Limited	31 March 2021	-	2.73	-	-	2.73
	31 March 2020	-	-	-	-	-
Subtotal	**31 March 2021**	**0.54**	**2.73**	**-**	**-**	**3.27**
	31 March 2020	**-**	**-**	**-**	**-**	**-**
Expenses						
Purchase of paper						
S Chand And Company Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	-	-	-	-
New Saraswati House (India) Private Limited	31 March 2021	-	0.82	-	-	0.82
	31 March 2020	-	-	-	-	-
Purchase of goods (books)						
S Chand And Company Limited	31 March 2021	0.00	-	-	-	0.00
	31 March 2020	-	-	-	-	-
Chhaya Prakashani Limited	31 March 2021	-	4.19	-	-	4.19
	31 March 2020	-	3.45	-	-	3.45
Purchase of services						
S Chand And Company Limited	31 March 2021	5.44	-	-	-	5.44
	31 March 2020	2.79	-	-	-	2.79
SC Hotel Tourist Deluxe Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	-	0.15	-	0.15
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	1.51	-	-	1.51
Safari Digital Education Initiatives Private Limited	31 March 2021	-	11.12	-	-	11.12
	31 March 2020	-	10.22	-	-	10.22

Vikas Publishing House Private Limited
Notes to financial statement for the year ended 31 March 2021
CIN: U74899DL1971PTC005766

(Amount in million)

Nature of Transactions	Year Ended	Holding Company	Fellow Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel	Total
Management expenses						
S Chand And Company Limited	31 March 2021	11.26	-	-	-	11.26
	31 March 2020	14.87	-	-	-	14.87
Rent paid						
S Chand And Company Limited	31 March 2021	0.44	-	-	-	0.44
	31 March 2020	0.17	-	-	-	0.17
Interest expense						
S Chand And Company Limited	31 March 2021	-	-	-	-	-
	31 March 2020	12.30	-	-	-	12.30
Royalty paid						
S Chand And Company Limited	31 March 2021	0.27	-	-	-	0.27
	31 March 2020	0.25	-	-	-	0.25
BPI (India) Private Limited	31 March 2021	-	0.42	-	-	0.42
	31 March 2020	-	0.32	-	-	0.32
Remuneration paid (including perquisite)						
Gaurav Kumar Jhunjhnuwala	31 March 2021	-	-	-	-	-
	31 March 2020	-	-	-	7.57	7.57
Naveen Rajlani	31 March 2021	-	-	-	8.69	8.69
	31 March 2020	-	-	-	12.58	12.58
Savita Gupta	31 March 2021	-	-	-	2.29	2.29
	31 March 2020	-	-	-	6.85	6.85
Subtotal	**31 March 2021**	**17.41**	**16.55**	**-**	**10.98**	**44.94**
	31 March 2020	**30.38**	**15.52**	**0.15**	**27.00**	**73.05**
Expenses incurred by the related party on behalf of the Company						
S Chand And Company Limited	31 March 2021	0.03	-	-	-	0.03
	31 March 2020	0.10	-	-	-	0.10
Chhaya Prakashani Limited	31 March 2021	-	1.31	-	-	1.31
	31 March 2020	-	-	-	-	-
Subtotal	**31 March 2021**	**0.03**	**1.31**	**-**	**-**	**1.34**
	31 March 2020	**0.10**	**-**	**-**	**-**	**0.10**
Expenses incurred by the Company on behalf of the related party						
Chhaya Prakashani Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	0.01	-	-	0.01
Subtotal	**31 March 2021**	**-**	**-**	**-**	**-**	**-**
	31 March 2020	**-**	**0.01**	**-**	**-**	**0.01**
Purchase of Capital Goods						
S. Chand Edutech Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	0.08	-	-	0.08
Subtotal	**31 March 2021**	**-**	**-**	**-**	**-**	**-**
	31 March 2020	**-**	**0.08**	**-**	**-**	**0.08**
Sale of Capital Goods/ Services						
S Chand And Company Limited	31 March 2021	1.17	-	-	-	1.17
	31 March 2020	1.50	-	-	-	1.50
DS Digital Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	0.02	-	-	0.02
Subtotal	**31 March 2021**	**1.17**	**-**	**-**	**-**	**1.17**
	31 March 2020	**1.50**	**0.02**	**-**	**-**	**1.52**

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Outstanding Balances as at the year end: (Amount in million)

Balances outstanding	Year Ended	Holding Company	Fellow Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives	Key Managerial Personnel	Total
Trade Receivables						
S Chand And Company Limited	31 March 2021	132.14	-	-	-	132.14
	31 March 2020	77.83	-	-	-	77.83
S. Chand Edutech Private Limited	31 March 2021	-	10.32	-	-	10.32
	31 March 2020	-	7.53	-	-	7.53
New Saraswati House (India) Private Limited	31 March 2021	-	149.80	-	-	149.80
	31 March 2020	-	175.71	-	-	175.71
BPI (India) Private Limited	31 March 2021	-	3.81	-	-	3.81
	31 March 2020	-	45.67	-	-	45.67
Safari Digital Education Initiatives Private Limited	31 March 2021	-	76.61	-	-	76.61
	31 March 2020	-	80.09	-	-	80.09
Indian Progressive Publishing Company Pvt. Ltd.	31 March 2021	-	-	-	-	-
	31 March 2020	-	0.01	-	-	0.01
DS Digital Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	0.88	-	-	0.88
Chhaya Prakashani Limited	31 March 2021	-	0.85	-	-	0.85
	31 March 2020	-	8.08	-	-	8.08
Subtotal	**31 March 2021**	**132.14**	**241.39**	**-**	**-**	**373.53**
	31 March 2020	**77.83**	**317.98**	**-**	**-**	**395.81**
Advance from customers						
Nirja Publishers & Printers Private Limited	31 March 2021	-	-	-	-	-
	31 March 2020	-	4.81	-	-	4.81
Subtotal	**31 March 2021**	**-**	**-**	**-**	**-**	**-**
	31 March 2020	**-**	**4.81**	**-**	**-**	**4.81**
Investment						
New Saraswati House (India) Private Limited	31 March 2021	-	70.00	-	-	70.00
	31 March 2020	-	70.00	-	-	70.00
Safari Digital Education Initiatives Private Limited	31 March 2021	-	0.00	-	-	0.00
	31 March 2020	-	0.00	-	-	0.00
Subtotal	**31 March 2021**	**-**	**70.00**	**-**	**-**	**70.00**
	31 March 2020	**-**	**70.00**	**-**	**-**	**70.00**
Loan receivable (including interest)						
BPI (India) Private Limited	31 March 2021	-	48.20	-	-	48.20
	31 March 2020	-	-	-	-	-
Subtotal	**31 March 2021**	**-**	**48.20**	**-**	**-**	**48.20**
	31 March 2020	**-**	**-**	**-**	**-**	**-**

Note: Refer note 37 for guarantees given to bank on behalf of fellow subsidiaries.

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33 Capital and other commitments

(Amount in million)

	As at 31 March 2021	As at 31 March 2020
Relating to the purchases of machinery and office equipment	-	0.25
Relating to export promotion capital goods commitment	20.48	25.39

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

	As at 31 March 2021	As at 31 March 2020
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	47.38	36.83
- Interest due on above	-	-
	47.38	**36.83**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

35 Unhedged foreign currency exposure

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

	Foreign currency	Amount in foreign currency		Amount in ` million	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Advance from customer	USD	-	2,440	-	0.18
Trade payable	GBP	4,391	9,767	0.44	0.74
	USD	1,304	-	0.10	-

*Exchange Rate for 31 March 2021, 1 USD = `73.29, 1 GBP = ` 100.88
**Exchange Rate for 31 March 2020, 1 USD = ` 75.23, 1 GBP = ` 93.27

36 Expenditure in foreign currency (accrual basis)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Travelling and conveyance	0.13	0.90
Publishing expenses	0.59	-
Repair and maintenance - machinery	0.09	0.96
Meeting & conference	-	1.90
Interest on buyer credit	-	0.09
	0.81	**3.85**

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37 Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
Corporate guarantee (refer note 'a' below)	50.00	50.00
Income Tax demand (refer note 'b' below)	11.23	-
Central Sales Tax (refer note 'c' below)	-	1.05
Export obligation outstanding (refer note 'd' below)	2.20	2.77
	63.43	**53.82**

Notes:

a. Corporate guarantee includes guarantee given by the Company to banks against loan taken by BPI (India) Private Limited, a fellow subsidiary.

b. The Company has received an intimation under section 143(1) of Income Tax Act, with the demand of ` 9.71 million whereas the Company has claimed the refund of ` 1.52 million in Income Tax return for AY 2019-20. There is a difference of ` 11.23 million between self assessment in Income tax return and assessment as per Income tax CPC. The major reason for difference is due to the wrong tax rate charged by CPC. The Company has filed the appeal with CIT(A) for the rectification in CPC assessment and the Company believes that CIT (A) will allow the appeal and correct the deamand notice.

c. The Company has received a notice in the year 2019-20 from Kolkata VAT with demand of ` 1.05 million for the year 2016-17. The Company has filled an appeal with Senior Joint Commissioner against this notice.

d. The Company has the export obligation outstanding as on 31 March 2021, against which the Company had saved the import duty of ` 2.20 million (31 March 2020: ` 2.77 million).

e. Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Company.

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

38 Corporate social responsibility (CSR)

(Amount in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Gross amount required to be spent by the Company during the year	2.36	4.87
(b) Amount spent by the Company during the year on the following:		
(i) Construction /acquisiton of any asset	-	-
(ii) On purposes other than (i) above	2.80	5.19
	2.80	**5.19**

39 Management 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 ` 11.68 million (31 March 2020: ` 14.87 million) towards such services rendered during the year ended 31 March 2021.

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40 Segment Information

The Company's operating segments are organised 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's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax. Accordingly, finance costs/ income, non-operating expenses and exceptional items are not allocated to individual segment.

Inter segment pricing and terms are reviewed and changed by the management to reflects 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, intangibles, intangible assets under development, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets.

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.

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(Amount in million)

Business segments	**Year ended 31 March 2021**			**Year ended 31 March 2020**		
	Publishing	**Printing**	**Total**	**Publishing**	**Printing**	**Total**
Revenue						
Sales of manufactured goods	1,036.43	54.25	1,090.68	855.65	71.73	927.38
Job work income	-	163.73	163.73	-	247.37	247.37
Sale of traded goods	22.06	50.08	72.14	20.02	68.01	88.03
Content and royalty income	10.39	-	10.39	0.75	-	0.75
Scrap sales	0.07	17.92	17.99	-	21.97	21.97
Total revenue	**1,068.95**	**285.98**	**1,354.93**	**876.42**	**409.08**	**1,285.50**
Direct cost	517.66	144.12	661.78	479.31	150.08	629.37
Indirect costs	343.49	80.49	423.98	430.09	130.81	560.90
Operating profit	207.80	61.37	269.17	(32.99)	128.19	95.22
Depreciation	41.07	48.27	89.34	47.44	52.07	99.52
Segment result	166.73	13.10	179.83	(80.43)	76.12	(4.29)
Finance costs	25.63	71.23	96.85	36.54	73.45	109.99
Other income including finance income	6.09	11.63	17.72	14.07	0.25	14.32
Exceptional items	-	-	-	27.54	-	27.54
Profit before tax	**147.19**	**(46.50)**	**100.70**	**(75.36)**	**2.92**	**(127.49)**
Tax expense			32.06			(30.20)
Net profit			**68.64**			**(97.29)**

	As at 31 March 2021			**As at 31 March 2020**		
	Publishing	**Printing**	**Total**	**Publishing**	**Printing**	**Total**
Segment assets	1,509.10	1,067.52	2,576.62	1,471.02	1,292.33	2,763.35
Unallocated assets	-	-	127.40	-	-	99.16
Total assets	1,509.10	1,067.52	2,704.02	1,471.02	1,292.33	2,862.50
Segment liabilities	328.81	845.21	1,174.02	372.37	1,064.28	1,436.65
Unallocated liabilities	-	-	32.38	-	-	-
Total liabilities	328.81	845.21	1,206.40	372.37	1,064.28	1,436.65
Other segment information						
Capital expenditure						
Addition in tangible assets	0.51	1.78	2.29	2.70	0.92	3.62
Addition in intangible assets	18.47	-	18.47	23.69	-	23.69
Depreciation on tangible assets	3.54	27.17	30.71	4.17	27.75	31.91
Amortisation on intangible assets	32.34	2.44	34.78	42.17	0.96	43.13
(Profit)/loss on sale of Property, plant and equipment	1.16	0.04	1.21	0.03	(0.09)	(0.06)

Significant customer

Revenue from one major customer accounted for amounting to ` 141.00 million aggregating to 10% of total revenue (one major customers amounting to ` 186.08 million aggregating to 14% of total revenue for the year ended 31 March 2020).

41 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.
The Company is exposed to the following type of market risk:-
a.) interest rate risk,
b.) currency risk and
Financial instruments affected by market risk include loans and borrowings, investments, deposits and advances.

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

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

The analyses exclude the impact of movements in market variables on: the carrying values of employee benefits. 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:

(Amount in million)

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2021			
INR Borrowings	+0.5%	(3.64)	-
	-0.5%	3.64	-
As at 31 March 2020			
INR Borrowings	+0.5%	(3.19)	-
	-0.5%	3.19	-

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:

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
For the year ended 31 March 2021			
USD	+5%	0.00	-
	-5%	(0.00)	-
GBP	+5%	0.02	-
	-5%	(0.02)	-
For the year ended 31 March 2020			
USD	+5%	0.01	-
	-5%	(0.01)	-
GBP	+5%	0.04	-
	-5%	(0.04)	-

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:

(Amount in million)

Age Bracket	Not Due	0-215 Days	216-365 Days	365-730 Days	More than 730 Days	Total
As at 31 March 2021	870.01	113.38	137.59	62.32	-	1,183.30
As at 31 March 2020	891.99	73.29	211.29	20.23	26.45	1,223.25

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.

	As at 31 March 2021	As at 31 March 2020
On Demand		
- Borrowings	183.29	154.66
	183.29	154.66
Less than 1 year		
- Borrowings	150.00	100.00
-Lease liabilities	19.17	20.94
- Trade payables	283.16	501.24
- Other financial liabilities	130.26	367.86
	582.59	990.04
More than 1 year		
- Borrowings	294.44	139.05
-Lease liabilities	35.66	59.85
	330.10	198.90

42 Capital management

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

The Company 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.

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

Gearing Ratio	As at 31 March, 2021	As at 31 March, 2020
Borrowings (note 11A and 11B) (including current maturites)	728.78	726.16
Less: cash and cash equivalents (note 5E)	(103.47)	(4.00)
Less: Investment in liquid funds (note 5B)	(50.00)	-
Adjusted net debt (A)	**575.31**	**722.16**
Equity	1,497.62	1,425.85
Total equity (B)	**1,497.62**	**1,425.85**
Total equity and net debt [C = (A+B)]	**2,072.93**	**2,148.00**
Gearing Ratio (A/C)	27.75%	33.62%

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

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

43 Fair Values

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

(Amount in million)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI
Assets						
Non-current financial assets						
- Investments	70.00	-	-	70.00	-	-
- Loans	62.95	-	-	16.76	-	-
- Other financial assets	0.76	-	-	0.86	-	-
Current financial assets						
- Investment	-	50.00	-	-	-	-
- Trade receivables	1,183.30	-	-	1,223.25	-	-
- Cash and cash equivalents	103.47	-	-	4.00	-	-
- Bank balances other than cash and cash equivaler	3.90	-	-	4.25	-	-
- Loans	13.34	-	-	22.13	-	-
				-		
Non-current financial liabilities						
- Borrowings	294.44	-	-	139.05	-	-
- Lease liabilities	35.66	-	-	59.85	-	-
Current financial liabilities						
- Borrowings	333.29	-	-	254.66	-	-
- Lease liabilities	19.17	-	-	20.94	-	-
- Trade payables	283.16	-	-	501.24	-	-
- Other financial liabilities	130.26	-	-	367.86	-	-

The fair values of current financial assets like trade receivables, loans, cash and cash equivalents, bank balances other than cash and 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.

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

	Fair value measurement using		
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
Investments	50.00	-	-

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

	Fair value measurement using		
	Quoted price in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
Investments	-	-	-

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44 Major components of income tax expense for the year ended 31 March 2021 and 31 March 2020 are as follows:

Tax expense recognised in the Statement of Profit and Loss	For the year ended 31 March 2021	For the year ended 31 March 2020
		(Amount in million)
Current income tax		
Current income tax charge	45.56	-
Adjustment of taxes for earlier years	8.73	19.46
Deferred tax		
Relating to origination and reversal of timing differences	(22.23)	(49.67)
	32.06	**(30.21)**

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	100.70	(99.95)
At India's statutory income tax rate of 25.168% (31 March 2020: 25.168%)	25.35	(25.16)
Non deductible expenses for tax purposes	2.35	3.77
Permanent difference not considered for deferred taxes	2.66	5.97
Others	1.70	(14.79)
Income tax expense reported in the statement of profit and loss	**32.06**	**(30.21)**
At the effective income tax rate of 31.83% (31 March 2020: 30.22%)	**32.06**	**(30.21)**

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

45 Employee stock compensation expense

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

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46 Impact of COVID -19

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

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

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

47 The Shareholders of Vikas Publishing House Private Limited (transferee) and Rajendra Ravindra Printer Private Limited (transferor) (RRPL), a subsidiary of S Chand And Company Limited (SCCL), had approved a scheme of amalgamation (the scheme) u/s 391-394 of the Companies Act, 1956 and applicable provisions of Companies Act 2013 (to the extent applicable). In accordance with the scheme RRPL merged with the Company w.e.f. 1 April, 2014. The Hon'ble Delhi High Court had given its approval to the Scheme on 18 February 2016 and order was received by the Company on 7 April 2016. The approved scheme was filed with the Registrar of Companies on 27 April 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 ("IT 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) of IT Act, would now be taxable in the year of transfer due to trigger of section 47A of IT Act. Considering this, tax liability for ` 33.51 million has been recognised in the books of accounts. The Company has filed an application with the department.

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48 Previous year figures have been regrouped/ reclassed, where necessary, to conform to this years classification. During the year ended 31 March 2021, the Company reclassified/regrouped certain previous year's balances, as below:

(Amount in million)

Details	Nature of reclassification	Amount
Deposits with original maturity for more than 3 months but less than 12 months	Reclassed from 'Other Financial Asset' disclosed under note 5G to 'Bank balances other than cash and cash equivalents' disclosed under Note 5F	4.25

49 The Government of India announced the New Education Policy (NEP) 2020 on 31 July 2020, to bring in various changes to the Education system. The National Curriculum Framework (NCF) that defines the curriculum to be taught in schools is yet to be formulated based on NEP, which is expected to be developed over the period. The management is monitoring the implementation of the policy and the revised curriculum and detailed assessment shall be made, once curriculum gets formulated.

50 The financial statements were approved for issue by the board of directors on 18 June 2021.

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

For Walker Chandiok & Co LLP
Chartered Accountants
ICAI Firm Registration No. 001076N/N500013

Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 18 June 2021

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

Himanshu Gupta
Director
DIN: 00054015
Place: New Delhi
Date: 18 June 2021

Savita Gupta
Director
DIN: 00053988
Place: New Delhi
Date: 18 June 2021

Naveen Rajlani
Chief Executive Officer
Place: New Delhi
Date: 18 June 2021