S. CHAND GROUP

S Chand And Company Limited

Registered Office: A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi - 110044, India.

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Date: August 26, 2019

To Listing Department BSE Limited 25th Floor, P J Towers, Dalal Street, Mumbai, Maharashtra 400001	To Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051

Dear Sir,

Re: Submission of Annual Report for the financial year 2018-19-S Chand And Company Limited

In terms of the provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and The Companies Act, 2013 ("**Act**"), the Company hereby informs the following:

i) Pursuant to Regulation 34(1) of the SEBI LODR the Annual Report for the financial year 2018-19 is enclosed herewith. The Annual Report is also being disseminated on the website of the Company www.schandgroup.com;

ii) Pursuant to section 96 of the Act and Regulation 30 of the SEBI LODR, the 48th Annual General Meeting ("**AGM**") of the Company will be held on Thursday, September 19, 2019 at 11:30 a.m. at Executive Club Resort, 439, Village Sahaoorpur, Post Office Fatehpur Beri, New Delhi-110074 to transact the business as set forth in the Notice of the 48th AGM, which forms part of the enclosed Annual Report;

iii) Pursuant to section 108 of the Act read with The Companies (Management and Administration) Rules, 2014, as may be amended from time to time and Regulation 44 of the SEBI LODR, the Company is pleased to provide e-voting facility to all its members to enable them to cast their votes electronically for all the resolutions as set forth in the 48th Notice of AGM;

iv) The cut-off date for determining the eligibility of the members to vote through remote e-voting at the AGM is Thursday, September 12, 2019;

v) The Company has appointed National Securities Depository Limited ("**NSDL**") for the purpose of providing e-voting facility to the members of the Company. The remote e-voting facility shall commence at 9:00 a.m. on Sunday, September 15, 2019 and will end at 5:00 p.m. on Wednesday, September 18, 2019 During this period the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter; and

S Chand And Company Limited New Delhi-44

vi) The Company has appointed Mr. R.S. Bhatia, Company Secretary in Practice as the Scrutinizer to scrutinize the remote e-voting process as well as the voting process at the AGM in a fair and transparent manner.

Request you to kindly take note of the above.

For S Chand And Company Limited

S Chand And Company Limited
New Delhi-44

Jagdeep Singh
Company Secretary & Compliance Officer
Membership No. A15028
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044

Encl: as above

S. CHAND GROUP

RENEWED FOCUS.

ANNUAL REPORT 2018-2019

This report may contain "forward looking statements" by S.Chand and Company Limited. These may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, and are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of S.Chand about the business, industry and the markets in which S.Chand operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond S.Chand's control and difficult to predict, and which may therefore cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed as a representation of future performance or achievements of S.Chand. In particular, such statements should not be regarded as a projection of future performance of S.Chand. It should be noted that the actual performance or achievements of S.Chand may vary significantly from such statements.

CONTENTS

RENEWED FOCUS

At SChand, we are Renewing our Focus. We feel this is an important step and phase in our journey as it provides a gateway to our future; one which we are confident will be bright and successful. We aim to make this exercise in learning, reasoning, problem solving, and decision making really effective so as help us meet the goals we have set for ourselves. We are therefore shutting out all distractions and giving our full and undivided attention to the task at hand.

We continue to be staunchly focused on our 3.0 strategy. We know and fully understand the segment we operate in better than most. We have products that competitively satisfy our target clients' needs. We know and understand our priorities and we are determined to focus our energy and resources to strengthen operations, ensure that employees and other stakeholders are working toward the common goals, establish agreement around intended outcomes and results, and assess and adjust the organization's progress periodically.

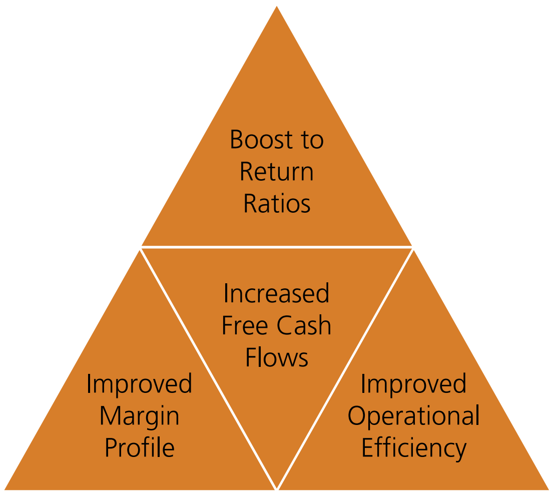
Stepping back and looking at the business helped us refocus our energy and resources in areas that we sure are going to pay off. It was a big and necessary correction to bring our focus back to our core strengths and values. And we are determined to succeed. We asked ourselves what changes had to be made at the organization level. What initiatives were needed to keep us ahead of the rapidly changing market landscape. What we had to do to emerge as an undisputed leader in all areas of our business and add value to all our stakeholders.

We decided to first trim the flab. We then decided to question everything. "Where will this lead?" is now an everyday question to determine if we are staying on course. We strongly believe there is power in creating a team culture of asking to continually refocus everyone's priorities on their part of what really matters. We are confident that this single-minded approach will herald resounding success in the near future.

S.CHAND GROUP

Renewed Focus—SChand 3.0

Focus on cash flow improvement



Lowering operating costs

- Right sizing of our employee base by over 400 employees during H1FY20 (FY19: 2,348)
- Rationalization of number of offices and consolidation of warehouses at over 25 locations
- Focus on manpower optimization through shared services across group companies
- Renegotiations of all major operational cost items to bring costs down

Working with higher quality channel partners

- Focusing on better terms with channel partners, improved velocity of collection,sale productivity metrics, etc.
- Focus on higher margin products
- Tightening of discounting structure

Lower Inventory levels

- Focus on portfolio of faster moving titles
- Warehouse consolidation at 15 locations
- Rationalizing number of SKU's
- Eliminating print of titles which do not meet sales threshold limits

Faster Receivables collection cycle

- Prioritizing our channel partners based on historic receivables efficiency
- Strict escalation of delay in receivables collection from channel partners in an appropriate manner
- Launch of Dealer loyalty program
- Best-selling titles being sold against reduced credit / advance payment

COST SAVINGS MESAURES

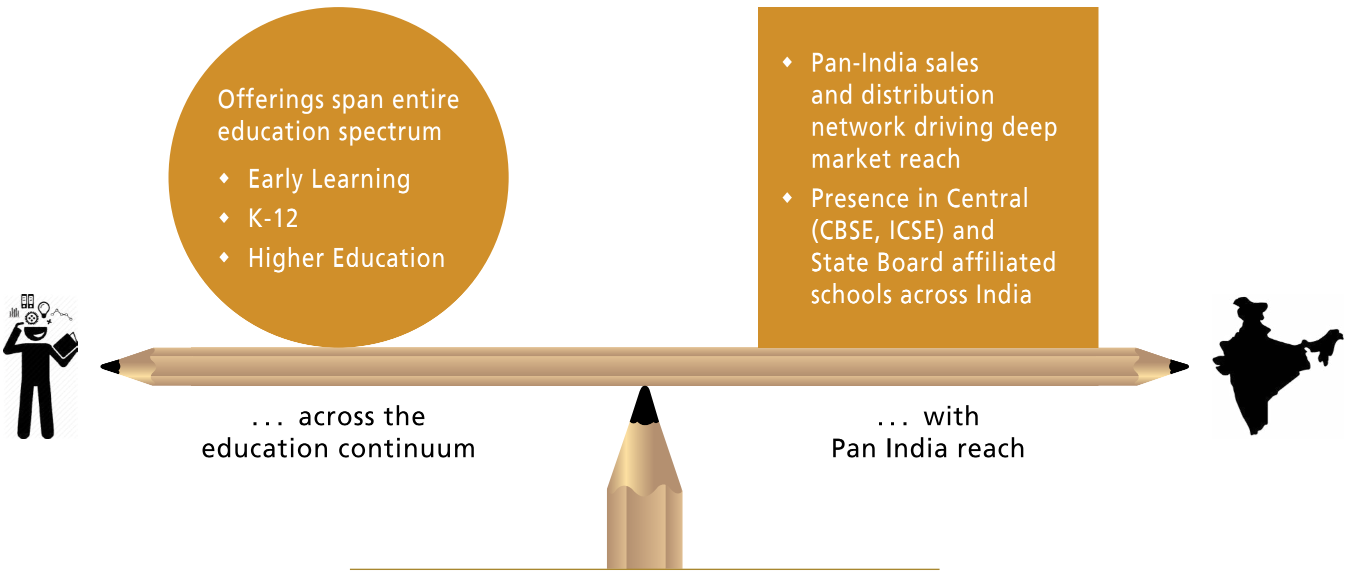
Employee costs	☸ The organization has been right sized by 400+ employees during H1FY20 (Number of employees as of FY19: 2,348). Full benefits to flow in from Q2FY20 ☸ The management has decided to forego salary hikes for FY20 ☸ Introduction of performance based variable pay structure ranging from 7.5% to 15%
Rationalization of the number of offices & warehouses/ rentals	☸ Rationalized regional offices across states in the country. Over 10 offices right sized. Rents of major offices being renegotiated which will reflect in lower rental costs. ☸ Consolidated warehouses across the country. Over 15 smaller warehouses merged with regional warehouses. This should also reduce inventory levels going ahead.
Evaluation of internal expenses and elimination of dispensable spends	☸ Working to renegotiate lower costs in contracts with major suppliers. Spends include telecom, office supplies, transportation, etc. ☸ Increased usage of technology to reduce spends on internal meetings, travel and events ☸ Events rationalized based on ROI
Paper & Freight	☸ Aiming to improve contribution per MT of paper consumed, going into FY20 ☸ Realigning grammage and size of paper depending on titles/markets/subjects/end product pricing ☸ Better freight/courier management through the use of Business Analytics to optimize inventory routing and reduced delivery times
Royalty	☸ Renegotiated certain Royalty agreements with authors to ensure that Royalty costs are paid as per current market practises and dynamics

In spite of our rationalization on costs, we remain focused on our relationship management with teachers, schools and preferred distributor partners to ensure growth in revenues & market share going forward

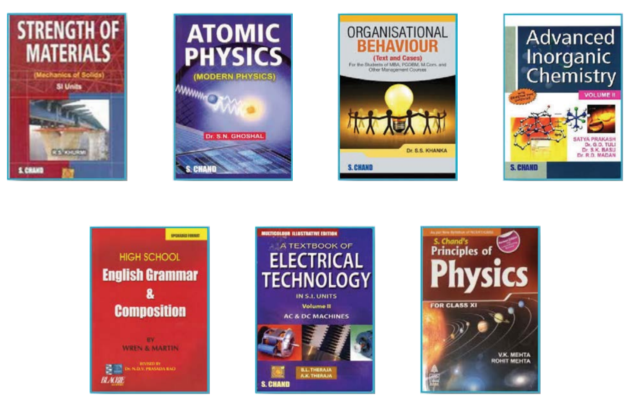
BUSINESS SNAPSHOT

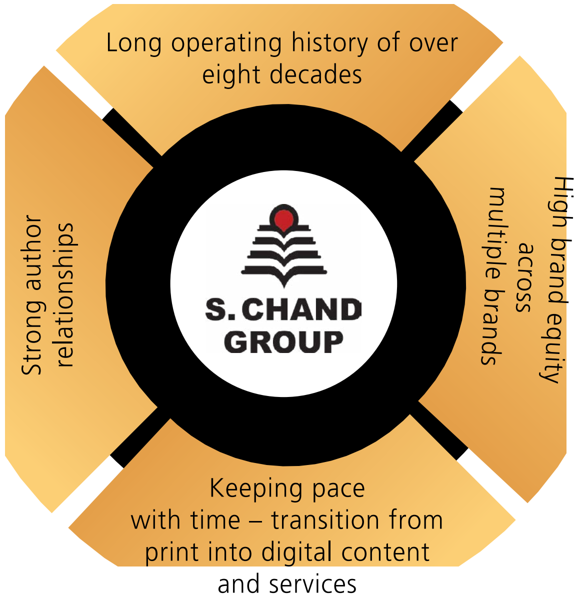
LEADER IN INDIAN EDUCATION CONTENT

Delivering content, services and solutions.



Strong content. Multiple best-sellers.





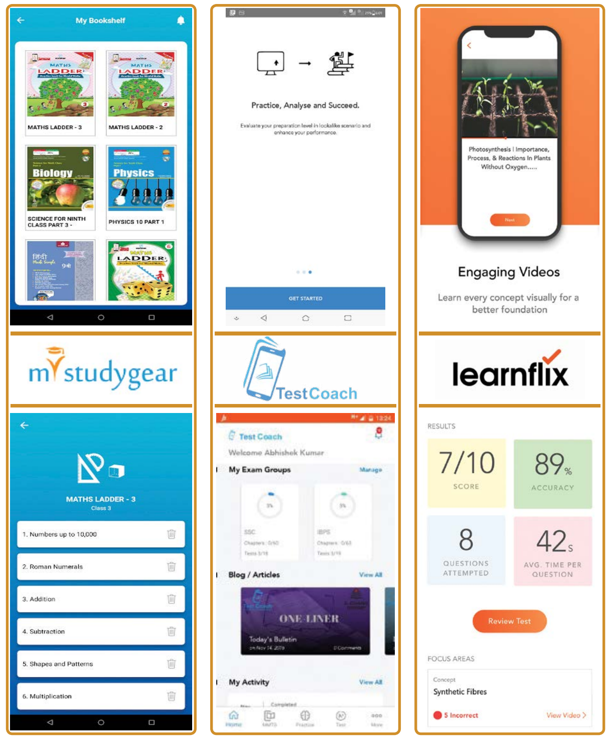
10,000+	**80**
Active book titles	Years of operating history
~2,400	**90 TPD**
Author relationships	Print capacity in MT per day

Portfolio of brands focused on print / digital content.

S. CHAND
VIKAS®
MADHUBUN®
NEW SARASWATI HOUSE
chhaya prakashani pvt. ltd.
mylestone Runway to Future
mystudygear
DESTINATION SUCCESS INSPIRES LEARNING
TestCoach
nuri nori
SmartK
learnflix

Breaking into the Digital Learning World

The intrinsic characteristics of online medium are the key motivational drivers for students to adopt online education across categories. Students count convenience, ease of concentrating at home and reduced travel time as their top reasons for pursuing online courses. The strongest influencers of brand awareness are peers followed by Internet searches and advertisements. Availability of a variety of content formats with multi-device offerings, courses at affordable prices and flexibility of start/end time influence brand choice and usage decisions.



Digital Revenues from niche segments

₹317 m FY18 → ₹367 m FY19

In-House Offerings

Offerings include digital classroom learning solutions, learning management systems and curriculum management which contribute to the revenue streams in the business.

- Hybrid offerings (QR Code & VRX)
- Intellitab: Device based learning
- Destination Success: Multi-media based learning platform
- mystudygear: Mobile learning application
- mylestone: End to end curriculum solution for schools

Inorganic Digital Investments

Focus on investing in early stage digital companies and establishing synergies with core business along with investment returns.

- Smartivity: Stem & Activity based learning for young children
- testbook: Online test prep platform
- Ignitor: Device based learning and content provider
- OnlineTyari: Online test prep platform for government exams
- flipClass: Marketplace that connects students with tutors

Highlights of our Business Segments

EARLY LEARNING	K-12	HIGHER EDUCATION
TARGET SEGMENT		
Children (2-5 Years)	School students (4 -18 years)	Test prep (>18 years) College students / professionals
HIGHLIGHTS		
STEM based learning Children books, educative games, activity based modules (experiential learning) Also operates 5 pre-schools under 'RiseKids' brand Curriculum solutions for pre-K schools Activity based learning solutions	Schools affiliated to Central / State Board Largest K-12 content player in India ▸ Dominant presence in Central Board affiliated schools ▸ Increasing presence in State Board affiliated schools Offers print content (books) & digital / hybrid content & solutions Personalised learning App	Colleges and universities (arts, science & commerce degrees) Test prep for competitive exams (engineering, government jobs) Offers books, e-books, web and mobile delivery of content Test prep platform on App & SAAS
STRATEGY		
Focus on digital to expand reach and product offering Complete presence across student lifecycle	Consolidate leadership position in Central schools as preferred content partner Increase presence in large regional markets	Exam oriented content for test preparation Institutional partnerships
BRANDS		
bpi, Smartivity, RiseKids, nuri nori, SmartK	S.CHAND, Madhubun, New Saraswati House, chhaya prakashani pvt. ltd., Destination Success, Ignitor, learnflix, mystudygear, flipclass	S.CHAND, VIKAS, IGNITOR, OnlineTyari, testbook, TestCoach

S. Chand's growth is anchored by leadership in the K-12 Segment

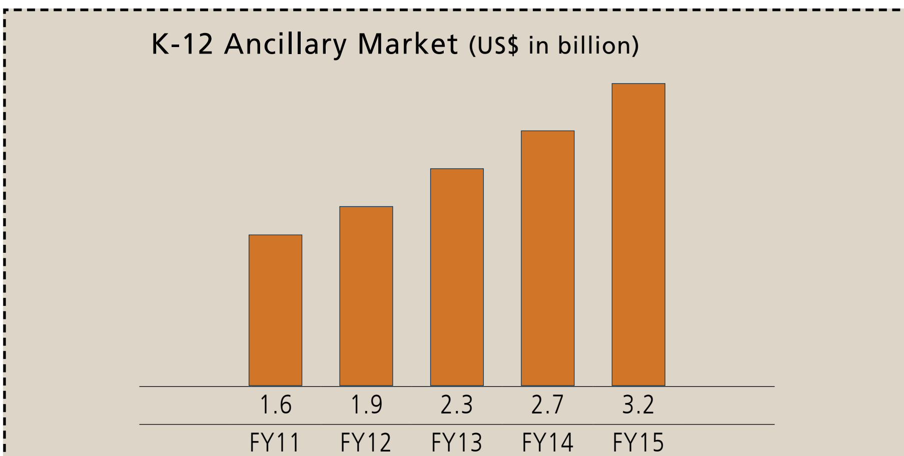
Growth Strategy

- Consolidated leadership in CBSE/ICSE schools as preferred content provider
  - More offerings in K-12 through multiple brands
  - Curriculum management
- Geographical diversification in large regional markets/state board schools
  - Acquisitions/Joint Ventures
- Higher share of education spend with enhanced content offerings
  - Digital/hybrid offerings
- Continuous content development

Large & Growing Addressable Market Opportunity

S. Chand operates in this segment (K-12/Higher Education content)

- Supports formal and informal education segments
  - Comprises of content, digital content & services like curriculum management
  - Mostly caters to K-12 & higher education institutions
- Less regulated; no restrictions on profit distribution
- K-12 ancillary market is a fast growing segment
- Robust growth drivers
  - Eligible K-12 population of about 296 MN students in age group 6 to 17 years
  - Private unaided schools increased at average rate of 10.4% during 2011-15
  - India has largest education system in the world with over 750 Universities & 35,000 colleges
- Highly fragmented segment providing room for growth



KEY SUMMARY FY19

FY19 was a one-off year on the back of disruption in the market from the expectation of the New Education Policy (NEP) from the Government.

Our strategy of focusing on the cash flows has started yielding results with the net cash generated from operations of Rs. 386 m in FY19 (vs. Rs. 389 m in FY18), despite a 34% drop in the net revenues for the year.

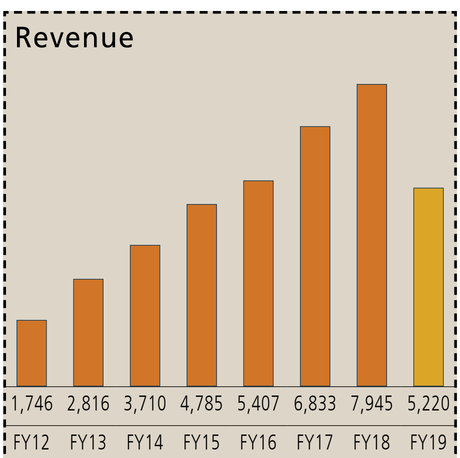
We have reduced debtors from Rs. 6,312 m as of Q4FY18 to Rs. 4,446 m as of Q4FY19

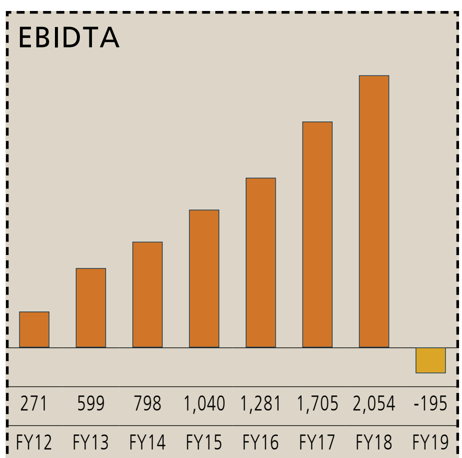
We have completed the process of acquiring the balance 26% stake in Chhaya Prakashani, taking our ownership to 100% during FY19

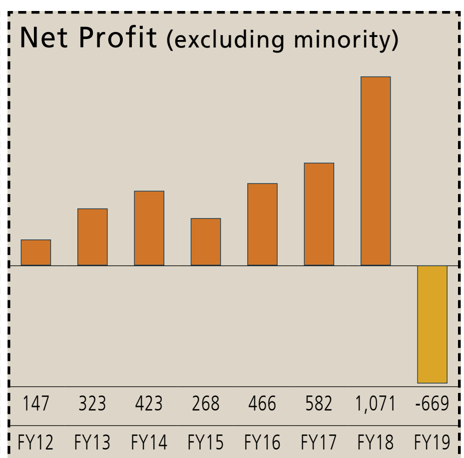
FY19 Revenues was adversely impacted by:

- Higher Incremental provisioning of Rs. 682 m
- 40% higher actual sales returns vs. FY18 on the back of uncertainty around the New Education Policy
- Lower sales offtake in the distribution channel in anticipation of the NEP

Steps have been taken to work with better channel partners for achieving superior cash flows in the coming quarters inspite of the lower sales being witnessed this sales season







Note: Figures up to FY17 are reported as per IGAAP and FY18 onwards under Ind AS.

DRIVERS FOR FUTURE GROWTH

The education industry in India is set to chart higher growth in the coming years. Rising income of households and demand for quality education coupled with a large young population and low gross enrolment ratios offer tremendous growth opportunities in the sector. Increased penetration of mobile telephony over the last few years has facilitated anytime, anywhere learning through e-learning and m-learning modules. All these factors augur well for the industry, which holds immense potential for further expansion and development.

Preschool

- Rising income levels
- Rapid urbanization
- Increasing number of working women
- Increasing awareness about importance of preschool education

K-12

- Consistent shift towards private schools in India, due to growing awareness of importance of quality education & enhanced affordability

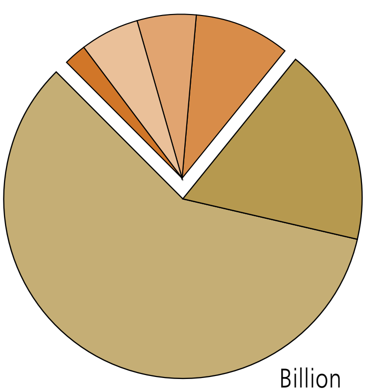
Higher Education

- Increasing number of enrolments
- Large number of courses offered and higher fees
- Increasing willingness to spend on quality education
- Growth of services sector
- More women-oriented courses
- Increasing awareness of education as a driver of prosperity

Coaching classes & vocational institutes

- Higher competition for professional & vocational courses
- Private schools rapidly adopting technology based teaching solutions
- The government's increased focus on providing computer literacy in schools through various programs

MARKET SIZE FOR THE INDIAN EDUCATION SECTOR



	Billion
Early education	2
Test prep	5
Vocational	5
Tutoring	8
Higher Education	15
K-12	50

Informal Education Segment

- US$20 BN
- Comprises of test prep, tutoring, early education and vocational training
- Less regulated; no restrictions on profit distribution

Formal Education Segment

- US$65 BN
- Comprises both K-12 schools and higher education institutions (colleges, engineering institutes, etc.)
- Regulated segment, institutions cannot be set up on a 'for profit' basis

Source: Technopak Research Report. Technopak Outlook on India's Schooling Segment June 2017. Nielsen: India Book Market Report 2015

- GDP per capita US$ 1,940
- K-12 market growing at ~ 20%.
- Private education market ~ US$ 30 Bn†.
- Education market expected to double to US$ 180 Bn. by 2020.

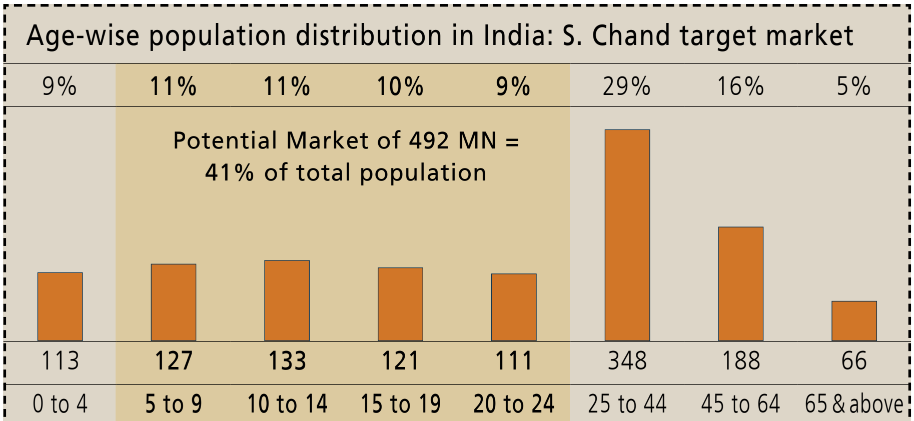
† Industry estimates.

A CASE STUDY IN GROWTH

INDIA 2017 → INDIA 2025

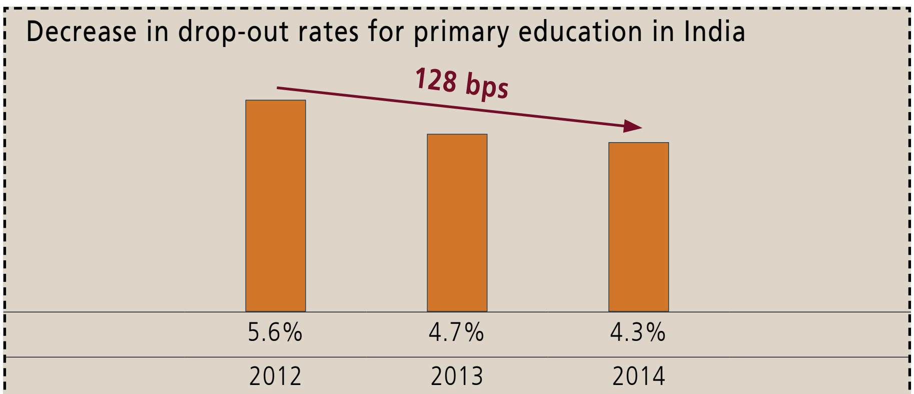
- GDP per capita expected ~ US$ 3,600‡.
- Over 50% students expected to enroll in private schools.
- Emergence of private education market led by K-12 segment.
- Billion dollar enterprises in education industry.

‡ Per market estimates of GDP being US$ 5 trillion by 2025.



Source: IBEF Report

Gross enrolment ratio and students completing primary & secondary education gradually improving in India



Source: Nielsen Report

Falling dropout rates and increased girls participation led to improvement in literacy rate

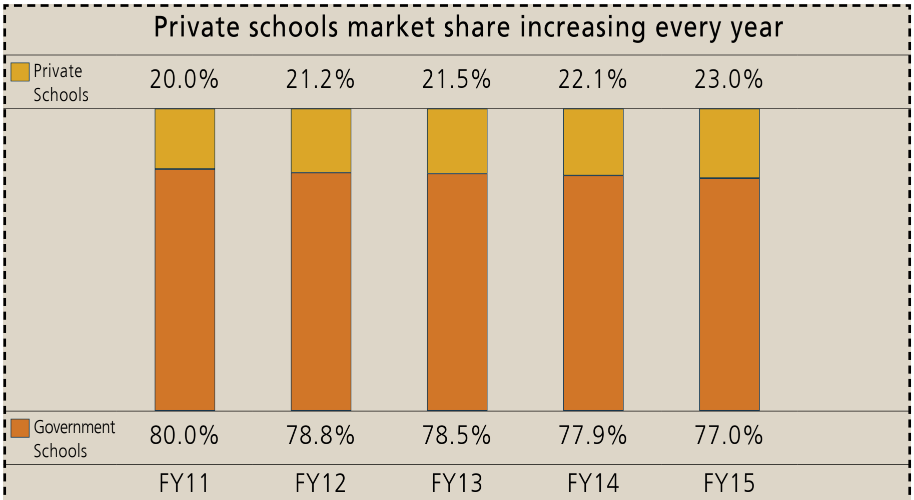
Literacy rate improving with higher participation from students

	Estimated Population			
Level of Education	% 2017 (MN)		% 2022 (MN)	
Illiterate	**20%**	**269**	**18%**	**250**
Literate but no formal schooling	2%	27	1%	14
School - Up to 5th standard	35%	471	36%	501
School - Up to 10th standard	18%	242	18%	250
School - Up to 12th standard	11%	148	11%	153
Some college but not graduate	5%	67	5%	70
Graduate	6%	81	7%	97
Postgraduate	3%	40	4%	56
Literate	**80%**	**1076**	**82%**	**1141**
Total	**100%**	**1345**	**100%**	**1391**

Source: Technopak's Outlook on India's Schooling Segment

Government promoting education through various schemes with budgetary support

S. CHAND GROUP



Source: IBEF Report

Student share of private schools increasing consistently despite subsidised fees and free meals/books in government schools

Government schools losing favour even amongst the rural and not so affluent population

CBSE & ICSE increasing faster amongst affiliated board schools

Board	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	CAGR
CBSE	11,349	12,337	13,898	14,778	15,933	17,474	19,446	9.4%
ICSE	1,461	1,565	1,678	1,798	1,927	2,181	2,295	7.8%
State Boards	13,16,401	13,63,862	14,47,487	14,65,871	14,60,455	NA	NA	NA
Total	**13,29,211**	**13,77,764**	**14,63,063**	**14,63,447**	**14,78,315**	**NA**	**NA**	**NA**

Source: Nielsen Research Report, School Board Reports, DISE

CBSE and ICSE schools are preferred for their superior curriculum and better pedagogy

Indian K-12 education infrastructure

Number of Schools: 1.5 MN	
Government: 1.1 MN	Private: 0.4 MN
Number of Students: 260 MN	
Government: 150 MN	Private: 110 MN
Number of Teachers: 9 MN	
Government: 5 MN	Private: 4 MN
Annual Intake: 18 MN	
Government: 10 MN	Private: 8 MN
Additional Capacity Required: 36 MN	
Additional Requirement of Teachers: 2 MN	
Additional Resources: USD 55 BN	

Source: Technopak's Outlook on India's Schooling Segment

S. Chand is a key beneficiary of increasing number of CBSE and ICSE schools, being the leading content provider to such schools amongst the private publishers

Salient points from the proposed New Education Policy which will be key drivers for the sector

- In school education, a major reconfiguration of curricular and pedagogical structure with Early Childhood Care and Education as an integral part of school education
- No hard separation of learning areas in terms of curricular, co-curricular or extra-curricular areas. All subjects, including arts, music, crafts, sports, yoga, community service, etc. will be curricular.
- Exposure to three or more languages in schools and flexibility in the choice of languages. A two-year course on a classical language in Grades 6-8 with the option to continue through secondary education and university.
- Introduction of course on critical issues facing the community, the country, and the world for all students in Grades 7-8 and a course on current affairs for all students in Grades 9-12.
- Following the shrinking of the curriculum content in each subject to its core, NCERT textbooks will be revised to first contain only the essential core material in each subject, keeping in mind a constructivist, discovery-based, analysis-based, engaging, and enjoyable style of learning in accordance with the revised NCF.

Opportunities from Draft NEP 2019

- Mandate for regional variations gives rise to new content opportunity from customisation for "local flavours".
- Enlargement of the market for workbooks and side books on languages and maths in Grades 1 to 5 for "writing hour", puzzle solving, etc.
- Development of new series for art integration and 21st century learning subjects.
- Development of new market with focus on classical languages.
- Larger market for regional languages adoption in schools.
- Introduction of new courses – Languages of India, Vocational Skills and Crafts, Ethics and Moral Reasoning.
- Moving extracurricular subjects to core subjects should lead to higher adoption rates – Sports/ Yoga, Music, Dance, Art, etc.
- Fixed syllabus for pre-primary to help regularise this segment.

CHAIRMAN'S MESSAGE

It gives me pleasure to present your Company's Annual Report for the year 2018-19. The year was very challenging for your company for a variety of reasons. First, there was higher incremental provisioning to be made. Second, the anticipation of the new education policy led to higher sales return from the channel partners. Third, we had to contend with increased paper cost. Fourth, we had to adapt to the circulars from state governments which were focused on reducing the bag weight for students. Fifth, there was pressure for adoption of NCERT books and reduction of certain non-core subjects. All this impacted our revenues during the year.

You will be pleased to note that we have proactively attempted to address these issues with the introduction of monthly/semester books, digital products and other value-added services. We have also renewed our focus on increasing free cash flows from the business through the launch of the new S Chand 3.0 program. This initiative works on various building blocks starting from targeting various operational and business cost control measures including employee rationalization, consolidation of offices and warehouses to reduce non-productive expenses to negotiating better terms with vendors and channel partners.

Further, it is significant to note that during the fourth quarter of the year we started on the journey to improve business and operational efficiencies. We do hope that the accruing benefits will flow in FY20 in the form of improved productivity, lower sales returns, higher FCF generation and lower costs which will improve the bottom line of the company. Further, with a very strong and well established brand equity built over the last seven decades I am confident we are strongly positioned to benefit from the growth in the Education sector in the coming years.

The draft of the New Education Policy 2019 announced post the new government taking office is encouraging. The draft talks about release of the New Curriculum Framework by the end of 2020 which will benefit us from FY 21 onwards through the sale of new curriculum books. Your Company being a leader in this space with strong in-house content development teams will benefit significantly. Since the new curriculum is being developed after a period of 15 years, it will eliminate the second-hand book market in the initial years and lead to very strong topline growth for at least 2-3 years.

Our focus right now is to increase the business cash flows. For the last 5-6 years, we were on a growth and acquisition path. During the year, we also acquired the remaining 26% stake in Chhaya Prakashini, thereby increasing our stake to a full 100%. Now we believe the time has come to focus on consolidating the business and increasing our cash flows. This has been embedded in the S Chand 3.0 initiative.

The Economic Times projects that by 2025, India's GDP will be US$5 trillion making it the fastest growing economy in the world. Your company is well positioned to benefit from the sector tailwinds. The Government is promoting education through various schemes with budgetary support and an increasing number of students are expected to enroll in private schools. We have noticed that there has been a progressive preference for private schools despite the benefits of subsidized fees, free books and meals in the government schools. Further, CBSE and ICSE schools are preferred for their superior curriculum and better pedagogy. We believe that S. Chand will be a key beneficiary of this trend, being the leading content provider to these schools amongst the private publishers.

The emergence of the private education market is typically led by the K-12 segment which has always been our stronghold. Gross enrolment ratio and students completing primary & secondary education has shown a gradual but definite improvement in India. Drop-out rates have fallen and there is marked participation of girls in education. These factors have led to an improvement in India's literacy rate – a signal that 'Billion' dollar enterprises in the education industry will surely become a reality in the country. We are confident that S Chand will be there to ride that wave.

I would like to emphatically stress that we would not have been be able to achieve any of the goals set out if not for the great human resource team in your company. An organization is only as good as its people. And we have some of the best in the industry where every individual is dedicated to serve the interests of the Company and is now committed to driving the 3.0 program successfully. I thank them wholeheartedly for their dedication and contribution. And in equal measure, I thank our authors without whose expertise and support we could not have been a leader in the industry.

And finally, I have to thank our Board members and shareholders for their unwavering faith and trust in our journey. I seek their on-going support as we stay focused and rejuvenated to pursue our goals and succeed in achieving our aspirations going ahead.

With best wishes,

DR Dogra

Chairman

MD'S MESSAGE

My warm wishes to all of you. Thank you once again for the support you have shown me this past year; I deem it a big privilege.

FY19 was a testing year for the Company chiefly because of higher sales returns from channel partners in the expectation of the announcement of the new education policy, incremental one-off provisioning, the decision to work with better channel partners and certain external environment pressures. We are ushering the S Chand 3.0 vision for the Company, where we will focus on increasing free cash flows for the group and also on driving synergies from the acquisitions we have made over the past five years. We are now well positioned on the cusp of a journey to a new destination.

The announcement of the draft New Education Policy 2019 is also encouraging. The mandate for regional variations means new content opportunity for customization in "local flavors". We see an enlargement of the market for workbooks and development of new markets with next generation learning alongwith subjects including classical languages, vocational skills, crafts, ethics, and moral reasoning.

I would like to outline some of the steps we are taking to prepare for what I believe is going to be an exciting future for the Company. The various operational measures rolled out under the S Chand 3.0 program will lead to improved cash flow metrics in the next financial year. Among other things, the program seeks to improve the velocity of collections, focus on faster moving titles and higher margin products, consolidate offices and warehouses, and re-negotiate major operational cost items.

Our regional presence through Chhaya Prakashini will drive our presence in the regional market of West Bengal and Tripura in the State Board supplementary and text book business.

Your Company delivers content, services and solutions across the education continuum with a pan India reach. Our growth strategy primarily focuses on deepening and consolidating our leadership in the CBSE / ICSE schools as the preferred content provider; diversifying into large regional markets; and owning a higher share of digital and hybrid offerings.

The Group's digital initiatives drive synergies with your Company's core business. Our offerings include digital classroom learning solutions, learning management systems, and curriculum management. We also make hybrid offerings through e-books which complement existing books and content. This is in response to the growing deployment of technology in the teaching methods in classrooms and also the growing demand for device-based learning methods from the country's younger generation.

On this Digital front, some of our initiatives have gained traction as Destination Success, Mylestone, Smart K, Test Coach and Risekids, have carved a niche segment in the markets they operate in. We have rolled out the App Mystudygear which has clicked approximately 500k downloads.

I would like to give you an overview of what is happening in the industry. As per industry estimates the K-12 market is growing at 20% per annum. As per Technopak 2016 report the education market is projected to double to US$ 180 Billion by 2020. Economic times projects per capita GDP of India to be ~ US$ 3,600 by 2025. The emergence of the private education market is led by the K-12 segment, where your Company is strong and deep seated. The Government schools are losing favor even amongst the rural and not so affluent populations while the student share of private schools is consistently increasing. Your Company will be a key beneficiary of this trend as it is the leading content provider among private publishers to CBSE and ICSE and unaffiliated private schools which are emerging as the preferred student choice. The number of schools in this target market is growing by 8 to 10% annually and we are currently covering over 38000 schools. I see a huge potential here.

Your Company enjoys the trust of the consumer because it has the pulse on their needs and is deeply committed to meeting their requirements. This is made possible by the dedication and superior skills of the people of S Chand – a day-to-day living of a deeply embedded culture that is approximately 80 years old. I thank my colleagues for their dedication and relentless hard work towards the pursuit of the Company's goals. I also thank our erudite authors who play an integral role in our journey. Last but not least I thank our Board for their guidance and support and our shareholders for reposing their trust in us.

My best wishes once again and I seek your on-going wholehearted support as we step into the next financial year,

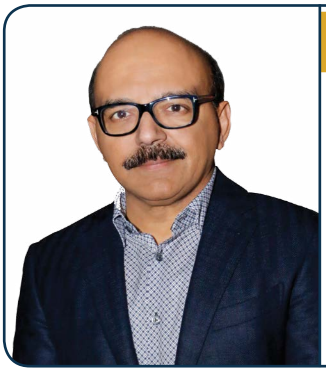
Himanshu Gupta

Managing Director

BOARD MEMBERS

Mr. Himanshu Gupta - Managing Director

Mr. Himanshu Gupta, aged 40 years, is the Managing Director of our Company. He holds a Bachelor's degree in Commerce from the University of Delhi and has over 17 years of experience in the knowledge products and the services industry. He is a recipient of the 'Young Publisher Award' by the Federation of Educational Publishers in India for the year 2011. He has also been awarded the "Family Entrepreneur of the Year" from Entrepreneur magazine.



Mr. Dinesh Kumar Jhunjhnuwala - Executive Director

Mr. Dinesh Kumar Jhunjhnuwala, aged 59 years, is an Executive Director of our Company. He has been associated with our Company since 2004 and has over 13 years of experience in the knowledge products and services industry.

Mr. Desh Raj Dogra - Independent Director and Chairman

Mr. Desh Raj Dogra, aged 64 years, is an Independent Director and Chairman of our Company. He holds a Bachelors's and Master's degree in Science and a Master's degree in Business Administration from the Unviersity of Delhi. He has over 40 years of experience in the financial sector and credit administration and previously served as the CEO and Managing Director at Credit Analysis and Research Limited (CARE).

Ms. Archana Capoor - Independent Director

Ms. Archana Capoor, aged 60 years, is an Independent Director of our Company. She holds a Bachelor degree in Science, as well as a Masters of Business Administration. She has over 36 years of experience across various sectors and previously served as the Managing Director of Tourism Finance Corporation of India Limited.

Mr. Rajagopalan Chandrashekar - Independent Director

Mr. Rajagopalan Chandrashekar, aged 41 years, is an Independent Director of our Company. He is an Industrial Engineer from NIT Jalandhar and a management graduate from NITIE Mumbai. He has 16 years of experience in strategy, corporate planning and business development. He was appointed as an Independent Director of our Company on July 23, 2018.

Mr. Sanjay Vijay Bhandarkar - Independent Director

Mr. Sanjay Vijay Bhandarkar, aged 51 years, is an Independent Director of our Company. He holds a Bachelor's degree in Commerce from the University of Pune and a Post-graduate diploma in Management from XLRI Jamshedpur. He has over 28 years of experience in the financial sector.

Mr. Gaurav Kumar Jhunjhnuwala - Non-Executive Director

Mr. Gaurav Kumar Jhunjhnuwala, aged 32 years, is a Non-Executive Director of our Company. He has over 7 years of experience in the knowledge products and services industry and has been with our Company since 2011.

Ms. Savita Gupta - Non-Executive Director

Ms. Savita Gupta, aged 69 years, is a Non-Executive Director of our Company. She holds a Bachelors and Masters Degree in English Literature, and is associated with our Company since 1989.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Desh Raj Dogra — Chairman and Independent Director

Himanshu Gupta — Managing Director

Dinesh Kumar Jhunjhnuwala — Whole Time Director

Archana Capoor — Independent Director

Sanjay Vijay Bhandarkar — Independent Director

Rajagopalan Chandrashekar — Independent Director

Savita Gupta — Non-Executive Director

Gaurav Kumar Jhunjhnuwala — Non-Executive Director

CHIEF FINANCIAL OFFICER

Saurabh Mittal

COMPANY SECRETARY & COMPLIANCE OFFICER

Jagdeep Singh

KEY MANAGEMENT TEAM

K M Thomas — Business Head–S Chand

Naveen Rajlani — Business Head–Madhubun & Chhaya

Vinay Sharma — Business Head–Digital

Shammi Manik — Business Head–Saraswati

Ashish Gupta — Group Head–New Initiatives

REGISTERED OFFICE & CORPORATE OFFICE

A-27, Second Floor,
Mohan Co-operative Industrial Estate,
New Delhi 110044
Tel — +91 11 4973 1800
Fax — +91 11 4973 1801
website — www.schandgroup.com

STATUTORY AUDITORS

S. R. Batliboi & Associates LLP,
Chartered Accountants
(Firm Registration No. 101049W/E300004)

SECRETARIAL AUDITOR

R. S. Bhatia — Company Secretary in Practice

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor,
Plot NH 2, C-1 Block LSC,
Near Savitri Market,
Janakpuri, New Delhi-110058
Phone: +91 11 49411000
Fax: +91 11 4141 0591
E-mail: delhi@intime.co.in
Website: www.linkintime.co.in

PRINTING FACILITIES

1. 20/4, Site IV, Industrial Area, Sahibabad, Ghaziabad (Uttar Pradesh) - 201010
2. Khasra No. 54/3/2, Jindal Paddy Products Compound, Kashipur Road, Rudrapur- Distt- U.S Nagar, Uttaranchal - 263153

BANKERS TO THE COMPANY

HDFC Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
DBS Bank Limited
Standard Chartered Bank
Yes Bank Limited
Citibank NA

BOARD'S REPORT

DEAR MEMBERS,

Your Directors are pleased to present 48th Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2019.

1. FINANCIAL PERFORMANCE

Figures in Rs. Millions

Abridged Profit And Loss Statement	Consolidated		Standalone	
	FY Ended 31st March 2019	FY Ended 31st March 2018	FY Ended 31st March 2019	FY Ended 31st March 2018
Revenue from operations	5,220.24	7,944.45	1,944.00	3,439.90
Other income	92.88	83.98	99.65	66.84
Total Revenue	**5,313.12**	**8,028.43**	**2,043.65**	**3,506.74**
Profit before interest, tax, depreciation and amortization (EBIDTA)	**(218.62)**	**2,011.85**	**(266.29)**	**717.03**
Depreciation and amortization expenses	(237.32)	(192.84)	(36.64)	(33.50)
Finance cost	(272.07)	(239.72)	(106.34)	(97.22)
Interest income	23.31	42.39	132.95	203.39
Profit before tax, minority interest and share of associate company	**(704.70)**	**1,621.68**	**(276.32)**	**789.70**
Exceptional items	(233.39)	-	(225.57)	-
Tax expense	283.32	(538.60)	191.65	(282.11)
Profit after tax and before minority interest and share of associate company	**(654.77)**	**1,083.08**	**(310.24)**	**507.59**
Share in loss of associate company	(14.43)	(12.25)	-	-
Profit for the year	**(669.20)**	**1,070.83**	**(310.24)**	**507.59**
Other Comprehensive income	24.62	1.37	(0.69)	2.03
Total Comprehensive Income for the year	**(644.58)**	**1,072.20**	**(310.93)**	**509.62**
Profit for the year attributable to				
- Owners of the parent	(631.61)	1,072.06	(310.93)	509.62
- Minority interest	(12.97)	0.14	-	-
Balance of profit brought forward from previous years	3,333.75	2,314.36	1,810.60	1,353.41
Net surplus in the statement of profit and loss account	(656.17)	1,070.69	(310.24)	507.59
Other Comprehensive income	24.56	1.37	(0.69)	2.03
Appropriations:				
Equity dividend	(52.46)	(43.55)	(52.46)	(43.56)
Tax on Equity dividend	(10.78)	(8.87)	(10.78)	(8.87)
Adjustments relating to subsidiary companies	-	(0.25)	-	-
Transfer to Debenture redemption reserve	-	-	-	-
Balance Carried to Balance Sheet	**2,638.90**	**3,333.75**	**1,436.43**	**1,810.61**

2. OPERATIONS

The financial year 2018-19 was quite a challenging year for the Company. Revenues during the year took a major hit in anticipation of the new education policy which led to higher sales return from our channel partners. Incremental one-off provisioning and the Company's conscious decision to work with better channel partners, coupled with other external headwinds including NCERT books being adopted by private schools in some areas and guidance to reduce the weight of school bag, which also had an impact on the Revenues. However, later the Company has introduced Monthly Text Books (MTBs) to mitigate this.

During the year under review, your Company was more focused on improving operational efficiencies. The Company started with S Chand 3.0 program. This measure will lead to improved cash flow metrics in the next financial year by improving the velocity of collections, focusing on faster moving titles and higher margin products, reducing inventory and receivable levels, consolidating offices and warehouses, and re-negotiating major operational cost items. The Company is targeting annual cost savings in the range of Rs. 600 millions to Rs. 800.00 millions (annualized basis) from the implementation of this program and has already taken substantial steps in this regard. Further, the Company is also setting up its own printing facilities in Sahibabad to further reduce cost of production and improve customer service.

During the year, your Company acquired the balance 26% shares in Chhaya Prakashani Private Limited ("Chhaya") giving it full ownership in Chhaya. This will drive the Company's presence in the regional market of West Bengal and Tripura State Board market of supplementary and text books.

The Company continued to focus on its digital and service initiatives during the year. Mylestone the curriculum solution gained further acceptance in the market including its first overseas school in the Middle East. The Company entered into partnership with PDM Inc for its Pre-K product Nuri Nori which was launched during the year and has gained foothold in the pre-K market. The Company also launched "Test Coach" the mock test app for students appearing for various vacancy examinations. This too has had a good response from students in the target areas. The coming financial year we will see the launch of two products i.e "Learnflix", the personalized learning app for students and "SmartK", the NCERT based Pre-K curriculum. The Company has further strengthened its Virtual Reality content portfolio with middle school content also being provided to students under the brand "VRX" along with the Science books in the segment.

3. DIVIDEND

In the absence of profits, the Company is not proposing any dividend for financial year 2018-19. There is no amount proposed to be transferred to reserve.

4. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT

No material changes have occurred from the end of financial year which affects the financial position of the Company.

5. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business.

6. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

There are no significant material orders passed by any Regulator/Court/Tribunal against the Company which would impact the going concern status of the Company and its future operations.

7. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial control system and processes. Internal Control policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Internal Auditors of the Company M/s KPMG, Chartered Accountants, audited and reviewed the internal controls, operating systems, internal processes and procedures of the Company. The reports on findings of Internal Auditor have been reviewed by the Audit Committee periodically.

8. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has 11 (eleven) subsidiaries as on March 31, 2019. During the year, the Board of Directors reviewed the affairs of its subsidiaries. The Consolidated Financial Statements of your Company for the financial year 2018-19 are prepared in compliance with the applicable provisions of The Companies Act, 2013 ("Act"), IndAs and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which shall be placed before the members in their ensuing Annual General Meeting ("AGM").

Subsidiaries:

a) Chhaya Prakashani Private Limited

Chhaya Prakashani Private Limited reported total revenue from operations of Rs. 1024.91 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 1162.13 millions in the previous financial year and reported a net profit (after tax) of Rs. 137.54 millions in financial year 2018-19 as compared to a net profit (after tax) of Rs. 258.04 millions in the previous financial year.

b) Vikas Publishing House Private Limited

Vikas Publishing House Private Limited reported total revenue from operations of Rs. 1853.10 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 2045.11 millions in the previous financial year and reported a net profit (after tax) of Rs. 63.05 millions in financial year 2018-19 as compared to a net profit (after tax) of Rs. 246.15 millions in the previous financial year.

c) Nirja Publishers & Printers Private Limited

Nirja Publishers & Printers Private Limited reported total revenue from operations of Rs. 226.52 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 151.23 millions in the previous financial year and reported a net profit (after tax) of Rs. 39.79 millions in 2018-19 as compared to a net profit (after tax) of Rs. 32.94 millions in the previous financial year.

d) Indian Progressive Publishing Co Private Limited

Indian Progressive Publishing Co Private Limited reported total revenue from operations of Rs. 10.79 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 14.76 millions in the previous financial year and reported a net profit (after tax) of Rs. 3.13 millions in financial year 2018-19 as compared to a net profit (after tax) of Rs. 3.74 millions in the previous financial year.

e) Eurasia Publishing House Private Limited

Eurasia Publishing House Private Limited reported total revenue from operations of Rs. 8.07 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 20.50 millions in the previous financial year and reported a net profit (after tax) of Rs. 3.78 millions in financial year 2018-19 as compared to a net loss (after tax) of Rs. 22.24 millions in the previous financial year.

f) Blackie & Son (Calcutta) Private Limited

Blackie & Son (Calcutta) Private Limited reported total revenue from operations of Rs. 1.39 millions in the financial year 2018-19 as compared to the total revenue from operation of Rs. 1.87 millions in the previous financial year and reported net profit (after tax) of Rs. 1.04 millions in financial year 2018-19 as compared to a net profit (after tax) of Rs. 1.67 millions in the previous financial year.

g) S. Chand Edutech Private Limited

S. Chand Edutech Private Limited reported total revenue from operations of Rs. 12.05 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 0.55 millions in the previous financial year and reported a net loss (after tax) of Rs. 18.46 millions in financial year 2018-19 as compared to a net loss (after tax) of Rs. 1.16 millions in the previous financial year.

h) BPI (India) Private Limited

BPI (India) Private Limited reported total revenue from operations of Rs. 126.47 millions in the financial year 2018-19 as compared to total revenue from operation of Rs. 114.57 millions in the previous financial year and reported a net loss (after tax) of Rs. 26.61 millions in financial year 2018-19 as compared to a net profit (after tax) of Rs. 0.04 millions in the previous financial year.

i) DS Digital Private Limited

DS Digital Private Limited reported total revenue from operations of Rs. 201.35 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 218.27 millions in the previous financial year and reported a net loss (after tax) of Rs. 68.82 millions in financial year 2018-19 as compared to a net loss (after tax) of Rs. 29.37 millions in the previous financial year.

j) Safari Digital Education Initiatives Private Limited

Safari Digital Education Initiatives Private Limited reported total revenue from operations of Rs. 175.87 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 116.26 millions in the previous financial year and reported a net loss (after tax) of Rs. 143.04 millions in financial year 2018-19 as compared to a net loss (after tax) of Rs. 14.96 millions in the previous financial year.

k) New Saraswati House (India) Private Limited

New Saraswati House (India) Private Limited reported total revenue from operations of Rs. 597.93 millions in the financial year 2018-19 as compared to total revenue from operations of Rs. 1577.05 millions in the previous financial year and reported a net loss (after tax) of Rs. 458.11 millions in financial year 2018-19 as compared to a net profit (after tax) of Rs. 98.33 millions in the previous financial year.

During the year under review, consequent upon the merger of Publishing Services Pvt. Ltd. with Chhaya Prakashani Pvt. Ltd., Publishing Services Pvt. Ltd. has ceased to exist with effect from August 07, 2018.

Associate:

a) Smartivity Labs Private Limited

Smartivity Labs Private Limited reported total revenues from operations of Rs. 173.91 millions in the financial year 2018-19 as compared to total revenues of Rs. 98.77 millions in the previous financial year and reported a net loss (after tax) of Rs. 44.71 millions in financial year 2018-19 as compared to a net loss (after tax) of Rs. 22.66 millions in the previous financial year.

In accordance with section 129 (3) of the Act a statement containing salient features of financial statements of each of the subsidiary in the prescribed Form AOC-1 is annexed to this report as **Annexure-A**. In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of the subsidiary will be available on the website of the Company (www.schandgroup.com). These documents will also be available for inspection during business hours at the registered office of the Company.

9. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the purview of section 73 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014. There is no unclaimed or unpaid deposits lying with the Company.

10. AUDITORS

Statutory Auditor

M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Reg. No. 101049W/E300004) were appointed as Statutory Auditors of your Company at the AGM held on September 25, 2017 for a term of 5 (five) consecutive years subject to ratification by members at every AGM, if required by law. In accordance with The Companies (Amendment) Act, 2017, effective from May 07, 2018 the appointment of Statutory Auditors is not required to be ratified at every AGM. Accordingly, no such item has been considered in Notice of the 47th AGM.

The auditor's report submitted by the Statutory Auditors on the financial statements of the Company for the year ended March 31, 2019 forms part of the Annual Report. The following qualification has been reported by the Statutory Auditors in the auditor's report:

Qualification

According to the information and explanations given to us, following undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date of they become payable:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of payment
Payment of Bonus Act, 1965	Bonus	INR 3.6 millions	FY 14-15 and FY 15-16	Within 8 months from the date of closure of accounting year	Not yet paid

Comment of the Board

Pursuant to The Payment of Bonus (Amendment) Act, 2015, wage ceiling for eligibility of employee for payment of bonus and ceiling of wages for bonus calculation had been increased. Therefore, additional employees of the Company got covered under payment of Bonus Act, 1961. Since, the said amended provisions were made applicable from the retrospective date, the bonus payable to said additional employees was calculated from retrospective date and dues with respect to employees who left the Company before the date of notification of aforesaid amendment act were showing outstanding as on the March 31, 2019. The Company is in the process of paying the outstanding bonus amount to employees and same will be paid during the financial year 2019-20.

The auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act and no comment of Board on audit report is required to be given.

Internal Auditor

During the year under the review, to ensure better governance, compliances and internal control over financial reporting and financial processes, the Company had re-appointed M/s KPMG, as Internal Auditors of the Company with effect from July 01, 2018 for a period of one year. They have been further re-appointed for another term of one year with effect from July 01, 2019.

Secretarial Auditor

The Board had appointed Mr. R.S. Bhatia, company secretary in practice (CP No. 2514) as the Secretarial Auditor. The secretarial audit report submitted by the Secretarial Auditor for the financial year 2018-19 is annexed as **Annexure-B** and forms an integral part of this report.

There has been no qualification, reservation or adverse remark or disclaimer in their report. During the year under review, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

11. EXTRACTS OF ANNUAL RETURN

The details forming part of the extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 of the Act read with Rule 12 of The Companies (Management and Administration) Rules, 2014 is furnished in **Annexure-C** which forms part of this report. The Annual Return is also available on the website of the Company at www.schandgroup.com.

12. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not carry any manufacturing activity, thus, disclosure requirements under Section 134 (3) (m) of the Act read with Rule 8 (3) of The Companies (Accounts) Rules, 2014 are not applicable to the Company. However, wherever possible and feasible, continuous efforts have been made for conservation of energy and to minimize energy cost and to upgrade the technology with a view to increase the efficiency and to reduce cost of operations. The Company has not carried out any R&D activity during the year.

During the year under review,the Foreign Exchange earnings and outgo are as follows:

i) Foreign Exchange earnings: Rs. 25.57 millions

ii) Foreign Exchange outgo: Rs. 8.98 millions

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company is managed and controlled by the Board comprising an optimum blend of Executives and Non-Executive Professional Directors. The Chairman of the Board is a Non-Executive, Independent Director. As on March 31, 2019, the Board of Directors consists of 8 (eight) Directors consisting of a Managing Director, Whole-time Director and 6 (six) Non-executive Directors, out of which 4 (four) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Act.

All the Directors possess requisite qualifications and experience in corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors.

Mr. Himanshu Gupta has been re-appointed as Managing Director of the Company for a period of 5 (five) years with effect from May 22, 2019 subject to the approval of the members in the ensuing AGM. During the financial year 2018-19, Mr. Himanshu Gupta was disqualified pursuant to section 164(2) of the Act in relation to a company namely "Amenity Sports Academy Pvt. Ltd." Mr. Himanshu Gupta had filed a writ petition before the Hon'ble High Court of Uttarakhand challenging the disqualification. Hon'ble High Court of Uttarakhand permitted Mr. Himanshu Gupta to make necessary filing with Ministry of Corporate Affairs ("MCA") and comply the section 164 (2) of the Act. Thereafter, Mr. Himanshu Gupta completed the filing with respect to Amenity Sports and the said disqualification was removed by MCA. Accordingly, as on March 31, 2019 he stands free from any disqualification from being a Director.

Mr. Dinesh Kumar Jhunjhnuwala has been re-appointed as Whole-time Director of the Company for a period of 5 (five) years with effect from March 28, 2019 subject to the approval of the members in the ensuing AGM.

Mr. Rajagopalan Chandrashekar has been appointed as an Additional (Independent) Director on the Board of the Company with effect from July 23, 2018 for a term of 5 (five) consecutive years and his appointment was regularized by the members in the AGM held on September 25, 2018.

Mr. Sanjay Gujral has been appointed as an Additional Director on the Board of the Company with effect from November 05, 2018 to hold office upto the date of ensuing AGM.

The Nomination and Remuneration Committee also confirmed that none of the aforesaid Directors are debarred from holding the office of Director pursuant to order of SEBI or any other authority.

Due to pre-occupation and other commitments, Mr. Deep Mishra resigned from the Board with effect from November 05, 2018 and Mr. Sanjay Gujral resigned from the Board with effect from March 05, 2019. The Board placed on record its appreciation for the services rendered by them during their association with the Company.

In terms of Section 152 of the Act, Mr. Gaurav Kumar Jhunjhnuwala will retire by rotation at the ensuing AGM and is eligible for re-appointment. The Board recommends his re-appointment and the same is included in the notice of the ensuing AGM forming part of the Annual Report.

Further, sub-section (13) of Section 149 of the Act, provides that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Act shall not apply to the Independent Directors. Hence, none of the Independent Directors retire at the ensuing AGM.

Independent Directors' Declaration

The Independent directors have given a declaration that they meet the criteria of independence as prescribed under section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Board Evaluation

In compliance with the Act and Regulation 17 (10) of the Listing Regulations, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors for the year under review. The aspects covered in the evaluation included the contribution towards corporate governance and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation in the Board and Committee meetings. The evaluation involves evaluation of the Board members by the Board of Directors. The evaluation of the Independent Directors was based on their performance and fulfillment of criteria of independence as per the Listing Regulations and independence from the management. The Board of Directors expressed their satisfaction with the evaluation process.

Board Meetings

During the year under review, the Board of Directors met 6 (six) times, details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

14. SCHEME OF ARRANGEMENT

Pursuant to the provisions of section 230-232 and other applicable provisions of the Act read with The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of law for the time being in force and pursuant to the approval of the Audit Committee and the Board of Directors at its meeting held on November 17, 2017, the Company has filed a Composite Scheme of Arrangement amongst Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited, DS Digital Private Limited, Safari Digital Education Initiatives Private Limited and S Chand And Company Limited and their respective shareholders and creditors with BSE Limited and The National Stock Exchange of India Limited for their approval. The said restructuring scheme involves the following:

a) amalgamation of Blackie & Son (Calcutta) Private Limited and Nirja Publishers & Printers Private Limited with and into Company;

b) demerger of the education business of DS Digital Private Limited and Safari Digital Education Initiatives Private Limited with and into the Company; and

c) amalgamation of remaining business of DS Digital Private Limited with and into Safari Digital Education Initiatives Private Limited.

The Company has received certain observations of the stock exchanges and has filed responses for the same. The Composite Scheme of Arrangement is pending for approval of the stock exchanges.

15. DETAILS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the Note No. 5A, 5B, 5F and 49 respectively to the standalone financial statements.

16. RELATED PARTY TRANSACTIONS

During the year under review, only two material related party transactions were entered by the Company. The details of the related party transaction as required under Section 134(3) (h) of the Act in Form AOC-2 is enclosed as **Annexure-D**.

The Company has revised its policy on related party transactions pursuant to The SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is also available on Company's website at www.schandgroup.com. This policy deals with the review and approval of related party transactions.

17. INFORMATION REGARDING EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Act read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as **Annexure-E**.

Pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing, inter alia, the names of top ten employees in terms of remuneration drawn and every employee employed throughout the financial year and in receipt of remuneration of Rs. 1.02 crores or more, and every employee employed for part of the year and in receipt of Rs. 8.50 lakhs or more per month is attached as **Annexure-F** of this report.

Managerial Remuneration

The remuneration of Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company was fixed by the Board of Directors for a period of 2 (two) years (upto March 31, 2019).During the year under review, the Board of Directors at its meeting held on February 14, 2019 have re-affixed and approved the remuneration of Mr. Himanshu Gupta, Managing Director with effect from April 01, 2019 and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company with effect from March 28, 2019 till the expiry of their respective terms subject to approval of the members in the ensuing AGM. There is no change in the existing remuneration of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala.

The Company has incurred losses during the year under review, however the remuneration paid to Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director is in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

Sexual Harassment Policy

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" ("POSH"). During the year under review, the Company has not received any sexual harassment complaint. The Company has an Internal Complaints Committee which has been constituted as per the provisions of POSH. This Committee deals with all the sexual harassment matters.

Details of ESOPS

The underlying objectives of Employees Stock Option Scheme 2012 (ESOP 2012) is to attract, motivate, retain and reward employees for high levels of individual performance and share the wealth that they have created for the Company and its members.

The relevant disclosures pursuant to Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014 and the Regulation 14 of The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations 2014 is given as **Annexure-G**.

18. RISK MANAGEMENT

During the year under review, the Company has identified and evaluated elements of risk. The business risks inter-alia includes increase in raw material and printing cost, change in curriculum, higher borrowing cost, competition from other players and violation of intellectual property rights of the Company and current regulatory framework in the country. The risk management framework defines the risk management approach of the Company which includes periodic review of such risks, mitigation controls and reporting mechanism of such risks. The Board of Directors, Audit Committee and the senior management evaluates the operations to identify potential risks and take necessary actions to mitigate the same. The Company also has in place a Risk Management Policy and the Audit Committee ensures implementation of appropriate risk management framework for the Company.

19. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Act, the Company has a Corporate Social Responsibility Committee ("**CSR Committee**"), which comprises of Mr. Desh Raj Dogra-Chairman and Independent Director, Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director. The terms of references of the CSR Committee is provided in the Corporate Governance Report which forms part of this report.

The Annual Report on the CSR activities for the financial year 2018-19 is attached as **Annexure-H** and forms part of this report. The contents of the CSR policy is also available on the Company's website at www.schandgroup.com.

20. VIGIL MECHANISM

The Company has adopted the Vigil Mechanism by way of formulating a Whistle Blower Policy. The policy provides a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees and also provides for direct access to the Head of Human Resources of the Company. The Whistle Blower Policy is available on the website of the Company at www.schandgroup.com.

21. CORPORATE GOVERNANCE

Your Company is committed to maintain the high standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. In terms of Regulation 34 of the Listing Regulations, a report on the Corporate Governance along with a certificate of practicing company secretary on compliance is attached as **Annexure-I** and forms an integral part of this report.

22. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis report, highlighting the performance of the Company and its business prospects, is provided in a separate section and forms an integral part of this annual report.

23. AUDIT COMMITTEE

The Audit Committee comprises of three Non-Executive, Independent Directors, namely Ms. Archana Capoor (Chairperson-Non-Executive, Independent Director), Mr. Desh Raj Dogra (Member-Non-Executive, Independent Director) and Mr. Sanjay Vijay Bhandarkar (Member-Non-Executive, Independent Director). The details of the Audit Committee are included in the Corporate Governance Report.

24. NOMINATION AND REMUNERATION POLICY

The Board of Directors has a policy which lays down a framework in relation to remuneration to Directors, Key Managerial Personnel and senior management of the Company. The policy lays down the criteria for determining qualifications, positive attributes and independence of Board members, Key Managerial Personnel and employees.The objective of this policy is to attract and retain talent and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company. The Company has revised its Nomination and Remuneration Policy in line with The SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is also available on Company's website at www.schandgroup.com.

25. MAINTENANCE OF COST RECORDS UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013

The Company is not required to maintain cost records as per Section 148(1) of the Act.

26. COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards i.e. Secretarial Standard-1 Meeting of the Board of Directors and Secretarial Standard-2 General Meetings.

27. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Act, the Board hereby submits its responsibility statement:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

28. ACKNOWLEDGMENTS

Your Directors wish to express their thanks to the members, bankers, financial institutions, customers, suppliers, government and other regulatory authorities for their continued support. Your Directors place on record their appreciation to the employees at all levels for their committed services to the Company.

On behalf of the Board of Directors
For S Chand And Company Limited

	Sd/-	**Sd/-**
	Himanshu Gupta	**Dinesh Kumar Jhunjhnuwala**
Place: New Delhi	**Managing Director**	**Whole-time Director**
Date: August 10, 2019	**DIN: 00054015**	**DIN: 00282988**

ANNEXURE-A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of The Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in million)

Sl. No.	Particulars			
1	Sl.No.	1	2	3
2	Name of the subsidiary	Chhaya Prakashani Private Limited	Vikas Publishing House Pvt. Ltd.	Nirja Publishers & Printers Pvt. Ltd.
3	The date since when subsidiary was acquired	05/12/2016	10/10/2012	30/03/2010
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
6	Share capital	14.83	4.01	0.12
7	Reserves & surplus	768.94	1,518.31	758.18
8	Total assets	927.28	3,227.15	837.08
9	Total Liabilities	927.28	3,227.15	837.08
10	Investments	179.86	70.00	206.76
11	Turnover	1,024.91	1,853.10	226.52
12	Profit before taxation	204.92	111.17	52.12
13	Provision for taxation	67.38	48.12	12.33
14	Profit after taxation	137.54	63.05	39.79
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	The Company holds 69.53% shares directly and 30.47% shares through its wholly owned subsidiary i.e. Eurasia Publishing House Pvt. Ltd.	The Company holds 98% shares directly and 2% shares through its wholly owned subsidiary i.e. Nirja Publishers & Printers Pvt. Ltd.	100%

Sl. No.	Particulars			
1	Sl.No.	4	5	6
2	Name of the subsidiary	Indian Progressive Publishing Co Pvt. Ltd.	Eurasia Publishing House Pvt. Ltd.	Blackie & Son (Calcutta) Pvt. Ltd.
3	The date since when subsidiary was acquired	05/12/2016	25/09/2012	25/09/2012
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case	N.A.	N.A.	N.A.
6	Share Capital	0.12	0.11	0.15
7	Reserves & Surplus	7.34	146.21	70.36

Sl. No.	Particulars			
8	Total assets	8.49	839.45	71.17
9	Total Liabilities	8.49	839.45	71.17
10	Investments	Nil	701.47	55.46
11	Turnover	10.79	8.07	1.39
12	Profit Before Taxation	4.24	4.99	1.79
13	Provision for taxation	1.10	1.22	0.75
14	Profit after taxation	3.13	3.78	1.04
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of Shareholding (in percentage)	ChhayaPrakashani Pvt. Ltd. (wholly owned subsidiary of the Company) holds 100% shares.	100%	100%

Sl. No.	Particulars			
1	Sl.No.	7	8	9
2	Name of the subsidiary	S. Chand Edutech Pvt. Ltd.	BPI (India) Pvt. Ltd.	DS Digital Pvt. Ltd.
3	The date since when subsidiary was acquired	30/03/2011	25/09/2012	03/07/2014
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
6	Share capital	40.17	13.50	568.99
7	Reserves & surplus	(48.21)	40.69	(458.52)
8	Total assets	99.20	302.44	572.35
9	Total Liabilities	99.20	302.44	572.35
10	Investments	Nil	Nil	Nil
11	Turnover	12.05	126.47	201.35
12	Profit before taxation	(18.46)	(36.03)	(80.23)
13	Provision for taxation	Nil	(9.43)	(11.41)
14	Profit after taxation	(18.46)	(26.61)	(68.82)
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	The Company holds 99.47% shares directly and 0.53% through its wholly owned subsidiary i.e Safari Digital Education Initiatives Pvt. Ltd.	The Company holds 51% shares through its wholly owned subsidiary i.e. Blackie & Son (Calcutta) Pvt. Ltd.	The Company holds 59.20% shares directly and 40.79% shares through its wholly owned subsidiary i.e Safari Digital Education Initiatives Pvt. Ltd.

Sl. No.	Particulars		
1	Sl.No.	10	11
2	Name of the subsidiary	Safari Digital Education Initiatives Pvt. Ltd.	New Saraswati House (India) Private Limited
3	The date since when subsidiary was acquired	07/02/2011	17/05/2014
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.

Sl. No.	Particulars		
6	Share capital	443.69	0.28
7	Reserves & surplus	(222.59)	727.71
8	Total assets	1,068.42	1,844.97
9	Total Liabilities	1,068.42	1,844.97
10	Investments	418.65	Nil
11	Turnover	175.87	597.93
12	Profit before taxation	(169.96)	(642.97)
13	Provision for taxation	(26.93)	(184.86)
14	Profit after taxation	(143.04)	(458.11)
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (in percentage)	The Company holds 59.92% shares directly and 40.08% shares through its wholly owned subsidiary i.e. Nirja Publishers & Printers Pvt. Ltd.	The Company holds 82.01% shares directly and 17.99% share through its wholly owned subsidiary i.e. Vikas Publishing House Pvt. Ltd.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/~~Joint Ventures~~	Smartivity Labs Pvt. Ltd. ("Smartivity")
1. Latest audited Balance Sheet Date	31.03.2019
2. Date on which the Associate or Joint Venture was associated or acquired	05.08.2015
3. Shares of Associate/~~Joint Ventures~~ held by the company on the year end	
No.	50 equity shares and 5,414 compulsorily convertible cumulative preference shares
4. Amount of Investment in Associates/~~Joint Venture~~	Rs. 21.62 millions
5. Extend of Holding%	19.70%
6. Description of how there is significant influence	Mr. Saurabh Mittal and Mr. Ashish Gupta, KMP's of the Company are on the Board of Smartivity and accordingly the Company controls and participates in the business decisions of Smartivity
7. Reason why the associate/joint venture is not consolidated	N.A.
8. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 19.50 millions
9. Profit/Loss for the year	
i) Considered in Consolidation	Rs. (8.81) millions
ii) Not Considered in Consolidation	-

On behalf of the Board of Directors
For S Chand And Company Limited

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

Place: New Delhi
Date: August 10, 2019

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

ANNEXURE-B

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of The Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

S Chand And Company Limited
Ravindra Mansion, Ram Nagar
New Delhi -110055

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S Chand And Company Limited (CIN No. L22219DL1970PLC005400)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. Neither there was any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which was required to be reported during the financial year.

v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable during the year under review);
   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable during the year under review);
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the year under review);
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable during the year under review);
   i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as SEBI LODR);
   j) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2019 complied with the aforesaid laws.

Based on the information received and records made available I further report that;

   a) The Nomination and Remuneration Committee of the Company comprised of three Non-Executive Directors. One of the member of the Committee, Mr. Sanjay Gujral had resigned with effect from March 05, 2019. Thus, the constitution of the Nomination and Remuneration Committee is not in compliance with Regulation 19(1) of SEBI LODR and section 178 of the Act as on March 31, 2019. However, the Company reconstituted the Nomination and Remuneration Committee and appointed, Mr. Rajagopalan Chandrashekar, Non-Executive, Independent Director as the member of the Committee with effect from April 11, 2019. BSE Limited and National Stock Exchange of India Ltd. ("the stock exchanges") imposed a fine of Rs. 54,000/- (plus GST) each on the Company for this non-compliance. The Company has deposited the fine with the stock exchanges.

b) A final dividend of Rs. 1.50/- per share on 34,975,287 equity shares of Rs. 5/- each (ranking pari-passu to all the members) for the financial year 2017-18 was paid to the members whose names were appearing in the Register of Members as on September 18, 2018.

c) During the year under review, the Company has reported losses, however the remuneration paid to the Managing Director and Whole-time Director is within the limits specified under Schedule V of the Act.

d) As approved by the shareholders in the Annual General Meeting, held on September 25, 2018, the Company has adopted a new Employees Stock Option Plan 2018.

e) The Company has made an investment in the compulsorily convertible cumulative preference shares of Smartivity Labs Pvt. Ltd. for an amount of Rs. 2.97 millions.

f) The Composite Scheme of Arrangement (filed by the Company during the financial 2017-18) amongst Blackie & Son (Calcutta) Private Limited, Nirja Publishers & Printers Private Limited, DS Digital Private Limited, Safari Digital Education Initiatives Private Limited and S Chand And Company Limited and their respective shareholders and creditors are pending for observations of the stock exchanges.

g) The Company acquired 26% stake in Chhaya Prakashani Pvt. Ltd. ("Chhaya") at a purchase price of Rs. 642.44 millions and subsequently Chhaya became the wholly owned subsidiary of the Company.

h) The Company has made investment in S. Chand Edutech Pvt. Ltd. (a wholly owned subsidiary of the Company) for an amount to Rs. 39.95 millions.

i) The Company has granted optionally convertible loans for an aggregate amount of Rs. 100.00 millions to its following subsidiaries at a rate of interest of SBI MCLR + 250 BPS per annum.

Name of the subsidiary	Amount
DS Digital Pvt. Ltd.	50.00 millions
Safari Digital Education Initiatives Pvt. Ltd.	50.00 millions
Total	100.00 millions

j) The Company has provided corporate guarantees for an aggregate amount of Rs. 400.00 millions in favour of the banks against the loans granted to Vikas Publishing House Pvt. Ltd. (a wholly owned subsidiary of the Company). Based on the opinion received by the Company, the Company has not filed any charge with the Registrar of Companies for the said corporate guarantees given in favour of the banks.

k) Mr. Himanshu Gupta, Managing Director of the Company was disqualified pursuant to section 164(2) of the Act in relation to a company namely Amenity Sports Academy Pvt. Ltd. ("**Amenity Sports**)". Mr. Himanshu Gupta had filed a writ petition before the Hon'ble High Court of Uttarakhand challenging the disqualification. Hon'ble High Court of Uttarakhand permitted Mr. Himanshu Gupta to make necessary filing with Ministry of Corporate Affairs ("**MCA**") and comply the section 164 (2). Thereafter, Mr. Himanshu Gupta completed the filing with respect to Amenity Sports and the said disqualification was removed by MCA. Accordingly, as on March 31, 2019 he stands free from any disqualification from being a Director.

l) During the period under review, the Company was required to spend a sum of rupees Rs. 9.87 millions towards CSR whereas, a sum of rupees Rs. 1.45 millions was spent by the Company due to non-availability of the appropriate projects.

Based on the information received and records made available I further report that;

i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act and the SEBI LODR Regulations;

ii. Adequate notice(s) were given to all directors regarding holdings of Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

iii. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.

iv. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

v. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, I believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

Sd/-
R. S. Bhatia

Place: New Delhi
Dated: May 28, 2019

Practicing Company Secretary
CP No: 2514

ANNEXURE A

To,

The Members

S Chand And Company Limited
Ravindra Mansion, Ram Nagar
New Delhi -110055
CIN No: L22219DL1970PLC005400

My Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules, regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Sd/-
R. S. Bhatia

Place: New Delhi
Dated: May 28, 2019

Practicing Company Secretary
CP No: 2514

ANNEXURE-C

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2019

(Pursuant to Section 92(3) of The Companies Act, 2013 read with Rule 12(1) of
The Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L22219DL1970PLC005400
ii)	Registration Date	:	September 09, 1970
iii)	Name of the Company	:	S Chand And Company Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the registered office and contact details	:	A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044 Tel. +91 11 49731800 / Fax: +91 11 49731801 E-mail:- investors@schandgroup.com
vi)	Whether shares listed on recognized Stock Exchange(s) (Yes/No)	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Pvt. Ltd Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 Phone: +91 11 49411000 / Fax: +91 11 4141 0591 E-mail: delhi@intime.co.in / Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S.No	Name and Description of Main Product/Services	NIC Code of the Product/Services	% to Total Turnover of the Company
1.	Publishing of educational books	5811	99.66%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1.	Blackie & Son (Calcutta) Private Limited 7361, Ravindra Mansion, Ram Nagar, New Delhi 110055	U74899DL1979PTC014517	Subsidiary	100	2(87)
2.	BPI (India) Pvt. Ltd. First Floor, Plot No. B-1/ A-26, Mohan Co-operative Industrial Estate, New Delhi 110044	U22190DL1999PTC288852	Subsidiary	51	2(87)
3.	Chhaya Prakashani Pvt. Ltd. 1, Bidhan Sarani, Collage Street, Kolkata 700073, West Bengal	U22122WB2006PTC111821	Subsidiary	100	2(87)
4.	DS Digital Pvt. Ltd. A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044	U72200DL2008PTC173250	Subsidiary	99.99	2(87)
5.	Eurasia Publishing House Pvt. Ltd. 7361, Ram Nagar, Qutab Road, New Delhi 110055	U74899DL1961PTC003552	Subsidiary	100	2(87)
6.	Indian Progressive Publishing Co Pvt. Ltd. 1, Rajendra Dev Road, Kolkata, West Bengal 700007	U22219WB1961PTC025317	Subsidiary	100	2(87)
7.	New Saraswati House (India) Pvt. Ltd. A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110044	U22110DL2013PTC262320	Subsidiary	100	2(87)

S.No	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
8.	Nirja Publishers & Printers Pvt. Ltd. 7361, Ram Nagar, Qutab Road, New Delhi 110055	U74899DL1971PTC005776	Subsidiary	100	2(87)
9.	S. Chand Edutech Pvt. Ltd. A-27, Mezzanine Floor, Mohan Co-operative Industrial Estate, New Delhi-110044	U80302DL2010PTC206251	Subsidiary	100	2(87)
10.	Safari Digital Education Initiatives Pvt. Ltd. A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044	U80904DL2010PTC204512	Subsidiary	100	2(87)
11.	Vikas Publishing House Pvt. Ltd. A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044	U74899DL1971PTC005766	Subsidiary	100	2(87)
12.	Smartivity Labs Pvt. Ltd. 258, 1st Floor, Kuldeep House, Lane No. 3, Westend Marg, Saidulajab, South Delhi, New Delhi 110030	U74140DL2015PTC277272	Associate	19.70	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS A PERCENTAGE OF TOTAL EQUITY)

A) Category-wise Share Holding

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS*									
(1) Indian									
a) Individual/HUF	16,300,740	-	16,300,740	46.61	16,329,738	-	16,329,738	46.69	0.08
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	**16,300,740**	**-**	**16,300,740**	**46.61**	**16,329,738**	**-**	**16,329,738**	**46.69**	**0.08**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = A1 + A2	**16,300,740**	**-**	**16,300,740**	**46.61**	**16,329,738**	**-**	**16,329,738**	**46.69**	**0.08**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	4,253,144	-	4,253,144	12.16	4,258,063	-	4,258,063	12.17	0.01
b) Banks/FI	85,739	-	85,739	0.25	47,835	-	47,835	0.14	(0.11)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI's	1,562,958	-	1,562,958	4.47	1,304,250	-	1,304,250	3.73	(0.74)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Funds	1,397,937	-	1,397,937	3.99	1,315,166	-	1,315,166	3.76	(0.23)
j) Others (specify)	-	-	-	-	-	-	-	-	-

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(1):-	**7,299,778**	**-**	**7,299,778**	**20.87**	**6,925,314**	**-**	**6,925,314**	**19.80**	**(1.07)**
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	1,382,070	-	1,382,070	3.95	1,272,910	-	1,272,910	3.64	(0.31)
ii) Overseas	6,129,013	-	6,129,013	17.52	6,129,013	-	6,129,013	17.52	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,603,158	-	2,603,158	7.44	2,765,305	-	2,765,305	7.91	0.47
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	269,661	-	269,661	0.77	737,748	-	737,748	2.11	1.34
c) NBFC's registered with RBI	-	-	-	-	145	-	145	0	0
d) Others (specify)									
i) Hindu Undivided Family	681,341	-	681,341	1.95	530,731	-	530,731	1.52	(0.43)
ii) Non Resident Indians (Non Repat)	22,756	-	22,756	0.07	34,547	-	34,547	0.10	0.03
iii) Non Resident Indians (Repat)	62,971	-	62,971	0.18	62,830	-	62,830	0.18	0
iv) Clearing Member	223,799	-	223,799	0.64	187,006	-	187,006	0.53	(0.11)
Sub-total (B)(2):-	**11,374,769**	**-**	**11,374,769**	**32.52**	**11,720,235**	**-**	**11,720,235**	**33.51**	**0.99**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**18,674,547**	**-**	**18,674,547**	**53.39**	**18,645,549**	**-**	**18,645,549**	**53.31**	**(0.08)**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**34,975,287**	**-**	**34,975,287**	**100**	**34,975,287**	**-**	**34,975,287**	**100**	**-**

* The Promoter category includes equity shares held by the Promoter Group; 3,370,039 equity shares at the beginning of the year and 2,724,710 equity shares at the end of the year.

B) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2018)			Shareholding at the end of the year (as on March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Himanshu Gupta	5,777,454	16.52	-	5,801,454	16.59	-	0.07
2.	Mr. Dinesh Kumar Jhunjhnuwala	3,790,229	10.84	-	3,795,229	10.85	-	0.01
3.	Ms. Neerja Jhunjhnuwala	3,363,018	9.62	-	4,008,345	11.46	-	1.84

C) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Mr. Himanshu Gupta**				
	At the beginning of the year	5,777,454	16.52	5,777,454	16.52
	Bought during the year – Transfer				
	07.09.2018	17,000	0.05	5,794,454	16.57
	19.10.2018	5,000	0.01	5,799,454	16.58
	01.03.2019	2,000	0.01	5,801,454	16.59
	At the end of the year	5,801,454	16.59	5,801,454	16.59

S.No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	**Mr. Dinesh Kumar Jhunjhnuwala**				
	At the beginning of the year	3,790,229	10.84	3,790,229	10.84
	Bought during the year – Transfer				
	21.09.2018	5,000	0.01	3,795,229	10.85
	At the end of the year	3,795,229	10.85	3,795,229	10.85
3.	**Ms. Neerja Jhunjhnuwala**				
	At the beginning of the year	3,363,018	9.62	3,363,018	9.62
	Bought during the year – Transfer				
	20.07.2018	645,327	1.84	4,008,345	11.46
	At the end of the year	4,008,345	11.46	4,008,345	11.46

D) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs):

S.No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Everstone Capital Partners II LLC**				
	At the beginning of the year	3,323,229	9.50	3,323,229	9.50
	At the end of the year	3,323,229	9.50	3,323,229	9.50
2.	**International Finance Corporation**				
	At the beginning of the year	2,805,784	8.02	2,805,784	8.02
	At the end of the year	2,805,784	8.02	2,805,784	8.02
3.	**HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund**				
	At the beginning of the year	2,543,978	7.27	2,543,978	7.27
	At the end of the year	2,543,978	7.27	2,543,978	7.27
4.	**Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund**				
	At the beginning of the year	832,350	2.38	832,350	2.38
	Bought during the year – Transfer				
	06.04.2018	27,650	0.08	860,000	2.46
	13.04.2018	40,000	0.11	900,000	2.57
	08.06.2018	13,100	0.04	913,100	2.61
	22.06.2018	9,600	0.03	922,700	2.64
	13.07.2018	37,300	0.11	960,000	2.74
	29.09.2018	40,000	0.11	1,000,000	2.86
	05.10.2018	50,000	0.14	1,050,000	3.00
	28.12.2018	50,000	0.14	1,100,000	3.15
	At the end of the year	1,100,000	3.15	1,100,000	3.15
5.	**Volrado Venture Partners FUND II**				
	At the beginning of the year	925,124	2.65	925,124	2.65
	Sold during the year – Transfer				
	29.03.2019	(87,500)	0.25	837,624	2.39
	At the end of the year	837,624	2.39	837,624	2.39
6.	**Indus India Fund (SV) Limited**				
	At the beginning of the year	515,901	1.48	515,901	1.48
	Bought during the year – Transfer				
	06.04.2018	20,036	0.06	535,937	1.53
	04.05.2018	54,292	0.16	590,229	1.69
	11.05.2018	3,272	0.01	593,501	1.70
	18.05.2018	11,684	0.03	605,185	1.73
	25.05.2018	1,448	0.01	606,633	1.73
	01.06.2018	6,735	0.02	613,368	1.75
	08.06.2018	7,454	0.02	620,822	1.78
	06.07.2018	20,464	0.06	641,286	1.83
	13.07.2018	9,446	0.03	650,732	1.86

S.No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Indus India Fund (SV) Limited *(continued)*				
	20.07.2018	5,811	0.02	656,543	1.88
	Sold during the year – Transfer				
	15.03.2019	(621)	Negligible	655,922	1.88
	22.03.2019	(8,006)	0.02	647,916	1.85
	29.03.2019	(31,880)	0.10	616,036	1.76
	At the end of the year	616,036	1.76	616,036	1.76
7.	**Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - SERIES II**				
	At the beginning of the year	516,160	1.48	516,160	1.48
	Sold during the year – Transfer				
	03.08.2018	(3,031)	0.01	513,129	1.47
	10.08.2018	(25,969)	0.07	487,160	1.39
	Bought during the year – Transfer				
	31.08.2018	9,925	0.03	497,085	1.42
	At the end of the year	497,085	1.42	497,085	1.42
8.	**BNP Paribas Arbitrage**				
	At the beginning of the year	399,084	1.14	399,084	1.14
	At the end of the year	399,084	1.14	399,084	1.14
9.	**Aadi Financial Advisors LLP**				
	At the beginning of the year	0	0	0	0
	Bought during the year – Transfer				
	19.10.2018	99,993	0.29	99,993	0.29
	29.03.2019	247,826	0.71	347,819	0.99
	At the end of the year	347,819	0.99	347,819	0.99
10.	**Lata Bhanshali**				
	At the beginning of the year	0	0	0	0
	Bought during the year – Transfer				
	29.03.2019	340,000	0.97	340,000	0.97
	At the end of the year	340,000	0.97	340,000	0.97

E) Shareholding of Directors and Key Managerial Personnel

S.No.	Name of Directors/KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Mr. Himanshu Gupta**				
	At the beginning of the year	5,777,454	16.52	5,777,454	16.52
	Bought during the year – Transfer				
	07.09.2018	17,000	0.05	5,794,454	16.57
	19.10.2018	5,000	0.01	5,799,454	16.58
	01.03.2019	2,000	0.01	5,801,454	16.59
	At the end of the year	5,801,454	16.59	5,801,454	16.59
2.	**Mr. Dinesh Kumar Jhunjhnuwala**				
	At the beginning of the year	3,790,229	10.84	3,790,229	10.84
	Bought during the year – Transfer				
	21.09.2018	5,000	0.01	3,795,229	10.85
	At the end of the year	3,795,229	10.85	3,795,229	10.85
3.	**Ms. Savita Gupta**				
	At the beginning of the year	1,218,634	3.48	1,218,634	3.48
	Sold during the year – Transfer				
	26.10.2018	(2)	Negligible	1,218,632	3.48
	At the end of the year	1,218,632	3.48	1,218,632	3.48
4.	**Mr. Gaurav Kumar Jhunjhnuwala**				
	At the beginning of the year	592,000	1.69	592,000	1.69
	At the end of the year	592,000	1.69	592,000	1.69

S.No.	Name of Directors/KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	**Mr. Saurabh Mittal**				
	At the beginning of the year	80,118	0.23	80,118	0.23
	Sold during the year – Transfer				
	19.06.2018	(251)	Negligible	79,867	0.23
	17.10.2018	(1,000)	Negligible	78,867	0.23
	18.01.2019	(1,000)	Negligible	77,867	0.22
	30.01.2019	(877)	Negligible	76,990	0.22
	At the end of the year	76,990	0.22	76,990	0.22
6.	**Mr. Jagdeep Singh**				
	At the beginning of the year	2,688	0.01	2,688	0.01
	Sold during the year – Transfer				
	27.07.2018	(200)	Negligible	2,488	0.01
	30.08.2018	(399)	Negligible	2,089	0.01
	26.10.2018	(200)	Negligible	1,889	0.01
	29.10.2018	(500)	Negligible	1,389	Negligible
	13.11.2018	(200)	Negligible	1,189	Negligible
	27.02.2019	(400)	Negligible	789	Negligible
	05.03.2019	(39)	Negligible	750	Negligible
	26.03.2019	(200)	Negligible	550	Negligible
	27.03.2019	(50)	Negligible	500	Negligible
	29.03.2019	(400)	Negligible	100	Negligible
	At the end of the year	100	Negligible	100	Negligible

V. INDEBTEDNESS - INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT.

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	517,541,298	-	8,370,000	**525,911,298**
ii) Interest due but not paid	-	-	1,045,481	**1,045,481**
iii) Interest accrued but not due	86,027	-	-	**86,027**
Total (i)+(ii)+(iii)	**517,627,325**	**-**	**9,415,481**	**527,042,806**
Change in indebtedness during the Financial year				
Addition	880,104,640	100,000,000	1,500,000	**981,604,640**
Reduction	211,893,498	802,603	6,709,409	**218,603,228**
Net Change	**668,211,142**	**99,197,397**	**(5,209,409)**	**763,001,412**
Indebtedness at the end of the financial year				
i) Principal Amount	1,185,838,467	99,197,397	4,120,000	**1,289,155,864**
ii) Interest due but not paid	-	-	86,072	**86,072**
iii) Interest accrued but not due	802,281	-	-	**802,281**
Total (i)+(ii)+(iii)	**1,186,640,748**	**99,197,397**	**4,206,072**	**1,290,044,217**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration paid to Managing Director, Whole-time Director and/or Manager (Amount in Rs.)

S. No	Particulars of Remuneration	Mr. Himanshu Gupta	Mr. Dinesh Kumar Jhunjhnuwala
1.	**Gross salary**		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11,220,000	11,220,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 incl. stock options	352,267	427,833
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Options	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5.	Others	1,346,400	1,346,400
	Total	**12,918,667**	**12,994,233**

Ceiling – as per Schedule V of the Act.

B. Remuneration to Non-Executive Directors (Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Desh Raj Dogra	Mr. Sanjay Vijay Bhandarkar	Ms. Archana Capoor	Mr. Rajagopalan Chandrashekar	Mr. Sanjay Gujral	
1.	**Independent Directors**						
	• Fee for attending Board / Committee Meeting	500,000	175,000	475,000	100,000	-	1,250,000
	• Commission	-	-	-	-	-	-
	• Others, Please Specify	-	-	-	-	-	-
	Total (1)	500,000	175,000	475,000	100,000	-	1,250,000
2.	**Other Non-Executive Directors**						
	• Fee for attending Board / Committee Meeting	-	-	-	-	150,000	150,000
	• Commission	-	-	-	-	-	-
	• Others, Please Specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	150,000	150,000
	Total (B) = 1 + 2	500,000	175,000	475,000	100,000	150,000	1,400,000
	Total Managerial Remuneration	**500,000**	**175,000**	**475,000**	**100,000**	**150,000**	**1,400,000**
	Overall Ceiling as per the Act	1,00,000 per Board Meeting or Committee thereof	1,00,000 per Board Meeting or Committee thereof	1,00,000 per Board Meeting or Committee thereof	1,00,000 per Board Meeting or Committee thereof	1,00,000 per Board Meeting or Committee thereof	-

C. Remuneration to Key Managerial Personnel other than MD/WTD (Amount in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in Section17(1) of the Income-tax Act, 1961	5,185,467	10,290,454	15,475,921
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	102,108	473,200	575,308
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify (incentive)	- 1,250,000	- 1,500,000	- 2,750,000
5.	Others, please specify	577,402	675,114	1,252,516
	Total	**7,114,977**	**12,938,768**	**20,053,745**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences under any sections of The Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

On behalf of the Board of Directors
For S Chand And Company Limited

Place: New Delhi **Date: August 10, 2019**	**Sd/-** **Himanshu Gupta** **Managing Director** **DIN: 00054015**	**Sd/-** **Dinesh Kumar Jhunjhnuwala** **Whole-time Director** **DIN: 00282988**

ANNEXURE-D

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of The Companies Act, 2013 read with Rule 8(2) of The Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of The Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrange-ments/ transactions	Duration of the contracts / arrange-ments/ transac-tions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the ordinary resolution was passed in general meeting as required under first proviso to section 188
Safari Digital Education Initiatives Pvt. Ltd.- wholly owned subsidiary	License to use myStudygear application	Financial year 2018-19	License to use myStudygear application of Safari Digital Education Initiatives Pvt. Ltd. for providing digital contents to the students. The value of transaction during the financial year 2018-19 is Rs. 3.05 millions.	For development of digital content and expansion of business	30.05.2018	NIL	The transaction is within the limits mentioned under section 188 of the Companies Act, 2013. Accordingly, shareholders approval was not required.
	Sale of e-books	Financial year 2018-19	The Company sold e-books to Safari Digital Education Initiatives Pvt. Ltd. The value of transaction during the financial year 2018-19 is Rs. 3.37 millions.	To have access of B2B & B2C platforms through Safari Digital Education Initiatives Pvt. Ltd. for further selling these e-books to direct users, schools and colleges	30.05.2018	NIL	The transaction is within the limits mentioned under section 188 of the Companies Act, 2013. Accordingly, shareholder's approval was not required.

2. Details of material contracts or arrangement or transactions at arm's length basis: NIL

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/trans-actions	Duration of the con-tracts/arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:

On behalf of the Board of Directors
For S Chand And Company Limited

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

Place: New Delhi
Date: August 10, 2019

ANNEXURE-E

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND THE RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:**

Name of the Director	Designation	Ratio to median remuneration of the employees
Mr. Himanshu Gupta	Managing Director	27.03
Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	27.19

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19:**

Name of the Employee	Designation	% increase in remuneration
Mr. Himanshu Gupta	Managing Director	-22%
Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	-21%
Mr. Saurabh Mittal	Chief Financial Officer	1%
Mr. Jagdeep Singh	Company Secretary	30%

3. **The percentage increase in median remuneration of employees in financial year 2018-19:** -9.56%
4. **The number of permanent employees on the rolls of Company:** 777
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   Average percentile increase in the salaries of employees other than managerial personnel was 7.07%. Average increase in the managerial remuneration of managerial personnel is -10.18 %.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

On behalf of the Board of Directors
For S Chand And Company Limited

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

Place: New Delhi
Date: August 10, 2019

ANNEXURE-F

INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A) Top 10 employees in terms of remuneration drawn during the year

(Rs. in million)

S. No.	Name of Employee	Designation	Remuneration drawn (per annum) (Total CTC plus variable)	Nature of employment (Contractual or otherwise)	Qualification	Experience (in Yrs)	Date of Commencement of employment (Company Date of Joining)	Age (in years)	% of equity held by the employee	Relative of any Director or Manager	Last employment
1.	Mr. Himanshu Gupta	Managing Director	12.88	Permanent	B.Com, DU	19	April 21, 2000	40	16.59	Son of Ms. Savita Gupta	NA
2.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	12.95	Permanent	Intermediate	15	December 11, 2004	58	10.85	Father of Mr. Gaurav Kumar Jhunjhnuwala	MD, Hind Group, Hong Kong
3.	Mr. Saurabh Mittal	Group CFO	12.94	Permanent	B.Com (Hons), DU and CA	21	May 01, 2006	45	0.22	No	General Manager Accounts at Milkfood Limited, Delhi
4.	Mr. K Mammen Thomas	Group Business Head (School & Higher Education)	11.19	Permanent	B.Com (Hons), St. Xaviers College Calcutta	39	August 01, 2014	59	NIL	No	Encyclopedia Britannica India Pvt. Ltd.
5.	Mr. Ashish Gupta	Head-Business Development & New Initiatives	10.00	Permanent	PG in Management, MDI Gurgaon	18	August 16, 2016	44	0.01	No	Hewlett Packard India
6.	Mr. Jagdeep Singh	Head -Legal &Compliance	7.11	Permanent	B. Com, LL.B., C.S.	17	December 20, 2013	43	Negligible	No	Irene Healthcare Private Limited
7.	Dr. Atul Nischal	Executive VP-Academic & Professional Development	6.00	Permanent	Ph.D - Mathematics - 1997	21	July 01, 2018	52	NIL	No	Elipsis Consulting Pvt. Ltd.
8.	Mr. Arvind Srivastava	Head - Group Management Audit and Finance	6.23	Permanent	C.A.	21	February 12, 2015	57	Negligible	No	MBD Group
9.	Mr. Naval Shukla	EVP - Higher Education	5.70	Permanent	B.Com	23	August 01, 2016	44	NIL	No	Macmillan Publishers India Ltd.
10.	Mr. Sanjay Chawla	Sr. Vice President (North & East)	5.61	Permanent	PGDM	32	August 06, 2014	55	NIL	No	MBD Group

B) Employees drawing salary of Rs. 1.02 crores or above per annum and posted in India (employed throughout the financial year)

(Rs. in million)

Sl. No.	Name of Employee	Designation	Remuneration drawn (per annum) (Total CTC plus variable)	Nature of employment (Contractual or otherwise)	Qualification	Experi-ence (in Yrs)	Date of Commencement of employment (Company Date of Joining)	Age (in years)	% of equity held by the employee	Relative of any Director or Manager	Last employment
1.	Mr. Himanshu Gupta	Managing Director	12.88	Permanent	B.Com, DU	19	April 21, 2000	40	16.59	Son of Ms. Savita Gupta	NA
2.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	12.95	Permanent	Intermediate	15	December 11, 2004	58	10.85	Father of Mr. Gaurav Kumar Jhunjhnuwala	MD, Hind Group, Hong Kong
3.	Mr. Saurabh Mittal	Group CFO	12.94	Permanent	B.Com (Hons), DU and CA	21	May 01, 2006	46	0.22	No	General Manager Accounts at Milkfood Limited, Delhi
4.	Mr. K Mammen Thomas	Group Business Head (School & Higher Education)	11.19	Permanent	B.Com (Hons) , St. Xaviers College Calcutta	39	August 01, 2014	59	NIL	No	Encyclopedia Britannica India Pvt. Ltd.

C) Employees drawing salary of Rs. 8.50 lakhs or above per month and posted in India (employed for part of the financial year) – NIL

(Rs. in million)

On behalf of the Board of Directors
For S Chand And Company Limited

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

Place: New Delhi
Date: August 10, 2019

ANNEXURE-G

DETAILS OF SHARES ISSUED UNDER EMPLOYEE STOCK OPTION PLAN (ESOPS)

The position of the existing scheme is summarized as under-

S. No.	Particulars	Remarks
I.	**Details of ESOS**	
1.	Date of Shareholder's Approval	30th June 2012
2.	Total number of options approved	367,928 equity shares of face value Rs. 5 each
3.	Vesting Requirements	Options vest over a maximum period of 5 years based on continued service and certain performance parameters.
4.	The Pricing formula	Fair market value as determined by an independent valuer as on the date of grant.
5.	Maximum term of Options granted (years)	5 years
6.	Source of shares	Primary
7.	Variation in terms of ESOP scheme	None

II. Option Movement during the year ended Mar 2019

Sr. No	Particulars	No. of Options	Weighted Average Exercise Price
1	No. of Options Outstanding at the beginning of the year	84,780	310.74
2	Options Granted during the year	0	0
3	Options Forfeited/Surrendered/Lapsed during the year	0	0
4	Options Vested during the year	0	0
5	Options Exercised during the year	0	0
6	Total number of shares arising as a result of exercise of options	0	0
7	Money realised by exercise of options (Rs.)	0	0
8	Number of options Outstanding at the end of the year	84,780	310.74
9	Number of Options exercisable at the end of the year	59,250	313.63

III. Weighted Average remaining contractual life
As on 31 Mar 2019

Range of Exercise Price	Weighted average contractual life (years)
62-200	0.25
200-300	0.25
300-400	1.46

IV	**Weighted average Fair Value of Options granted during the year ended Mar 2019 whose**	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	Rs. 392
(c)	Exercise price is less than market price	Rs. 304

V	The weighted average market price of options exercised during the year ended Mar 2019	0

VI	**Employee-wise details of options granted during the financial year 2018-19 to:**	
(i)	**Senior managerial personnel**	
	Name of employee	**No. of Options granted**
	NONE	
(ii)	**Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year**	
	Name of employee	**No. of Options granted**
	NONE	
(iii)	**Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.**	
	Name of employee	**No. of Options granted**
	NONE	

VII Method and Assumptions used to estimate the fair value of options granted during the year ended Mar 2019 :

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

	Variables	Weighted Average
	1. Risk Free Interest Rate	No grants made during the year.
	2. Expected Life (in years)	
	3. Expected Volatility	
	4. Dividend Yield	
	5. Exercise Price	
	6. Price of the underlying share in market at the time of the option grant (Rs.)	

On behalf of the Board of Directors
For S Chand And Company Limited

Place: New Delhi
Date: August 10, 2019

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

ANNEXURE-H

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.

POLICY STATEMENT

The Corporate Social Responsibility Policy ("CSR Policy") of S Chand And Company Ltd. ("S Chand") is framed to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community in fulfillment of its role as a Socially Responsible Corporate with environmental concern.

ORGANIZATION SETUP

The CSR projects in S Chand are implemented under the guidance of the CSR Committee which presently comprises of three directors. The terms of reference of the Committee is given below:

(i) Formulate and recommend CSR policy to the Board for approval;

(ii) Recommend for approval of the Board the amount of expenditure to be incurred on the activities in a financial year along with projects to be undertaken earmarking funds for broad area wise projects; and

(iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company.

2. THE COMPOSITION OF CSR COMMITTEE:

The CSR Committee comprises of the following members:

i) Mr. Desh Raj Dogra, Chairman;

ii) Mr. Himanshu Gupta, Member; and

iii) Mr. Dinesh Kumar Jhunjhnuwala, Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS: RS. 493.51 MILLIONS

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE): RS. 9.87 MILLIONS

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

a) Total amount to be spent for the financial year; Rs. 9.87 millions through a registered trust or society.

b) Amount unspent, if any; Rs. 8.42 millions

c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs (in Rs.) **Sub-heads:** (1) Direct expenditure on projects or programs- (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through imple-menting agency
1	Contribution to the corpus of a registered society or trust for promoting education and eradicating poverty	Promoting Education and Eradicating Poverty	Delhi	9.87 millions	1.45 millions	1.45 millions	Indirect
	Total			**9.87 millions**	**1.45 millions**	**1.45 millions**	

6. Reasons for not spending the 2% average net profit of last three financial years:

During the year under review, the Company has reviewed various CSR projects but only few projects complied the criteria under the CSR Policy of the Company. Therefore, due to non-availability of adequate projects, the Company could not spend the recommended amount of CSR.

7. Responsibility statement of the CSR Committee:

The implementation and monitoring of S Chand CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-
Desh Raj Dogra
Chairman of CSR Committee

Sd/-
Himanshu Gupta
Managing Director, Member of CSR Committee

ANNEXURE-I

CORPORATE GOVERNANCE REPORT

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust is integral to create enduring value for all.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is creation and enhancing long-term sustainable value for all stakeholders of the Company through ethically driven business process. At S Chand, it is imperative that the Company is managed in a fair and transparent manner. As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders.

At S Chand, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

Kotak Committee on Corporate Governance

The Securities and Exchange Board of India ("**SEBI**") released on May 09, 2018, The SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("**Amendment Regulations, 2018**"). Your Company has amended its Corporate Governance framework in line with the (Amendment Regulations, 2018). The Company shall ensure that the amendments are complied with on or before the effective date.

2. BOARD OF DIRECTORS

The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

a) Composition:

As on March 31, 2019, the Board of Directors consists of 8 (eight) Directors consisting of a Managing Director, a Whole-time Director and 6 (six) Non-executive Directors, out of which 4 (four) are Independent Directors. The Company has two women directors. The composition of the Board is in conformity with Regulation 17 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), Amendment Regulations, 2018 and the relevant provisions of the Act.

Mr. Rajagopalan Chandrashekar has been appointed as an Additional (Independent) Director on the Board of the Company with effect from July 23, 2018 for a term of 5 (five) consecutive years and his appointment was regularized by the members in the AGM held on September 25, 2018.

Due to pre-occupation and other commitments, Mr. Deep Mishra resigned from the Board with effect from November 05, 2018. The Board placed on record its appreciation for the services rendered by him during his association with the Company.

Mr. Sanjay Gujral has been appointed as an Additional Director on the Board of the Company with effect from November 05, 2018 subject to regularization by the members in the ensuing AGM. Mr. Sanjay Gujral had also submitted his resignation from the Board of the Company with effect from March 05, 2019. The Board placed on record its appreciation for the services rendered by him during his association with the Company.

The present term of Mr. Himanshu Gupta as the Managing Director of the Company has expired on May 21, 2019. The Board has, subject to the approval of the members in the forthcoming AGM, approved the re-appointment of Mr. Himanshu Gupta as Managing Director for a further period of 5 (five) years with effect from the expiry of his current term (effective from May 22, 2019).

The present term of Mr. Dinesh Kumar Jhunjhnuwala as the Whole-time Director of the Company has expired on March 27, 2019. The Board has, subject to the approval of the members in the forthcoming AGM, approved the re-appointment of Mr. Dinesh Kumar Jhunjhnuwala as Whole-time Director for a further period of 5 (five) years with effect from the expiry of his current term (effective from March 28, 2019).

b) Attendance of Directors:

The composition of the Board and category of Directors along with Attendance Status at the Board meetings and AGM are as under:

Name of the Director	Category	Relationship with other directors	No. of Board Meetings held during the financial year 2018-19	No. of Board Meetings entitled to attend during the financial year 2018-19	No. of Board Meetings attended during the financial year 2018-19	Attendance of each director at last AGM	Shareholding of Directors as on March 31, 2019
Mr. Desh Raj Dogra (DIN:00226775)	Chairman-Non-Executive, Independent Director	NA	6	6	6	Yes	NIL
Mr. Himanshu Gupta (DIN: 00054015)	Promoter & Managing Director	Son of Ms. Savita Gupta	6	6	6	Yes	5,801,454
Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Promoter & Whole-time Director	Father of Mr. Gaurav Kumar Jhunjhnuwala	6	6	6	Yes	3,795,229
Ms. Archana Capoor (DIN: 01204170)	Non-Executive, Independent Director	NA	6	6	6	No	NIL
Mr. Sanjay Vijay Bhandarkar (DIN: 01260274)	Non-Executive, Independent Director	NA	6	6	3	No	NIL
Mr. Deep Mishra # (DIN: 02249582)	Non-Executive, Nominee Director	NA	6	3	1	No	NIL
Ms. Savita Gupta (DIN: 00053988)	Non-Executive, Non-Independent Director	Mother of Mr. Himanshu Gupta	6	6	1	Yes	1,218,632
Mr. Gaurav Kumar Jhunjhnuwala (DIN: 03518763)	Non-Executive, Non-Independent Director	Son of Mr. Dinesh Kumar Jhunjhnuwala	6	6	2	No	592,000
Mr. Rajagopalan Chandrashekar ## (DIN: 03634002)	Non-Executive, Independent Director	NA	6	4	2	No	NIL
Mr. Sanjay Gujral ### (DIN: 01225263)	Non-Executive, Non-Independent Director	NA	6	3	2	N.A.	NIL

Mr. Deep Mishra has resigned from the office of Nominee Director with effect from November 05, 2018.

Mr. Rajagopalan Chandrashekar was appointed as an Independent Director with effect from July 23, 2018.

Mr. Sanjay Gujral was appointed as an Additional Director with effect from November 05, 2018. He resigned from the office of Director with effect from March 05, 2019.

c) Directorship / committee position held in other Companies as on March 31, 2019:

S. No.	Name of the Director	Name of the listed entities where the Director holds directorship	Category of directorship in listed entities	No. of Director-ships*	No. of Committee positions held**	No. of Committees Chaired**
1.	Mr. Desh Raj Dogra	Welspun Corp Limited IDFC First Bank Ltd. Sintex Plastics Technology Ltd.	Non-Executive, Independent Director Additional Director Non-Executive, Independent Director	7	6	3
2.	Mr. Himanshu Gupta	-	-	9	0	0
3.	Mr. Dinesh Kumar Jhunjhnuwala	-	-	9	1	0
4.	Ms. Archana Capoor	Maral Overseas Ltd. RSWM Ltd. EMCO Ltd. Birla Cable Ltd. Sandhar Technologies Ltd.	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Independent Director	10	1	0

S. No.	Name of the Director	Name of the listed entities where the Director holds directorship	Category of directorship in listed entities	No. of Director-ships*	No. of Committee positions held**	No. of Committees Chaired**
5.	Mr. Sanjay Vijay Bhandarkar	The Tata Power Company Ltd. HDFC Asset Management Company Ltd. Walwhan Renewable Energy Ltd. Tata Power Renewable Energy Ltd.	Non-Executive, Independent Director Non-Executive, Independent Director Non-Executive, Director Non-Executive, Director	9	9	5
6.	Mr. Rajagopalan Chandrashekar	-	-	6	2	0
7.	Ms. Savita Gupta	-	-	5	0	0
8.	Mr. Gaurav Kumar Jhunjhnuwala	-	-	3	0	0

* The Directorship held by Directors as mentioned above includes all Companies except foreign companies and Section 8 companies.

** Committee of Directors includes Audit Committee & Stakeholders Relationship Committee in all public limited companies (whether listed or unlisted) and excludes private limited companies, foreign companies and Section 8 companies.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

d) Number of Board Meetings and date of Board Meetings:

During the financial year 2018-19, 6 (six) board meetings were held on April 06, 2018, May 30, 2018, August 08, 2018, November 05, 2018, December 19, 2018 and February 14, 2019. The maximum gap between any two Board meetings was less than 120 days.

e) Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and rules made thereunder and meet with requirements of Regulation 25 of the Listing Regulations. A formal letter of appointment to Independent Director as required in the Act and Regulation 25 of the Listing Regulations was issued to Mr. Rajagopalan Chandrashekar. Mr. Rajagopalan Chandrashekar is not debarred from holding the office of Director pursuant to any SEBI order or any authority.

The Independent Directors meet once in a financial year without the presence of non-independent directors and presence of the management. The Independent Directors inter alia review the performance of the other Directors and Board as a whole and also assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

f) Board's Procedures:

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring,capital expenditure proposals, material investment proposals, sale and acquisition of material nature of assets, mortgages, guarantees, etc. are regularly placed before the Board. The matters regarding actual operations, major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings are also placed before the Board.In addition to the information required under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations, the Board is also kept informed of major events/items and approvals taken wherever necessary.

g) Board Evaluation:

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board, in accordance with evaluation framework laid down by the Nomination and Remuneration Committee, the Board of Directors has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Board's functioning was evaluated on various aspects, including inter-alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, long term strategic planning etc.

The Committee evaluation was done on the basis of degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

Evaluation of Directors was done keeping in view the criteria laid down in the Board Performance Evaluation Framework of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The criteria for performance evaluation of Independent Directors covered the following as described in the evaluation framework of the Company:

a) Attendance and participation in the Board Meeting;
b) Timely inputs on minutes of meeting of Board and committees;
c) Timely disclosure of interest and any change therein;
d) Adherence of Code of Conduct of the Company;
e) Contribution in the board and committee meetings such as raising valid concerns and providing his/her inputs for resolutions of such issues;
f) Promoting the good corporate governance practices in the Company;
g) Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information provided by the Company and its representatives; and
h) Fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management.

h) Maximum tenure of Independent Directors:

The maximum tenure of independent directors is in accordance with the Act and the Listing Regulations.

i) Familiarisation Programmes for Independent Directors:

The Company has a familiarisation programme for the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, the business models of the Company etc., and the same is available on the website of the Company at www.schandgroup.com.

3. BOARD COMMITTEES

The Board of Directors has constituted Board committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective Terms of Reference. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, take necessary steps to perform their duties entrusted by the Board. To ensure good governance, the minutes of the Committee Meetings are placed before the Board for its noting.

a) Audit Committee

Constitution and composition:

Pursuant to the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Audit Committee of the Company comprising of three Directors performs all such powers and functions as are required to be performed under the said provisions. All the members of the Committee have relevant experience in financial matters.

Meetings & Attendance:

The Audit Committee met 5 (five) times during the financial year 2018-19 on April 06, 2018, May 30, 2018, August 08, 2018, November 05, 2018 and February 14, 2019. The intervening period between two meetings was well within the maximum time gap of 120 days as prescribed under Listing Regulations. The constitution of Audit Committee and attendance of each member is as given below:

Name of the Member	Category	No. of meetings attended
Ms. Archana Capoor **(Chairperson of Audit Committee)**	Non-Executive, Independent Director	5
Mr. Desh Raj Dogra	Non-Executive, Independent Director	5
Mr. Sanjay Vijay Bhandarkar	Non-Executive, Independent Director	1
Mr. Deep Mishra	Non-Executive, Non-Independent Director	1
Mr. Sanjay Gujral	Non-Executive, Non-Independent Director	1

Mr. Deep Mishra ceased to be member of the Committee with effect from November 05, 2018;

Mr. Sanjay Gujral became member of the Committee with effect from November 05, 2018;

Ms. Archana Capoor was appointed as Chairperson of the Committee with effect from February 14, 2019;

Mr. Sanjay Vijay Bhandarkar was appointed as member of the Committee with effect from February 14, 2019;

Mr. Sanjay Gujral ceased to be member of the Committee with effect from March 05, 2019.

The Audit Committee invites such executives, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meetings. The Company Secretary acts as the Secretary of the Audit Committee. The terms of reference of the Audit Committee has been amended in line with the Amendment Regulations, 2018.

Terms of Reference:

A. Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The Role of Audit Committee shall inter-alia include the following:

1. To consider internal audit reports, reviews internal control and systems and provide guidance and direction to internal audit function. To review the corporate accounting and reporting practices and also consider changes in accounting policy, if any. Review, with the management, the quarterly/half yearly financial statements before submission to the Board of Directors for approval.
2. To have an oversight of the Company's financial reporting process and the disclosure of its financial information so as to ensure that the financial statement is correct, sufficient and credible.
3. To review with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
   a. Matters to be included in the Director's Responsibility Statement in the Board's Report;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Qualifications in the draft audit report, if any; and
   g. Disclosure of any Related Party Transactions
4. To review, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
5. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit. It can have discussion with internal auditors regarding any significant findings and follow up there on.
6. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors.
7. To have discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. The Committee may also look into the reasons for substantial defaults in the payment to the depositors, debenture holders and shareholders (in case of non-payment of declared dividends).
9. The Committee shall mandatorily review the following information:
   a. Management Discussion and Analysis of financial condition and results of operations.
   b. Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
   c. Management Letters / Letters of internal control weaknesses issued by the statutory auditors;
   d. Internal Audit reports relating to internal control weaknesses;
   e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to the review by the audit committee; and
   f. Statement of deviations:
      i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, shall be submitted to the relevant stock exchanges in terms of Regulation 32(1) of the Listing Regulations; and
      ii. An annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, in terms of Regulation 32(7) of the Listing Regulations.
10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11. Examination of the financial statement and the auditor's report thereon;
12. Approval or any subsequent modification of transactions of the Company with related parties;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial control and risk management systems;
16. Monitoring the end use of funds raised through public offers and related matters;
17. Overseeing of the vigil mechanism along with making provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

18. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
19. Carry out additional functions as is contained in the listing agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
20. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
21. Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter.
22. Approval of appointment of Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
23. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

b) Nomination and Remuneration Committee

Constitution and composition:

Pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has a Nomination and Remuneration Committee comprising of three Directors to perform all such powers and functions as are required to be performed under the said provisions.

Meetings & Attendance:

The Nomination and Remuneration Committee met 2 (two) times during the financial 2018-19 on August 08, 2018 and February 14, 2019. The constitution of Nomination and Remuneration Committee and attendance of each member is as given below:

Name of the Member	Category	No. of meetings attended
Ms. Archana Capoor **(Chairperson of Nomination and Remuneration Committee)**	Non-Executive, Independent Director	2
Mr. Desh Raj Dogra	Non-Executive, Independent Director	2
Mr. Deep Mishra	Non-Executive, Non-Independent Director	1
Mr. Sanjay Gujral	Non-Executive, Non-Independent Director	1

Mr. Deep Mishra ceased to be member of the Committee with effect from November 05, 2018;

Mr. Sanjay Gujral became member of the Committee with effect from November 05, 2018;

Mr. Sanjay Gujral ceased to be member of the Committee with effect from March 05, 2019;

Mr. Rajagopalan Chandrashekar became member of the Committee with effect from April 11, 2019.

The terms of references of the Nomination and Remuneration Committee has been amended in line with the Amendment Regulations, 2018.

Terms of References:

The terms of references of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of Directors their appointment and/or removal;
2. To carry out evaluation of every Director's performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees such that its policies ensure that –
   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
4. To formulate the criteria for evaluation of Independent Directors and the Board of Directors;
5. To recommend to the Board of Directors whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. To devise a policy on the diversity of the Board of Directors;
7. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;

8. To carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To administration and superintendence the employee stock option scheme or employees benefit schemes as approved by Board of Directors of the Company;
10. To formulate the detailed terms and conditions of such schemes, frame suitable policies and procedures to ensure that there is no violation of applicable laws; and
11. To recommend to the Board of Directors, all remuneration in whatever form, payable to senior management.

c) Stakeholders Relationship Committee

Constitution and composition:

Pursuant to the Act and Regulation 20 of the Listing Regulations, the Company has a Stakeholders Relationship Committee. The Committee looks into the grievances of equity shareholders of the Company.

The Committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

Meetings & Attendance:

The Stakeholders & Relationship Committee met 4 (four) times during the financial year 2018-19 on April 06, 2018, July 11, 2018, October 09, 2018 and January 08, 2019. The constitution of the Stakeholders & Relationship Committee and attendance of each member is as given below:

Name of the Member	Category	No. of meetings attended
Ms. Savita Gupta **(Chairperson of Stakeholders Relationship Committee)**	Non-Executive, Non-Independent Director	4
Mr. Himanshu Gupta	Managing Director	4
Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	0
Mr. Deep Mishra	Non-Executive, Non-Independent Director	0

Mr. Deep Mishra ceased to be member of the Committee with effect from November 05, 2018;

Mr. Rajagopalan Chandrashekar become the member of the Committee with effect from November 05, 2018.

Investor Grievances/Complaints:

The details of investor complaints received and resolved during the financial year 2018-19 are as follows:

Complaints received	Complaints resolved	Complaints pending
9	9	NIL

Mr. Jagdeep Singh, Company Secretary is designated as Compliance Officer of the Company.The Company has set up an email-id investors@ schandgroup.com to send their grievances.

The terms of references of Stakeholders Relationship Committee has been amended according to the Amendment Regulations, 2018.

d) Corporate Social Responsibility Committee

Constitution and composition:

Pursuant to the provisions of Section 135 of the Act, the Corporate Social Responsibility Committee ("**CSR Committee**") comprising of three Directors performs all such powers and functions as are required to be performed under the said provisions.

Meetings & Attendance:

The CSR Committee met once during the financial 2018-19 on August 08, 2018. The constitution of the CSR Committee and attendance of each member is as given below:

Name of the Member	Category	No. of meetings attended
Mr. Desh Raj Dogra **(Chairman of CSR Committee)**	Non-Executive, Independent Director	1
Mr. Himanshu Gupta	Managing Director	1
Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	1
Mr. Deep Mishra	Non-Executive, Non-Independent Director	0

Mr. Deep Mishra ceased to be member of the Committee with effect from November 05, 2018.

Terms of References:

The terms of references of the CSR Committee are as under:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time; and;
4. To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the Corporate Social Responsibility of the Company.

e) Subsidiaries and Joint Ventures Governance Committee

Constitution and composition:

Pursuant to the Articles of Association of the Company, the Subsidiaries and Joint Ventures Governance Committee comprising of four Directors take decisions on the matters related to the material subsidiaries and joint venture companies.

Meetings & Attendance:

No meeting of the Subsidiaries and Joint Ventures Governance Committee was convened during the financial 2018-19. The constitution of Subsidiaries and Joint Ventures Governance Committee is as given below:

Name of the Member	Category
Mr. Desh Raj Dogra **(Chairman of Subsidiaries and Joint Ventures Governance Committee)**	Non-Executive, Independent Director
Mr. Himanshu Gupta	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director

Mr. Sanjay Gujral become member of the Committee with effect from November 05, 2018;

Mr. Sanjay Gujral ceased to be member of the Committee with effect from March 05, 2019.

Terms of References:

The terms of references of the Subsidiaries and Joint Ventures Governance Committee are as under:

1. Approval and adoption of annual business plan or annual budget (containing the total planned annual capital expenditure, borrowing limits, limits on lending or providing any credit, guarantee, indemnity or security) of the Company for a financial year;
2. Any deviation from the annual business plan or annual budget exceeding 10% from the approved figures;
3. Any change, commencement, cessation of operation, or diversification by the Company of any of its businesses or that of its subsidiaries, incorporation of any new subsidiary or entry into any joint venture, consortium, partnership or similar arrangement;
4. Any licensing, sub-licensing, franchising or assignment of 'S Chand's' or Company's brands or intellectual properties by the Company or its subsidiaries;
5. Any acquisition, purchase, sale, transfer, divestment of or investment in the share capital or other securities of any entity (or entering into an agreement to do so), including the terms, timing and pricing of such acquisition, transfer or divestment;
6. Any acquisition, sale or disposal of any asset or property by the Company for an amount exceeding INR 5,00,00,000 (Indian Rupees Five Crores Only);
7. Appointment of any the director, consultant or employee whose remuneration / compensation exceeds INR 40,00,000 (Indian Rupees Forty Lakhs) per annum; and
8. Any increase in remuneration / compensation of any of the directors, consultants or employees such that the total remuneration / compensation exceeds INR 40,00,000 (Indian Rupees Forty Lakhs) per annum.

The Subsidiaries and Joint Ventures Governance Committee was dissolved with effect from May 28, 2019.

Other Functional Committees

Apart from the above statutory Committees, the Board of Directors have constituted the following functional committees to ensure better governance and to meet the specific business needs.

a) Administrative Committee

The Committee was set up to look into routine administrative matters that arise in the normal course of business. The Committee comprises of three members of the Board. The Committee reports to the Board and the minutes of this Committee are placed before the Board for information.

4. REMUNERATION OF DIRECTORS

a) Pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company:

The Company has entered into pecuniary transactions with Ms. Savita Gupta, Non-Executive Director of the Company. The details of the same are mentioned in Note No. 35 of the financial statements for the year ended March 31, 2019 forming part of the Annual Report.

b) Criteria of making payments to Non-Executive Directors:

The role of Non-Executive/Independent Director of the Company is not just restricted to Corporate Governance at the Board level of the Company but they also bring with them significant professional experience and expertise across the whole spectrum of the functional area such as publishing, marketing, sales, corporate strategy, legal, finance and other corporate functions. The Company seeks their expert advice on various matters relating to the business of the Company. The Independent Directors are paid sitting fees within the prescribed limits. The sitting fees is reasonable to attract, retain and motivate Directors aligned to the requirements of the Company.

c) The details of remuneration and sitting fees paid to each Director during the financial year 2018-19 are as under:

S. No.	Name of the Director	Category	Salary (in Rs.)	Other Benefits (in Rs.)	Bonuses (in Rs.)	Stock Options	Sitting Fees (in Rs.)	Total (in Rs.)
1.	Mr. Himanshu Gupta	Managing Director	11,220,000	1,659,067	-	-	-	12,879,067
2.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	11,220,000	1,734,633	-	-	-	12,954,633
3.	Ms. Savita Gupta	Non-Executive, Non-Independent Director	-	-	-	-	-	-
4.	Mr. Gaurav Kumar Jhunjhnuwala	Non-Executive, Non-Independent Director	-	-	-	-	-	-
5.	Mr. Desh Raj Dogra	Non-Executive, Independent Director	-	-	-	-	500,000	500,000
6.	Ms. Archana Capoor	Non-Executive, Independent Director	-	-	-	-	475,000	475,000
7.	Mr. Sanjay Vijay Bhandarkar	Non-Executive, Independent Director	-	-	-	-	175,000	175,000
8.	Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	-	-	-	-	100,000	100,000
9.	Mr. Deep Mishra	Non-Executive, Non-Independent Director	-	-	-	-	-	-
10.	Mr. Sanjay Gujral	Non-Executive, Non-Independent Director	-	-	-	-	150,000	150,000

The Executive Directors of the Company have been appointed, in terms of the resolutions passed by the Board and shareholders. The Executive Directors are required to give 180 days notice to the Company for termination of service agreement. There is no separate provision for payment of severance fees. The Non-Executive Directors are not subject to any notice period and no severance fees is to be paid to them.

Based on the approval of the Board of Directors, Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company have been paid a commission of Rs. 3,852,336 and Rs. 3,852,336 respectively. The said commission is 0.5% of the net profit of the Company for the financial year 2017-18.

Since the Company incurred losses during the year under review, the remuneration to Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director have been paid in inadequacy of profits and are within the limits as specified under Schedule V of the Act.

5. GENERAL MEETINGS

a) The details of last three AGM's and the summary of Special Resolutions passed therein are as under:

Financial Year & Meeting No.	Day & Date	Time	Venue	Special Resolutions passed
47th/2017-18	Tuesday, September 25, 2018	4:00 P.M.	Executive Club Resort, 439, Village Sahaoorpur, Post Office Fatehpur Beri, New Delhi 110074	• Employees Stock Option Plan 2018; and • Extension of S Chand - Employees Stock Option Plan 2018 to the employees of Subsidiary Company(ies)

Financial Year & Meeting No.	Day & Date	Time	Venue	Special Resolutions passed
46th/2016-17	Monday, September 25, 2017	11:30 A.M.	Executive Club Resort, 439, Village Sahaoorpur, Post Office Fatehpur Beri, New Delhi 110074	• Amendment and Ratification of Employee Stock Option Scheme, 2012; • Grant of stock options to the employees of subsidiaries of the Company; • Amendment in Articles of Association; and • Ratification of Article 40 giving right to appoint director on the Board and Subsidiaries and Joint Venture Governance Committee of the Company
45th/2015-16	Friday, September 30, 2016	3:00 P.M.	A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi-110044	No special resolution was passed in the AGM

b) Special Resolution passed through postal ballot:

No resolution was passed through postal ballot during the financial year 2018-19.

6. MEANS OF COMMUNICATION

The unaudited quarterly, half-yearly financial results and audited financial results for the financial year were published in leading newspapers i.e. 'The Financial Express' and 'Jansatta'. The said financial results, quarterly/half-yearly/annual compliances, other statutory filings made to the Stock Exchanges and other official news releases, if any, are also disclosed on the website of the Company at www.schandgroup.com. The Company also hosts all presentations shared/made to analysts/investors on website of the Company at www.schandgroup.com. The said presentations are also submitted to the stock exchanges where the shares of the Company are listed.

7. GENERAL SHAREHOLDER INFORMATION

a) 48th AGM:

Day : Thursday

Date : September 19, 2019

Time : 11:30 A.M.

Venue : Executive Club Resort, 439, Village Sahaoorpur, Post Office Fatehpur Beri, New Delhi-110074

b) Financial Year:

The Company follows the financial year from 1st April to 31st March.

c) Dividend payment during the year under review:

The Board of Directors has declared a final dividend during the financial year 2017-18 of Rs. 1.50 per share of Rs. 5/- each out of the accumulated profits of the Company approved in its Board Meeting held on May 30, 2018. The said dividend has been paid to the shareholders whose name appear in the Company's beneficiary list as on September 18, 2018.

d) Financial Calendar for financial 2019-20:

i) Quarterly results: within 45 days from the date of closure of the respective quarter or such extended time as may be applicable to the Company;

ii) Annual Audited Results for the financial year ending March 31, 2020: within 60 days of close of the financial year or such extended time as may be applicable to the Company; and

iii) AGM for the financial year ending March 31, 2020: within 180 days of close of financial year

e) Listing of Shares and Stock Code:

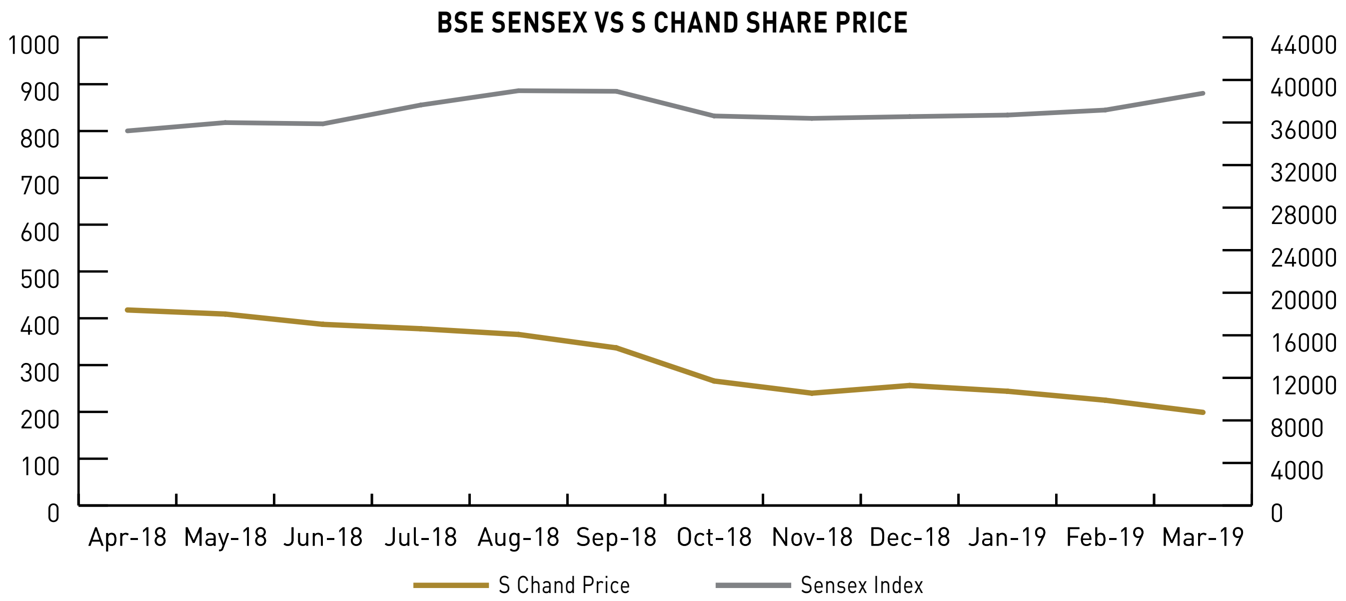
S. No.	Name of the Stock Exchange	Address of Stock Exchange	Stock Code
1.	BSE Limited ("BSE")	25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai, Maharashtra 400001	540497
2.	National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra 400051	SCHAND

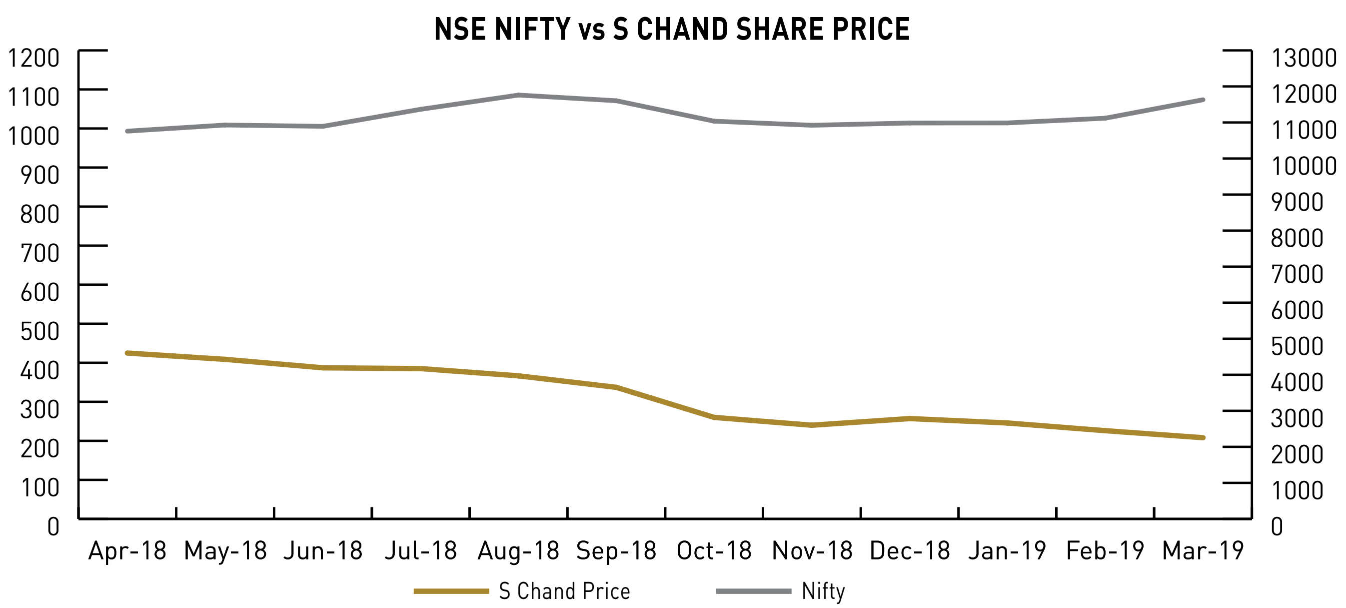
The Listing Fees for the financial year 2019-20 has been paid to NSE and BSE.

f) Volume of shares traded and Stock Price Movement on a month to month basis:

The monthly high and low prices and volume of shares of the Company at BSE and NSE for the year ended March 31, 2019 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-18	417.7	395	114362	424.8	394.55	443959
May-18	409	335	41552	408.7	333	526810
Jun-18	387	327.35	163481	387	326.65	325088
Jul-18	377.65	337.95	27526	385	336	208871
Aug-18	365.4	306.05	158099	366.45	307.15	334404
Sep-18	336.75	240	49732	337	240.5	251801
Oct-18	266	184.25	136249	260	182	292967
Nov-18	240	194.3	14394	240	193.9	185449
Dec-18	256.4	205.15	32504	257	207.25	439947
Jan-19	244.1	210.15	22103	245.7	210	344656
Feb-19	225	173	20849	226	172.15	173560
Mar-19	199	165.05	311327	208	164.8	1040429





g) Registrar and Share Transfer Agent:

All the work relating to the shares held in the physical form as well as shares held in demat form is being handled by SEBI registered category I Registrar and Transfer Agent whose details are given below:

Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor,
Plot NH 2, C-1 Block LSC, Near Savitri Market,
Janakpuri, New Delhi-110058
Phone: +91 11 49411000
Fax: +91 11 4141 0591
E-mail: delhi@intime.co.in
Website: www.linkintime.co.in

h) Share Transfer System:

The share transfer in physical form can be lodged with the Registrar and Share Transfer Agent namely Link Intime India Pvt. Ltd. at the address mentioned herein above or at their branch offices mentioned in their website. The transfers are normally processed within 15 days if the documents are complete in all respect and thereafter the share certificates duly transferred are dispatched.

i) Distribution of shareholding as on March 31, 2019:

SR.NO.	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	49032	98.0424	1718768	4.9142
2	501	to	1000	451	0.9018	335495	0.9592
3	1001	to	2000	247	0.4939	367235	1.0500
4	2001	to	3000	85	0.1700	213589	0.6107
5	3001	to	4000	36	0.0720	128516	0.3674
6	4001	to	5000	25	0.0500	117296	0.3354
7	5001	to	10000	45	0.0900	320604	0.9167
8	10001 and above			90	0.1800	31773784	90.8464
	Total			**50011**	**100.0000**	**34975287**	**100.0000**

j) Dematerialization of shares and liquidity:

As on March 31, 2019 all the equity shares of the Company are in compulsory dematerialization segment and are available on trading system of both the depositories in India viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The status of dematerialization of shares as on 31st March, 2019 is as under:

Particulars	No. of shares	% of total share capital
CDSL	1,722,235	4.92
NSDL	33,253,052	95.08

k) Outstanding GDRs/ ADRs/Warrants: NIL

l) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any commodity risk. Risk assessment and its minimization procedures have been laid down by the Company and the same have been informed to the Board Members. These procedures are periodically reviewed to ensure that the management controls risk through means of a properly defined framework.

m) Plant locations:

(i) 20/4, Site IV, Industrial Area, Sahibabad, Ghaziabad (Uttar Pradesh)-201010; and

(ii) Khasra No. 54/3/2, Jindal Paddy Products Compound, Kashipur Road, Rudrapur-Distt-U.S Nagar, Uttranchal-263153.

n) Address for correspondence:

Registered Office:
A-27, 2nd Floor, Mohan Co-operative Industrial Estate,
New Delhi-110044
Tel: +91 11 49731800
Fax: +91 11 49731801
Email: investors@schandgroup.com

o) Compliance Officer:

Mr. Jagdeep Singh
Company Secretary & Compliance Officer
Email: jsingh.del@schandgroup.com

8. OTHER DISCLOSURES

a) Disclosure on materially significant related party transactions:

All transactions entered into with related party as defined under the Act during the financial year 2018-19 were in the ordinary course of business and on arm's length basis except two transactions, details of which are disclosed in AOC-2 forming part of the Annual Report. There were no materially significant transactions which were in conflict with the interest of the Company.

The Company has revised its policy on related party transactions in line with the Amendment Regulations, 2018, which is also available on Company's website at www.schandgroup.com.

The suitable disclosures as required by Indian Accounting Standard (Ind-AS 24) have been made in the notes forming part of the annual accounts.

b) Disclosure of non-compliance by the Company, penalties, and strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years:

The has received a notice from BSE Limited and National Stock Exchange of India Ltd. stating that the Nomination and Remuneration Committee ("Committee") is not in compliance with Regulation 19(1) of the Listing Regulations as on March 31, 2019. The stock exchanges have also imposed a fine a Rs. 54,000/- plus GST each and the Company has deposited the same. This non-compliance occurred due to resignation of Mr. Sanjay Gujral as the strength of the Committee reduced to two from three which is the minimum requirement of the Listing Regulations. The Company has taken corrective actions and the Committee has been reconstituted comprising of three members. As on the date of the report the Company is compliant of Regulation 19(1) of the Listing Regulations.

c) Whistle Blower Policy:

The Company has adopted a vigil mechanism for employees wherein any employee or Director can report grievances to the reporting officer as designated by the Company or to the Chairperson of the Audit Committee. As part of vigil mechanism, the Company has formed a Whistle Blower Policy for its employees and Directors to report genuine concerns or grievances. The said policy provides avenues to employees and Directors to bring attention of the management of any issue which is perceived to be in violation or in conflict with the Code of Conduct of the Company. The Whistle Blower Policy is hosted on the website of the Company. None of the employees of the Company has been denied access to the Audit Committee.

d) The status of compliance with mandatory and non-mandatory requirements is as under:

The Company has complied with all the mandatory requirements of the Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements under the Listing Regulations as on March 31, 2019:

S. No.	Particulars	Remarks
1.	Non-Executive Chairman's Office	The Company has a Non-Executive Chairman and he maintains his own separate office. The Company does not bear expense of maintaining his office. The Company pays him sitting fees and reimburse travel expenses for attending the Board and Committee meetings.
2.	Shareholder Rights	The quarterly and half-yearly financial results along with the press release are published in the newspapers and also uploaded on the website of the Company at www.schandgroup.com.
3.	Audit Qualifications	The auditor's report of the Company for the financial year 2018-19 contains qualification as detailed in the Board's Report
4.	Reporting of Internal Auditor	The Internal Auditor submits its report to the Audit Committee on quarterly basis

e) Policy for determining material subsidiary:

The Company has revised its policy for determining material subsidiary pursuant to the Amendment Regulations, 2018, which is also available on Company's website at www.schandgroup.com.

f) Details of non-compliance of any requirement of corporate governance report:

The Company has complied with all the applicable provisions of Corporate Governance Report as prescribed in the Listing Regulations.

g) Disclosures with respect to demat suspense account/unclaimed suspense account:

The Company does not have any shares in the demat suspense/unclaimed suspense account.

h) Code of Conduct Declaration:

In accordance with Regulation 34(3) of the Listing Regulations, we hereby confirm that all the members of the Board and senior management personnel of the Company have affirmed compliance with the Code of Conduct of Board of directors and senior management. We also confirm the compliance with corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2) of the Listing Regulation for the financial year ended March 31, 2019.

On behalf of the Board of Directors
For S Chand And Company Limited

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time Director
DIN: 00282988

Place: New Delhi
Date: August 10, 2019

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To

The Board of Directors,
S Chand And Company Limited

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Regulation 17 and 26(3) and Para D of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2019.

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015
Address: A-27, 2nd Floor,
Mohan Co-operative Industrial
Estate, New Delhi-110044

Place: New Delhi
Date: August 10, 2019

COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors
S Chand And Company Limited

We, (Mr. Himanshu Gupta) Managing Director and (Mr. Saurabh Mittal) Chief Financial Officer of S Chand And Company Limited hereby certify:

(a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2019 and based on our knowledge and belief, we state that:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violate the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

  (i) Significant changes, if any, in the internal control over financial reporting during the year;

  (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

On behalf of the Board of Directors
For S Chand And Company Limited

	Sd/-	**Sd/**
Place: New Delhi	**Himanshu Gupta**	**Saurabh Mittal**
Date: August 10, 2019	**Managing Director**	**Chief Financial Officer**

MANAGEMENT AND DISCUSSION ANALYSIS

INDIAN ECONOMY - 2019

Backed by strong growth and promising partnerships,India is expected to be one of the top three economic powers of the world over the next 10-15 years.We are showing GDP growth averaging around seven per cent over the past five years which makes India the fastest growing major economy in the world.

As per the World Economic Outlook of 2019, India's economy is set to grow at 7.1% in 2019-20and is expected to accelerate to 7.3% growth in 2020-21 and to 7.5% in 2021-22 supported by continued recovery of investment and robust consumption amidst a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

On the global front, growth has been forecast to moderate to 3.3% in 2019 from 3.6% in 2018 with a downside risk due to trade tensions between US and China, and chaotic Brexit.

INDUSTRY OVERVIEW

Out of a total population of approximately 1.2 billion people, India has 500 million people, the world's largest number, in the age bracket of 5-24 years.By 2025, India will have 119 million in the age bracket of 18 to 22 years, which means India will be home to the largest student population in the world. This in itself provides an optimistic picture for potential high growth in this sector.

The education sector in India was estimated at US$91.7 billion in 2018 and is expected to reach US$101.1 billion by 2019.India has over 250 million school going students - more than any other country in the world. A huge demand supply gap arising out of an additional requirement of 200,000 schools, 35,000 colleges, 700 universities and 40 million seats in vocational training centres will create manifold opportunities for the expansion and future growth of the education sector.

The Government of India is targeting a Gross Enrolment Ratio (GER) of 30 per cent for higher education by 2020 and is expected to drive investments of US$200 billion in the education space during that time. The government is also planning to promote the education sector to help increase the share of overall services sector in the GDP of the country.

With the increasing use of device based learning and increasing internet penetration, the importance of digital education and related learning tools is irrefutable. As of December 2018, internet penetration in India had reached approximately 46% of the total population. Deepening internet penetration will ensure consistent growth in the digital learning segment in terms of size and importance. As per a KPMG report, India has become the second largest market for e-learning after the US. The sector is expected to reach US$2 billion by 2021 with around 9.5 million users.

The Education sector in India continues to be a strategic priority of the government. The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the education sector through the automatic route since 2002.The sector has received cumulative FDI worth US$2.2 billion up to December 2018. It witnessed 18 merger and acquisition deals worth US$49 million in 2017.3,500 of all the start-ups in India are in the education space and received close to US$700 million funding in 2018.

Education being regarded as an important pillar in the growth of our economy, the Government has come up with significant reforms and changes in the New Education Policy. The details of the Policy canbe found in later sections.

EDUCATION LANDSCAPE IN INDIA

India has the largest education system in the world with an extensive network of more than 1.4 million schools (with over 200 million students enrolled) and more than 850 universities and 40,000 higher education institutes. The sector is expanding rapidly in light of rising income levels and growing demand for quality education in the country.

The Education sector in India can be broadly classified into three categories - the formal segment, the informal segment and the ancillary segment.

	Formal (Regulated)	Informal (Unregulated)	Ancillary Segments (Regulated)
SEGMENTS	K-12 (Secondary and Senior Secondary)	Early Childhood Education (Pre-school)	Digital
	Higher Education	Vocational Education, Skill Development & Executive Education	Services
		Tutoring & Test Prep	Content
REGULATION	Not For Profit	For Profit	For Profit

The Formal Education Segment comprises of K-12 schools (including secondary and senior secondary schools) governed by CBSE/ICSE/State Boards/International Boards and higher education institutions including colleges. The formal education sector has a high level of government participation in all aspectsfrom curriculum design, the running of educational institutions, and the awarding of degree/diploma/certificates.

The Informal Segment is highly unstructured and unregulated. It consists of test preparation, tutoring, early education and vocational/skill-based training services, coaching and so on.

The Ancillary segment consists of industries that are related and supplementary to the formal and informal education segments. The ancillary segment includes publishing content, digital content and services such as curriculum managementand facilities management among others.

The Indian school market is currently exhibiting strong growth. India holds an important place in the global education industry with over 1.4 million K-12 schools and a student base of over 200 million. According to a report published by CARE ratings agency in 2017, the market size of the pre-school segment was estimated at Rs130billion in 2017 and is expected reach Rs 225 billion in 2020.

The K-12 market (schooling from Kindergarten to 12th grade covering primary and secondary education) is expected to reach Rs 24 lakh crore by 2020. In line with the Government's focus on providing primary and secondary education across the nation, the total number of government schools in India grew at a CAGR of 1.2%, from 10 lakh during 2008 to 11.2 lakh during Financial Year 2017.

Government schools accounted for 76% of the total K- 12 schools in India during 2017. With the increasing shift towards private schools, the total number of private schools in the country grew at a CAGR of 4.1%, from 2.4 lakh during 2008 to 3.5 lakh during 2017. Also, the share of private schools in the total number of K-12 schools in India grew from 19.6% during 2008 to 23.8% during 2017 thanks to enhanced affordability and growing awareness about the importance of quality education.

K-12 segment (Source: IBEF)

- As of 2016-17, India had 1,467,680 elementary schools with 7,606,638 classrooms and 260,155 secondary schools with 1,423,494 classrooms
- At elementary level, Gross Enrolment Ratio was 93.5% (189.9 m) in 2016-17 and at secondary level it was 79.3% (38.8 m)
- 73.1% of the elementary schools were government schools
- Pupil Teacher Ratio (PTR) for elementary and secondary education in the country was 1:23 in 2016-17

Higher Education (HE) segment targets ~13% of the Indian population in the age group of 18-23 years.The Indian higher education system is one of the largest in the world and it ranks second in terms of student enrolment. India had over 36 million students enrolled in higher education in 2017-18. Government's initiatives to increase awareness among all sections of the society has played a major role in promoting higher education among the youth.

The number of colleges and universities in India crossed 40,000 and 850 respectively in 2017-18. Total number of agricultural universities in the country increased from 35 in 1999 to 75 in 2017.There has been a significant increase in the share of state private universities as part of total universities. In 2017-18, 29.71% of universities in the state were state private universities and 9.07% were private deemed universities.

Digital - The future of Education Industry

The e-learning industry in India is a dynamic one, witnessing a steady growth rate of over 25% year-on-year. It is projected to be a $1.9 billion industry by 2021.The key factors leading to the growth of the digital market in India are rising demand from various segments, growing number of smartphone users, improving penetration of internet services, and increasing participation at the government level. New age technology platforms help in assessing the performance of students, teachers and institutions as a whole and are increasingly being adopted by educational institutions in India. Cloud-based platforms which help classrooms go paperless are also finding takers. Apart from the latest developments in ICT classrooms, Augmented Reality and Virtual reality is being adopted in the field of education.

As of March 2019, the Government of India is actively encouraging colleges to offer online courses in rural areas to ensure education for all.

(Source: Ibef, care ratings, IMF world outlook report)

COMPANY SECTION

Broadly speaking, this year has been a challenging one for the Educational Publication industry. The Company has a very seasonal business on account of K-12 segment, which accounts for more than 80% of the business. 80-85% of the annual revenues come just in the fourth quarter. This year when we entered the sales season, we were impacted by the anticipation of the announcement of the New Education Policy (NEP) which was however deferred till after the elections. This led to the following challenges:

1. Expectation of the Education Policy impacts Financial Year 2019 Sales.

The Honourable Education Minister of the 2014-19 NDA government, Mr Prakash Javdekar,gave the impression during various media interactions that the Education Policy was ready to be announced. The expectation of the industry is that when the new government is formed, the New Education Policy would be one of the early initiatives on their agenda. The New Policy became long over-due as the last comprehensive education policy came out as far back as 2005 when the NCF was also formed.

The expectation of New Education Policy led to:

- **Destocking of Inventory by the Channel Partners.** Since the Channel Partners perceived the announcement of the new education policy as an event which would happen within CY2019, they destocked during the current fiscal assuming that the inventory they were holding may become obsolete and result in higher returns to the Company, over and above historical averages.
- **Reduction in Sales Velocity.** Further, in the current season in order to tackle future inventory levels on the back of the proposed New Education Policy announcement, the Company and channel partners took cognizance of inventory that would remain from the current sales season. Keeping this in mind, the Company also ensured that the channel inventory was kept lower during the current academic season.

2. The Company has taken a conscious decision to work with preferred channel partners.

As in any distribution network, the Company had some channel partners who would fall short on the parameters of timely payment, returns and overall revenue growth. During the current season of January-March, 2019, the Company had taken steps to reduce exposure or hold supplies to certain of these partners. This has also contributed to an impact on revenues which the Company is confident it would regain through the preferred partners during the next academic session.

3. External factors impact sales.

The industry also faced headwinds on account of various circulars/notices issued to private schools which compelled them to prescribe NCERT books and in order to reduce the weight of the school bag, to lower the number of subjects being taught. The uncertainty and media stories impacted and delayed decision making by schools about prescribing books. The Company has encountered similar experiences by the introduction of monthly/semester books, digital products and value-added services like workshops and seminars to enhance engagement with schools.

- Monthly/semester books are books created with content relevant to a specific month/semester rather than the whole year which helps reduce the bag weight of a child. This can be done for a subject or for all subjects for the term.
- We are also part of the Federation for the Publishing Industry which has represented against these various circulars/practices in the appropriate courts/forums.

4. Reported Revenues impacted by Provisioning.

In our view, Financial Year 2019 reported Revenues of Rs. 5,220 million have been impacted by -:

- Higher incremental provisioning of Rs 682 million on the back of a conservative view in light of the trends seen in the year ending March 2019 and the New Education policy. In our opinion, the incremental provision will be non-recurring.
- 40% higher level of sales return received on a YoY basis by the channel on the back of an expectation of the New Education Policy.

We would like to highlight that the reported net revenues gives a distorted view of the sales season since our gross sales dispatches were down by ~16% in the K-12 Academic season for Financial Year 2019 vs. Reported Net sales down by 34%. The reduction in channel inventory, preferred partner sales, focus on high margin stock keeping units (SKU's) and improvement in productivity will help retain revenues and margins in the near future.

FINANCIAL PERFORMANCE

For the year under review, S Chand reported consolidated total income of Rs 5,336 million as against Rs 8,070 million in the comparable period of the previous year, registering a decrease of 34% Y-o-Y. Our income was hit due to the higher sales return from our channel partners in anticipation of the draft of New Education Policy (NEP), one time higher incremental provisioning, our strategy to work with preferred channel partners, and other external headwinds like circulars from state governments on reducing bag weight for students, pressure for adoption of NCERT books and reduction of certain noncore subjects in junior classes etc.

The K-12 segment is the largest revenue contributor (~80% of the total revenues) followed by Higher education, early learning and digital. The Company reported consolidated EBITDA loss of Rs 195 million against EBITDA profit of Rs 2,054 million in the previous year and consolidated post tax loss (net of minority interest and share of loss in associate companies) of Rs 644 million against profit of Rs.1,072 million in the same period last year. The reasons for decline in revenues and profitability can be attributed to the points mentioned above. We ended the year with reduced consolidated debtors of Rs 4,446 million as against Rs 6,312 million in the previous year. This decrease in debtors was driven by lower sales. The Company recorded year-end consolidated inventory of Rs. 2,048 million as against Rs 1,562 million in the previous year. This increase in consolidated inventory was driven by higher than expected sales returns on back of expectation of Draft NEP from our channel partners.

We expect FY20 to see the benefits from S Chand 3.0 plan implementation to flow through leading to improved profitability. We are focusing on improving efficiencies and reducing operational costs. The company is targeting annualised cost savings in the range of Rs. 600 million to Rs 800 million from these cost saving initiatives. We are also targeting a higher conversion of EBITDA to cash flow in excess of 50% for FY20. We see ourselves well positioned to benefit from the Draft NEP which has been announced which should lead to a period of strong & sustainable growth in the medium term.

OUR STRATEGY – GOING AHEAD

1. Focus on improving internal efficiency and reducing operational costs.`

We have turned our focus on eliminating inefficiencies from our business. This would include working on improving the efficiency and productivity of our sales force and delivery teams, eliminating non-core projects and investing in technology to improve decision making. Various steps are being taken on this front including the rationalization of the number of offices and warehousing space across India, rationalisation of payroll through consolidation of shared services, improving revenue per MT of paper consumed and increasing consumer engagement through digital marketing and products. The Company is targeting annual cost savings in the range of Rs 600 million – Rs 800 million from these steps.

2. Increased focus on free cash flow generation for Financial Year 2020.

The Company has announced that it will enhance focus on improving free cash flows from operations. This strategy of focusing on cash flows has started yielding results with cash generated from operations of Rs 386 million in Financial Year 2019 (vs. Rs 390 million in Financial Year 2018). This is despite the 34% drop in net revenues for the year. We are looking to increase this by focusing on inventory reduction going ahead, improving the collection of receivables and reducing costs in our system. We are targeting a higher conversion of EBITDA to free cash flow in excess of 50% in the future.

3. Benefit from New Education Policy to flow though from Financial Year 2021 onwards.

While there has been an impact on revenues in the current financial year from multiple factors discussed earlier, a New Education Policy is normally followed by a change in curriculum which is greatly beneficial to the Company and sector as it removes piracy and used book circulation. This helps publishers by netting higher than normal volumes for multiple years. This phenomenon has been noted consistently with State curriculum changes and we expect to derive benefit from the same in due course of time.

4. Increase in share of Digital & Services business.

The Company has forayed into various other products and services in the past few years to build alternate product and service lines. Some of the initiatives have gained traction - Destination Success, Mylestone, Smart K, Test Coach and Risekids, have all carved a niche segment in the markets in which they operate. This will help the Company spread revenue through the first three quarters, enhance visibility and de-risk the present business model.

To augment books the Company has also rolled out the App Mystudygear (approximately 0.5 million downloads) for ensuring the books of the Company offer a blended learning solution in the form of Digitally Enabled Books (i.e DEBs). The Company recognises the need of the Gen X student to learn on various media not limited to printed books, but augmented by Interactive Videos, Test Generators, Online Assessments and Analytics, Virtual Reality and Games. Almost 2/3 of the titles in the K-12 segment are DEBs which enable this 360 degree learning. The Company is also geared to launch its all-in-one learning platform Learnflix in Financial Year 2020. This will enable a larger audience to learn on the move.

5. Going ahead.

With our increased focus on free cash flow generation, going ahead the Company has an ambitious target of turning debt free in the next three years and increasing EBITDA to free cash flow conversion rate to over 50%. We see ourselves well positioned to benefit from the New Education Policy which has been announced which should lead to a period of strong & sustainable growth in the medium term.

NEW EDUCATION POLICY ANNOUNCED ON 31ST MAY – THE GAME CHANGER

The draft New Education Policy (NEP) had kept us waiting for a long time. The chart below shows how media has been reporting the announcement of the New Education Policy during the past 12 months.

MAY, 2019

- Article - Modi govt will finally announce New Education Policy by 31 May after 4-year delay
  - ☞ *Link - https://theprint.in/india/education/modi-govt-will-finally-announce-new-education-policy-by-31-may-after-4-year-delay/240532/*
- Article - NCERT set for mega review of 2005 curriculum guidelines
  - ☞ *Link - https://timesofindia.indiatimes.com/india/after-14-years-ncert-reviews-guidelines-on-curriculum/articleshow/69381082.cms*

MARCH, 2019

- Article - New National Education Policy Draft to Wait Till Lok Sabha Elections 2019 Results, Says Prakash Javadekar
  - ☞ *Link - https://www.latestly.com/india/education/new-national-education-policy-draft-to-wait-till-lok-sabha-elections-2019-results-says-prakash-javadekar-700164.html*

JANUARY, 2019

- Article - Government will unveil draft education policy soon, says Javadekar
  - ☞ *Link - https://www.livemint.com/Politics/lpaHGhDlgLq9Jc8T6fLC9N/Government-will-unveil-draft-education-policy-soon-says-Jav.html*

DECEMBER, 2018

- Article - Draft National Education Policy ready: Javadekar
  - ☞ *Link - https://timesofindia.indiatimes.com/home/education/news/draft-national-education-policy-ready-javadekar/articleshow/67108512.cms*
- Article - National Education Policy draft may be out in public domain soon
  - ☞ *Link - https://www.hindustantimes.com/india-news/national-education-policy-draft-may-be-out-in-public-domain-soon/story-m69vKg2PWYTTXygzDpXMKL.html*

The draft New Education Policy was released on 31st May 2019 and the details and the potential impact that it can have on the industry and our Company has been detailed below:

New Education Policy

The draft of the New Education Policy (NEP) 2019 was submitted to the Honourable Union Human Resource Development Minister, Mr. Ramesh Pokhriyal 'Nishank' and Honourable Minister of State for HRD, Mr. Sanjay Shamrao Dhotre on 31st May, 2019. This draft policy comes after extensive consultations undertaken across multiple levels ranging from village, block, urban local bodies, district, state, zonal and the national level stakeholders.

Timeline for Implementation

The Draft NEP has called for announcement of New Curriculum Framework (NCF) by the end of December 2020. Post the release of the NCF, the publishers would start to develop content and then publish books adhering to the new curriculum.

- **May, 2019** — Announcement of Draft New Education Policy (NEP)
- **By end of 2020** — Announcement of New Curriculum Framework (NCF)
- **CY2021** — Development of books based on the new curriculam
- **FY22 onwards** — Complete impact of NCF to percolate down to the industry

Impact of NEP Going ahead

We see the following impact arising from the changes suggested in the draft NEP. Do keep in mind that this NEP is a draft and the final version can have changes to these draft provisions.

- **Partial impact in Financial Year 2021, Full impact from Financial Year 2022 onwards.** If the NCF is announced by end 2020 then we, at S Chand, being a leader in the space with in-house content development teams would be able to cater to demand for new books from the Academic year 2021-22 itself. However, we foresee a scenario where a huge part of the industry would not be able to deliver content pertaining to the new curriculum in Academic year 2021-22 due to the paucity of time for developing and publishing new content. Thus, there can be a situation where a lot of schools would be able to adopt the new framework books from Academic year 2022-23 onwards. This means that on the sales front we can see an uptick in Financial year 2021 from partial sales of new curriculum books but the complete impact would be felt from Financial Year 2022 onwards.
- **Strong runway of growth for at least 2-3 years.** Since the New Curriculum is being developed after a gap of 15 years, it would remove the second hand book market for few initial years and would lead to very strong growth for at least 2-3 years.
- **Lessons from 2005 NEP/NCF roll out.** During 2005 NCF announcement, the new syllabus was rolled out over a period of 3 years with 5 grades moving to the new syllabus in Year 1, another 5 grades moving to new syllabus in year 2 and 2 grades moving to new syllabus in year 3.

Key changes proposed in draft New Education Policy 2019 (NEP 2019)

The draft policy is a comprehensive 484-page document. Following is the list of some of the key changes that the policy is proposing for the education sector going ahead-:

- In school education, a major reconfiguration of curricular and pedagogical structure with Early Childhood Care and Education (ECCE) as an integral part of school education is proposed.
- Restructuring school curriculum and pedagogy in a new 5+3+3+4 design.
- No hard separation of learning areas in terms of curricular, co-curricular or extra-curricular areas and all subjects, including arts, music, crafts, sports, yoga, community service, etc will be curricular.
- Exposure to three or more languages in schools and have flexibility in the choice of languages. A two-year relevant course on a classical language in Grades 6-8 with the option to continue through secondary education and university.
- Introduction of course on critical issues facing the community, the country, and the world for all students in Grades 7-8 and course on current affairs for all students in Grades 9-12.
- Following the shrinking of the curriculum content in each subject to its core, NCERT textbooks will be revised to first contain only the essential core material in each subject, keeping in mind a constructivist, discovery-based, analysis-based, engaging, and enjoyable style of learning in accordance with the revised NCF.
- Census examinations in Grades 3, 5, and 8 in addition to board examinations in 10^{th} & 12^{th}.
- Restructuring of Board examinations to eliminate the "high stakes" aspect of Board Examinations, all students will be allowed to take Board Examinations on up to two occasions during any given school year.
- Moving towards a higher educational system consisting of large, multidisciplinary universities and colleges

Opportunities from Draft NEP 2019

- Mandate for regional variations means new content opportunity from customisation for "local flavours".
- Enlargement of market for workbooks and side books on languages and maths in 1 to 5 for "writing hour", puzzle solving etc.
- Development of new series for art integration and 21^{st} century learning subjects.
- New market would be developed with focus on classical languages.
- Larger market for regional languages adoption in schools.
- Many new courses to be introduced - Languages of India, Vocational Skills and Crafts, Ethics and Moral Reasoning.
- Many extracurricular subjects to move to core subjects should lead to higher adoption rates - Sports/Yoga, Music, Dance, Art etc.
- Fixed syllabus for pre-primary would help regularise this segment for us.

Media Links

- https://mhrd.gov.in
- https://mhrd.gov.in/sites/upload_files/mhrd/files/Draft_NEP_2019_EN_Revised.pdf

HUMAN RESOURCES

As of March 2019, the Company at a group level has 2,348 employees, including a sales and marketing team of 932 employees, and an editorial team of 246 employees. We would like to highlight that as per the human resources rationalization exercise carried under S Chand 3.0 plan, we have had a further reduction in work force during the first half of FY20.

A Rewards and Recognition program and adequate growth opportunities help to ensure that employees are motivated and performance oriented. The Company also offer an incentive program to its sales employees, pursuant to which sales executives and managers receive additional financial remuneration if they achieve a defined percentage of their annual sales targets and budget.

S Chand has established extensive requirements relating to workplace safety. To ensure that the Company adheres to all statutory laws and regulations on environment, health and safety, it has implemented an environmental, health and safety program. In addition, S Chand has implemented programs related to electrical safety, the handling of equipment and materials, the handling of hazardous chemicals, fire safety, monitoring of the work environment (including air quality, ambient noise and the quality of drinking water), first aid, hazardous waste disposal and housekeeping.

The Company has also implemented a system of accident reporting and investigation, pursuant to which all accidents, both fatal and non-fatal are reportable to health and safety authorities. Employees are also encouraged to report on "near miss" accidents.

RISKS & CONCERNS

S Chand is closely linked to the central curriculum academic cycle, which is seasonal in nature. The seasonality in the K-12 market has a direct impact on S Chand's operating revenues, margins and cash flows on a quarterly basis. There are several underlying strategies undertaken to mitigate this risk. The Company is focusing on growing its higher education business, which experiences limited seasonality. The Company has also introduced certain products for schools and students that makes it more relevant throughout the school year

The Company is also faced with other external challenges like circulars from state governments on reducing bag weight for students, pressure for adoption of NCERT books and reduction of certain noncore subjects in junior classes etc. We have mitigated the threat through introduction of monthly/semester books, digital products and value-added services like workshops and seminars with schools to enhance engagement with schools

A significant portion of the Company's revenues are dependent on the titles of a few top authors. To maintain on-going harmonious relationships, the Company ensures that its authors are compensated well. It believes in maintaining mutually beneficial relationships, and having a strong feedback mechanism to ensure longevity of the S Chand brand.

In parallel, the Company continues to widen and expand its content and author base on a continuous basis. To protect its content ownership and dissemination, S Chand has a dedicated legal team that strongly manages its Intellectual Property Rights on an ongoing basis. The Company views the advent of disruptive digital technologies and the development of open-source content, more as a business opportunity, rather than a threat. It owns and manages online content application called "Mystudygear", "Testcoach", "Learnflix", VRX etc. These are strategic assertions of S Chand's presence in the online education content space. We are aiming for digital enablement of our content in a repository.

INFORMATION TECHNOLOGY

S Chand deploys its own servers for SAP, ERP, and content (text, animation, videos etc.), as well as other office data. The e-mail and CRM servers are on the Cloud, while regular back-ups are conducted on Company servers. A cloud based SAP disaster recovery is also in place with the help of a third party. Some key investments that enhanced S Chand's IT framework include:

- The enhancement of the publishing software licenses to keep up with technical enhancements in the field of digital content creation.
- The enhancement of the operating system licenses.
- The Company has strengthened its CRM solution.
- An SAP disaster recovery on the cloud (third party).
- Ordering mobile and web-application SCOT for customers.
- Availability of digital resources to teachers and students on company website.
- Enabling books with digital content using QR codes.
- Implemented AR solution

Our group website is: www.schandgroup.com. To protect the servers and data from being hacked and data loss, S Chand has firewalls and SAP / ERP access is largely through VPN for all Company locations. This is in accordance with the IT Policy guidelines that are in place.

INTERNAL RISK CONTROL

The following list highlights S Chand's comprehensive Internal Control Framework:

- Key Policies are formulated, circulated, approved and reviewed annually, in addition to being published online.
- The Authorization Matrix is clearly defined with segregation of duties to ensure internal controls.
- Internal Control Testing is conducted by Internal Auditors , with low failures under the Risk Control Matrix process.
- Application authorization are given to employees based on level and work profile
- An Internal Audit Department independently audits for Branches for processes etc.
- Regular Internal Audit is conducted for the company and subsidiaries throughout the year
- External Software to track Statutory Compliances.
- A robust Corporate Governance approach is followed, with Independent Directors in Company and all material subsidiaries.
- Related Party Transactions are approved by Audit Committee and Board wherever required
- An arm's length approach is followed, even between subsidiaries/associates and the holding company

CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of S Chand, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of S Chand's Annual Report, FY2019.

S Chand and Company Limited
Standalone financial statements for the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand & Company Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of loans and investments in subsidiaries (as described in note 51 of the financial statements)	
As at March 31, 2019, the carrying values of the Company's interests in subsidiaries namely D S Digital Private Limited ("DS Digital") and Safari Digital Education Initiative Private Limited ("Safari Digital"), amounted to INR 413.40 million and INR 442.68 million respectively. Management reviewed regularly whether there are any indicators of impairment of the investments. Impairment indicators were observed on the loans and investments in DS Digital and Safari Digital. As a result, an impairment assessment was required to be performed by comparing the carrying value of these subsidiaries to their recoverable amount to determine whether an impairment was required to be recognized.	**Our audit procedures performed included the following:** • Assessment of the report produced by the third-party specialists, as well as the assessment of their competence and objectivity; we also assessed the Company's valuation methodology applied in determining the recoverable amount, the assumptions around the key drivers of the cash flow forecasts with reference to expected growth rates.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>For loans, the Company adopted an individual impairment assessment approach for each individual loan. In assessing the recoverability, management exercised judgements to evaluate the collectability considering whether DS Digital and Safari Digital have financial difficulties, in repaying the loans.

For investments where impairment indicators exist, management estimated the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. The value in use of the underlying businesses is determined based on the discounted cash flow projections. The recoverable amount was determined in accordance with Ind AS 36 Impairment of Assets to be the higher of the fair value less cost of disposal, and the value in use, determined by discounting future cash flows.

The processes and methodologies for assessing and determining the recoverable amount are based on management' judgment, with reference to the identification of impairment indicators, to forecast of future cash flows, the normalized cash flows assumed as a basis for the terminal value, as well as the long-term growth rates and discount rates applied to such cash flows forecasts.

Apart from regularly assessing the impairment indicators as mentioned above, during the year ended Mar'18, the Company had filed a scheme with SEBI, for merger of education business of both Safari Digital and DS Digital. As per management, this merger was initiated in view of better synergy of operations of education business of both subsidiaries. In view of this, the Company has assessed for impairment in these subsidiaries for the remaining business operations (i.e. non-education business). Based on the recoverable value, the Company has recognized impairment loss of INR 50 million pertaining to non-education business of DS Digital.

In consideration of the judgment required and assumptions used in the estimate of the recoverable amount, we have considered that this area represents a key audit matter.</td><td>• Assessment of the accuracy of actual results against previous forecasts;
• Assessment of the long-term growth rates and discount rates.
• We reviewed the amalgamation scheme filed with SEBI.
• We analyzed, whether accumulated losses pertaining to education business which is to be merged, are available for utilization by the Company.
• We assessed the adequacy of the disclosures made in the financial statements.</td></tr>
<tr><td colspan="2">Provisions for doubtful debts (As described in 2.1 of the financial statements)</td></tr>
<tr><td>The Company is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts aged greater than the credit terms extended to customers.

The provisions for doubtful debts are determined through expected credit loss model under Ind AS 109 Financial Instruments. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money.

The Company's disclosures are included in Note 5C and Note 2.1 to the financial statements, which outlines the accounting policy for determining the allowance for doubtful debts and details of the period on period movement in gross and net trade receivables.</td><td>In obtaining sufficient audit evidence over the carrying value of trade receivables, we:
• Tested the ageing of trade receivables for a sample of customer transactions;
• Tested subsequent receipts after year-end on sample basis;
• Considered the customers' historical payment trends.
• We assessed the Company's provisioning policy, which included assessing the calculation required under Ind AS 109. We assessed whether the time value of money was considered in the expected credit loss impairment model and checked the mathematical accuracy of the calculations.
• We assessed the adequacy of the Company's disclosures in relation to trade receivables included in the financial statements.</td></tr>
<tr><td colspan="2">Provision for Sales return (as described in note 50 of the financial statements)</td></tr>
<tr><td>The company is involved in publishing and distribution of educational books. Due to the nature of business significant amount of returns are received in the years subsequent to the year when books are sold. Provision for such sales returns are estimated, deducted from gross sales and recorded as a deduction from accounts receivable.</td><td>Our audit procedures included the following:
• We obtained management's calculations for provision for sales returns, recalculated the amounts for mathematical accuracy and tested controls related to approval of sales return as per authority matrix i.e. budget, evaluated the assumptions used by reference to internal sources (i.e. management budgets), historical sales returns levels.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Estimates of expected future sales returns are required to be made at the time of sale. When determining the appropriate allowance, management considers historical trends as a basis for the estimate as well as all other known factors, which could significantly influence the level of future sales returns. Significant judgement is required in assessing the appropriate level of the provision for sales return. Such judgements include management's expectations of forecast sales return and historical estimates of sales return vis a vis the sales made during the year. During the year ended March 31, 2019, the Company also experienced significant sales returns in relation to sales made during year-ended March 31, 2018, primarily due to unknown business facts which were either not anticipated by the management or was outside the ordinary course of business.	• We considered the accuracy of management's estimates in previous years by comparing historical provisions to the actual amounts to assess the management ability to accurately estimate their sales return allowance. • We considered the adequacy of the Company's revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to sales returns and related disclosures. • We tested the sales return after the balance sheet date to determine whether the revenue has been recognized in the appropriate period or not.

Other Information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

(2). As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 49 to the standalone Ind AS financial statements;

(ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Yogesh Midha
Partner
Membership Number: 94941

Place: New Delhi
Date: 28 May 2019

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

Re: S Chand and Company Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

(ii) The management has conducted physical verification of inventory at reasonable interval during the year and no material discrepancies noted on such verification.

(iii) (a) The Company has granted loans to five companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act 2013, for the product/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

(b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Payment of Bonus Act'1965	Bonus	INR 3.6 million	FY 14-15- and FY 15-16	Within 8 months from the date the close of accounting year	Not yet paid

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

Name of the Statute	Nature of dues	Amount (Rs.)	Amount Paid (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	30,297,622	-	A.Y 2004-05	Delhi High Court
		4,459,354	-	A.Y 2005-06	Delhi High Court
		1,456,060	1,456,060	A.Y 2006-07	Delhi High Court
		3,424,588	-	A.Y 2007-08	Delhi High Court
		6,988,592	-	A.Y 2007-08	Delhi High Court
		4,163,128	-	A.Y 2008-09	Delhi High Court
		5,338,597	-	AY 2009-10	Delhi High Court
		6,628,820	4,059,842	AY 2010-11	ITAT

Name of the Statute	Nature of dues	Amount (Rs.)	Amount Paid (Rs.)	Period to which the amount relates	Forum where dispute is pending
		8,184,960	-	AY 2011-12	ITAT
		9,997,850	-	AY 2012-13	ITAT
		3,339,530	-	AY 2013-14	CIT (A)
		3,093,320	-	AY 2014-15	CIT (A)
		4,443,190	-	AY 2015-16	CIT (A)

(i) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company does not have any dues to in respect of debenture holders or government.

(ii) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of initial public offer and term loans for the purposes for which they were raised.

(iii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(iv) According to the information and explanation given by the management, the managerial remuneration has been paid/ provided for in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(v) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(vi) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(vii) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(viii) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(ix) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Yogesh Midha
Partner
Membership Number: 94941

Place: New Delhi
Date: May 28, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF S CHAND AND COMPANY LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

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

per Yogesh Midha
Partner
Membership Number: 94941

Place: New Delhi
Date: May 28, 2019

S Chand and Company Limited
Balance Sheet as at 31 March 2019

(₹ in millions)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	198.39	91.27
Intangible assets	4	182.21	167.63
Capital work-in-progress		1.51	0.47
Intangible assets under development		5.63	-
Financial assets			
- Investments	5A	6,075.30	6,066.96
- Loans	5F	577.85	652.31
- Other financial assets	5E	4.86	8.58
Deferred tax assets (net)	8	235.85	51.00
Other non-current assets	7	104.22	40.91
Total non-current assets		**7,385.82**	**7,079.13**
Current assets			
Inventories	6	798.71	526.00
Financial assets			
- Investments	5B	36.39	176.42
- Loans	5F	94.66	79.93
- Trade receivables	5C	1,965.48	3,026.87
- Cash and cash equivalents	5D	237.99	389.30
- Other financial assets	5E	17.10	8.95
Other current assets	7	59.01	63.21
Total current assets		**3,209.34**	**4,270.68**
Total assets		**10,595.16**	**11,349.81**
Equity and liabilities			
Equity			
Equity share capital	9	174.88	174.88
Other equity			
- Retained earnings	10	1,436.44	1,810.60
- Other reserves	10	6,616.86	6,614.76
Total equity		**8,228.18**	**8,600.24**
Non-current liabilities			
Financial liabilities			
- Borrowings	12A	577.43	4.86
Net employee defined benefit liabilities	16	12.19	8.90
Other non-current liabilities	14	6.27	6.04
Total non-current liabilities		**595.89**	**19.80**
Current liabilities			
Financial liabilities			
- Borrowings	12B	619.80	507.62
- Trade payables	13		
Micro enterprises and small enterprises		3.27	6.57
Other than micro enterprises and small enterprises		802.40	1,249.10
- Other financial liabilities	14	255.52	732.44
Other current liabilities	15	90.01	100.81
Other provisions	17	0.09	133.23
Total current liabilities		**1,771.09**	**2,729.77**
Total equity and liabilities		**10,595.16**	**11,349.81**

Summary of significant accounting policies 2.1

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

As per our report of even date

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Place : New Delhi
Date : May 28, 2019

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

Sd/-
Himanshu Gupta
Managing Director
DIN: 0054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

S Chand and Company Limited
Statement of Profit and Loss for the year ended 31 March 2019

(₹ in millions)

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Revenue from operations	18	1,944.00	3,439.90
II	Other income	19	232.60	270.23
III	**Total Income**		**2,176.60**	**3,710.13**
IV	**Expenses**			
	Cost of published goods/material consumed	20	973.72	1,251.01
	Purchase of traded goods	21	46.18	16.03
	(Increase)/decrease in inventories of finished goods and work in progress	22	(201.66)	66.71
	Publication expense	23	204.38	380.37
	Selling and distribution expense	24	304.96	233.57
	Employee benefits expense	25	572.65	543.83
	Finance costs	28	106.34	97.22
	Depreciation and amortization expense	26	36.64	33.50
	Other expenses	27	409.71	298.19
	Total expenses		**2,452.92**	**2,920.43**
V	**(Loss)/profit before exceptional item and tax**		**(276.32)**	**789.70**
	Execeptional items	28.A	225.57	-
VI	**(Loss)/profit before tax**		**(501.89)**	**789.70**
VII	**Tax expense:**			
	Current tax	29	-	268.02
	Income tax adjustment related to earlier years		(7.19)	(2.93)
	Deferred tax (credit)/ charge		(184.46)	17.02
	Total tax expense		**(191.65)**	**282.11**
VIII	**(Loss)/profit for the year (V-VI)**		**(310.24)**	**507.59**
IX	**Other Comprehensive Income**	30		
	- Items that will not be reclassified to profit or loss			
	Re-measurement (gains)/losses on defined benefit plans		1.06	(3.10)
	Income tax effect		(0.37)	1.07
X	**Total Comprehensive Income for the year (VIII + IX)**		**(310.93)**	**509.62**
XI	**Earnings per equity share:**			
	(1) Basic		(8.87)	14.76
	(2) Diluted		(8.87)	14.72
	Summary of significant accounting policies	2.1		

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Sd/-
Himanshu Gupta
Managing Director
DIN: 0054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

Place : New Delhi
Date : May 28, 2019

S Chand and Company Limited
Cash Flow Statement for the year ended 31 March 2019

(₹ in millions)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities			
Profit before tax		**(501.89)**	**789.70**
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		36.64	33.50
(Profit)/loss on sale of fixed assets (net)		(0.31)	2.04
Interest income		(131.68)	(195.43)
Interest income on securities mearsured at amortised cost		(1.27)	(6.34)
Provision for diminution in value of investments		50.00	(41.00)
Fair value gain on financial instruments at fair value through profit or loss		(15.00)	(23.57)
Net gain on sale of current investments		(5.39)	-
Provision for doubtful receivables		89.23	12.23
Employee stock option expense		1.64	9.48
Interest expense		98.95	88.64
Operating profit before working capital changes		**(379.08)**	**669.25**
Movement in working capital:			
Decrease/(increase) in inventories		(272.71)	51.09
Decrease/(increase) in trade receivables		972.16	(910.52)
Decrease/(increase) in loans and advances		(37.60)	45.66
(Increase) in other financial assets		(4.59)	(7.61)
Increase in provisions		3.34	0.47
(Decrease)/ Increase in trade payables		(449.99)	355.04
(Decrease)/ Increase in current liabilities		(17.39)	77.75
Cash generated from operations		**(185.86)**	**281.13**
Direct taxes paid (net of refunds)		(38.75)	(230.92)
Cash generated from/(used in) operations	**(A)**	**(224.61)**	**50.21**
B. Cash flows from investing activities			
Purchase of fixed assets including capital advances, capital creditors and capital work-in-progress		(167.85)	(89.12)
(Purchase)/Sale of non-current investments		(608.22)	(695.41)
(Purchase)/Sale of current investments		72.72	(107.17)
Proceeds from sale of current investments		5.39	-
Proceeds from sale of fixed assets		2.37	25.88
Interest received		131.85	194.87
Loans to related parties		32.16	(518.49)
Net cash used in investing activities	**(B)**	**(531.58)**	**(1,189.44)**

S Chand and Company Limited
Cash Flow Statement for the year ended 31 March 2019 *(Continued)*

(₹ in millions)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
C. Cash flows from financing activities			
Proceeds from issuance of equity share including securities premium (net of transaction cost)		-	3,318.05
Transaction cost on issue of equity share		-	(207.19)
Dividend paid on equity shares		(52.46)	(43.56)
Tax on equity dividend paid		(10.78)	(8.87)
Interest paid on borrowings		(99.40)	(82.09)
Repayment of long term borrowings		655.34	(1,300.44)
Proceed from borrowings		112.18	(291.22)
Net cash used in financing activities	**(C)**	**604.88**	**1,384.68**
Net increase in cash and cash equivalents	**(A+B+C)**	**(151.31)**	**245.45**
Effects of exchange differences on cash and cash equivalents held in foreign currency			-
Cash and cash equivalents at the beginning of the year		389.30	143.85
Cash and cash equivalents at the end of the year		**237.99**	**389.30**
Components of cash and cash equivalents			
Cash on hand		0.67	0.93
Cheques on hand		171.35	174.22
Balances with banks:			
- on current accounts		65.31	73.39
- deposits with original maturity of less than three months		0.66	140.76
Total cash and cash equivalents (note 5D)		**237.99**	**389.30**

Non-Cash Investing and financing transaction		
Acquisition of property, plant and equipment by means of a finance lease	5.09	12.70

Notes:

1. Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March 2018	Cash flows	Non cash changes	As at 31 March 2019
Long term borrwoings (including current maturity)	9.91	655.34	-	665.25
Short term borrwoings	507.62	112.18	-	619.80
	517.53	**767.52**	**-**	**1,285.05**

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Sd/-
Himanshu Gupta
Managing Director
DIN: 0054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

Place : New Delhi
Date : May 28, 2019

S Chand and Company Limited
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital:

Issued, subscribed and fully paid up	No. of shares	₹ in millions
As at 31 March 2017	**29,844,496**	**149.22**
Issued during the year - IPO	4,850,746	24.25
Issued during the year - ESOPs	280,045	1.41
As at March 31, 2018	**34,975,287**	**174.88**
Issued during the year	-	-
As at March 31, 2019	**34,975,287**	**174.88**

B. Other equity (₹ in millions)

	Reserve & Surplus				Total
	Retained earnings	Capital reserve	Security premium	ESOP outstandings	
As at 31 March 2017	**1,353.41**	**0.51**	**3,491.73**	**25.10**	**4,870.74**
Profit for the year	507.59	-	-	-	**507.59**
Other comprehensive income for the year	2.03	-	-	-	**2.03**
Total Comprehensive Income for the year	**509.62**	**-**	**-**	**-**	**509.62**
Share based payments	-	-	-	12.22	12.22
Issue of share capital	-	-	3,292.39	-	3,292.39
Exercise of share options	-	-	29.42	(29.42)	-
Transaction costs	-	-	(207.19)	-	(207.19)
Final equity dividend	(43.56)	-	-	-	(43.56)
Dividend distribution tax	(8.87)	-	-	-	(8.87)
As at March 31, 2018	**1,810.60**	**0.51**	**6,606.35**	**7.90**	**8,425.36**
Profit for the year	(310.24)	-	-	-	(310.24)
Other comprehensive income for the year	(0.69)	-	-	-	(0.69)
Total Comprehensive Income for the year	**(310.93)**	**-**	**-**	**-**	**(310.93)**
Share based payments	-	-	-	2.10	2.10
Final equity dividend	(52.46)	-	-	-	(52.46)
Dividend distribution tax	(10.78)	-	-	-	(10.78)
As at March 31, 2019	**1,436.44**	**0.51**	**6,606.35**	**10.00**	**8,053.30**

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Sd/-
Himanshu Gupta
Managing Director
DIN: 0054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

Place : New Delhi
Date : May 28, 2019

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2019

(Amount in Indian Rupees, unless otherwise stated)

1. Corporate information

S Chand and Company Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The Company has become a Public Limited Company w.e.f. 8th September 2016 and consequently the name of the Company has changed from S Chand and Company Private Limited to S Chand and Company Limited. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 7361, Ram Nagar, Qutab Road, New Delhi-110055. These are unconsolidated financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

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

2. Significant accounting policies

2.1 Basis of preparation

The unconsolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP).

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

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

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

ii) Equity settled employee share-based payment plan

The unconsolidated financial statements are presented in INR and all values are rounded to the nearest Millions (INR), 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 as current when it is:

i. Expected to be realised or intended to sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading

iii. Expected to be realised within twelve months after the reporting period, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period, or

iv. There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

The 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.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

2.3 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.4 Fair value measurement

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

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

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 valuemeasurement 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 and equity settled employee share based payment plan. Involvement of external valuers is decided upon annually by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

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

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

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

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

i. Disclosures for valuation methods, significant estimates and assumptions(Refer 2.21)

ii. Quantitative disclosures of fair value measurement hierarchy(Note 39)

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

iii. Investment in unquoted equity shares (Note 5A and 5B)

iv. Financial instruments (including those carried at amortised cost)(Note 39)

v. Equity Settled employee share based payment plan(Note 36)

2.5 Revenue recognition

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

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

Sale of goods

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

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

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

Variable consideration

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

- **Rights of return**

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

- **Volume rebates**

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

- **Cash rebates**

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

Contract assets

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

Trade receivables

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

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

Dividends

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

Cross Charges for Shared Services

The company provides various administrative and management services through shared resources to its subsidiary companies to facilitate day to day operations. The company recognises revenue over time, because the subsidiaries receive and consume the service provided by the company over that period.

Ind AS 115 adoption

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

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

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

2.6 Income taxes

Current income tax

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

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

Deferred tax

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

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

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

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

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

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

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

Category of assets	Useful life as adopted by management	Useful life as per Schedule II
Plant and equipment	15 -25 years	15 years
Office Equipment	5 years	5 years
Furniture & fixture	10 years	10 years
Vehicle	10 years	8 years
Others - Computer	6 years	3 years

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

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

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

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

2.8 Intangible assets

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

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

Recognition and measurement

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

Amortisation and useful lives

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

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

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

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project are recognised as an intangible asset when the Company can demonstrateall 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 initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

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

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

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

2.9 Borrowing costs

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

2.10 Leases

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

Company as a lessee

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

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

Company as a lessor

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

2.11 Inventories

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

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

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

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

2.12 Impairment of non–financial assets

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

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

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

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

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

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

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

2.13 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Companycommits 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 at fair value through other comprehensive income (FVTOCI)
- Equity instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

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

- 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.

Debt instrument at FVTOCI

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

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

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

Equity instruments at FVTOCI

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

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

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

Financial assets at FVTPL

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Companyof similar financial assets) is primarily derecognised (i.e. removed from the Company's unconsolidated 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 Companycontinues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Companyalso 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 debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17.
- Contract assets and trade receivables under Ind-AS 18.
- Loan commitments which are not measured as at FVTPL.
- Financial guarantee contracts which are not measured as at FVTPL

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

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

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

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

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company has estimated provision of 4.89% is required to be made on outstanding receivables at the reporting date:

Age bracket	Not Due	0-270 Days	271-365 Days	365-730 Days	More than 730 Days
Credit loss rate	0.07%	0.94%	14.85%	100.00%	100.00%

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

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

a) For financial assets measured as at amortised cost and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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Loans and borrowings

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

Financial guarantee contracts

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

De-recognition

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

Re-classification of Financial Assets

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

Offsetting of Financial Instruments

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

2.14 Retirement and other employee benefits

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

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

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

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

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

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

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

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

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Compensated absences

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

2.15 Share based payments

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

Equity settled transactions

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

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

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

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

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

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

2.16 Provisions

General

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

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

2.17 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, which are subject to an insignificant risk of changes in value.

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

2.18 Earnings Per Share (EPS)

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

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

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

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

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

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

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

2.21 Significant accounting judgements, estimates and assumptions

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

A. Judgement

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

Operating lease commitments - Company as a lessee

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

Revenue from contracts with customers

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

Determining method to estimate variable consideration and assessing the constraint

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

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

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

B. Estimates and assumptions

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

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Taxes

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

Defined benefit plans (gratuity)

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

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

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

Further details about gratuity obligations are given in Note 33.

Provision for trade receivable

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

Impairment of non-financial assets

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

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

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

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

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

The Company estimates variable considerations to be included in the transaction price for the sale of electricity with cash rebates.

2.22 Standards issued but not yet effective

a. Ind AS 116

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

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

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

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

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

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

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

(a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

(b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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

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

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

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

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

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

c. Amendments to Ind AS 12: Income Taxes

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

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

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

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

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

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

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Notes to financial statements as at 31 March 2019 *(Continued)*

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

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

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

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

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

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

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

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

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

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

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

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

g. Annual improvement to Ind AS (2018);

These improvements include:

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

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

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

Amendments to Ind AS 111: Joint Arrangements

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

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

Amendments to Ind AS 23: Borrowing Costs

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

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

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Notes to financial statements as at 31 March 2019 *(Continued)*

3. Property, plant and equipment

(₹ in millions)

	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles*	Leasehold improvement	Computers	Land	Building	Total
As at 31 March 2017	**25.21**	**13.65**	**18.44**	**51.51**	**8.57**	**35.22**	**-**	**-**	**152.60**
Additions	2.15	1.92	0.87	12.70	2.66	1.85	-	-	22.15
Disposals	(13.95)	(0.09)	(0.03)	(4.35)	-	(22.95)	-	-	(41.37)
As at 31 March 2018	**13.41**	**15.48**	**19.28**	**59.86**	**11.23**	**14.12**	**-**	**-**	**133.38**
Additions	**2.13**	**1.16**	**0.10**	**6.33**	**-**	**2.17**	**98.72**	**13.99**	124.60
Disposals	(0.10)	(0.01)	(0.02)	(3.55)	-	(0.21)	-	-	(3.89)
As at 31 March 2019	**15.44**	**16.63**	**19.36**	**62.64**	**11.23**	**16.08**	**98.72**	**13.99**	**254.09**
Accumulated depreciation									
As at 31 March 2017	**3.27**	**5.34**	**4.95**	**12.43**	**1.47**	**13.44**	**-**	**-**	**40.90**
Charge for the year	0.84	2.05	2.00	4.70	2.02	3.04	-	-	14.65
Disposals	(1.11)	(0.05)	(0.01)	(1.43)	-	(10.84)	-	-	(13.44)
As at 31 March 2018	**3.00**	**7.34**	**6.94**	**15.70**	**3.48**	**5.65**	**-**	**-**	**42.11**
Charge for the year	0.87	2.29	1.84	5.65	2.30	2.16	-	-	15.11
Disposals	**(0.05)**	-	**(0.01)**	**(1.36)**	**-**	**(0.10)**	-	-	(1.52)
As at 31 March 2019	**3.82**	**9.63**	**8.77**	**19.99**	**5.78**	**7.71**	**-**	**-**	**55.70**
Net block									
As at 31 March 2018	**10.41**	**8.14**	**12.34**	**44.16**	**7.75**	**8.47**	**-**	**-**	**91.27**
As at 31 March 2019	**11.62**	**7.00**	**10.59**	**42.65**	**5.45**	**8.37**	**98.72**	**13.99**	**198.39**

Note: Since the company has changed its estimate of depreciation on property, plant and equipment from financial year 2017-18, impact of change in estimate is given below:

Particulars	(₹ in millions)
Depreciation as per written down value method	30.02
Depreciation as per straight line method	-13.44
Profit for previous year increased by	**43.46**

**The carrying value of vehicles held under finance leases contracts at 31 March 2019 was ₹ 24.20 millions (31 March 2018: ₹ 21.54 millions). Additions during the year include ₹13.65 millions (31 March 2018: ₹ 10.92 millions) of property, plant and equipment under finance leases contracts. Leased assets are pledged as security for the related finance leases.

4. Intangible assets

(₹ in millions)

	Trade mark	Goodwill	Computer software	Copy-right	Content development	Total
As at 31 March 2017	**-**	**23.83**	**50.58**	**20.74**	**72.58**	**167.73**
Purchase	-	-	2.29	4.16	34.32	40.77
Disposals	-	-	-	-	-	-
As at 31 March 2018	**-**	**23.83**	**52.87**	**24.90**	**106.90**	**208.50**
Purchase	0.12	-	1.39	-	34.61	36.11
Disposals	-	-	-	-	-	-
As at 31 March 2019	**0.12**	**23.83**	**54.26**	**24.90**	**141.51**	**244.61**
Accumulated depreciation						
As at 31 March 2017	**-**	**-**	**15.76**	**3.61**	**2.66**	**22.02**
Amortization for the year	-	-	7.19	3.82	7.85	18.85
Disposals	-	-	-	-	-	-
As at 31 March 2018	**-**	**-**	**22.95**	**7.43**	**10.51**	**40.87**
Amortization for the year	0.01	-	6.46	4.22	10.84	21.53
Disposals						-
As at 31 March 2019	0.01	**-**	**29.41**	**11.65**	**21.35**	**62.40**
Net block						
As at 31 March 2018	**-**	**23.83**	**29.92**	**17.47**	**96.39**	**167.63**
As at 31 March 2019	**0.11**	**23.83**	**24.85**	**13.25**	**120.16**	**182.21**

Impairment testing of goodwill

The Company performs test for goodwill impairment at least annually on March 31, or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. Any adverse changes in key assumptions about our businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

5. Financial assets
5A. Non-current investments

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Investment in unquoted equity shares, valued at cost		
Investment in subsidiaries		
149 (31 March 2018: 149) shares of ₹ 1,000 each fully paid up in M/s Blackie & Son (Calcutta) Private Limited	62.79	62.29
12,000 (31 March 2018: 12,000) shares of ₹ 10 each fully paid up in M/s Nirja Publishers & Printers Private Limited	17.04	17.04
26,584,168 (31 March 2018: 26,584,168) shares of ₹ 10 each fully paid up in M/s Safari Digital Education Initiatives Private Limited	268.19	267.08
106 (31 March 2018: 106) shares of ₹ 1,000 each fully paid up in M/s Eurasia Publishing House Private Limited	116.05	116.05
39,339 (31 March 2018: 39,339) shares of ₹ 100 each fully paid up in M/s Vikas Publishing House Private Limited	1,512.23	1,507.68
22,336 (31 March 2018: 15,600) shares of ₹ 10 each fully paid up in M/s New Saraswati House (India) Pvt. Ltd.	1,426.84	905.70
17,686,750 (31 March 2018: 17,686,750) shares of ₹ 10 each fully paid up in M/s DS Digital Private Limited	142.69	142.51
103,102 (31 March 2018: 64,548) shares of ₹ 100 each fully paid up in M/s Chhaya Prakashani Private Limited (*)	1,657.04	1,657.04
3,995,250 (31 March 2018: Nil) shares of ₹ 10 each fully paid up in M/s S Chand Edutech Private Limited	39.95	-
Less : Impairment of investment in DS Digital Private Limited (Refer Note 51)	(50.00)	-
	5,192.82	**4,675.39**
Investment in associate		
50 (31 March 2018: 50) share of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	0.52	0.52
	0.52	**0.52**
Investment in unquoted preference shares		
Investment in subsidiaries		
16,000,000 (31 March 2018: 16,000,000) shares of ₹ 10 each fully paid up in M/s DS Digital Private Limited	160.00	160.00
	160.00	**160.00**
Investment in unquoted equity shares		
Investment in others		
1,600 (31 March 2018: 1,600) shares of ₹ 37.14 each fully paid up in M/s Essar Gujrat Limited	-	-
4,200 (31 March 2018: 4,200) 6% shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	-	-
	-	-
Investment in associate		
5,414 (31 March 2018: 5,264) 0.001% compulsorily convertible cumulative shares of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	21.10	18.13
	21.10	**18.13**
Investment in debentures		
Investment in subsidiaries		
Nil (31 March 2018: 5,200) 10.75% optionally convertible redeemable of ₹ 100,000 each fully paid up in New Saraswati House (India) Pvt. Ltd.	-	520.00
6,916 (31 March 2018: 6916) 2% optionally convertible redeemable of ₹ 100,000 each fully paid up in Eurasia Publishing House Private Limited	700.86	692.92
	700.86	**1,212.92**
Investments at fair value through profit and loss		
Investment in debentures		
Investment in others		
100 (31 March 2018: 100) redeemable non-convertible of ₹ 60 each fully paid up in Motor and General Finance Limited	-	-
	-	-
Total	**6,075.30**	**6,066.96**
Aggregate value of unquoted investments	6,075.30	6,066.96
Aggregate value of impairment in value of investments	**50.07**	**0.07**

Note: Investment in subsidiaries include deemed investments of ₹ 21.56 millions (31 March 2018: ₹ 10.49 millions) due to ESOP granted to employees of subsidiary companies and corporate guarantee given by Holding Company on behalf of subsidiary companies. Investment of Eurasia Publishing House Private Limited includes deemed investment of ₹ 9.27 millions (31 March 2018: ₹ 1.33 millions).

* Investment in Chhaya Prakashani Private Limited includes ₹ Nil (31 March 2018: ₹ 657 millions) millions as deemed investment for 38,554 shares held by minority shareholders.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

5B. Current investments

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Investment at fair value through profit and loss		
Investment in equity shares (unquoted)		
15,880 (31 March 2018: 15,880) shares of ₹ 10 each fully paid up in M/s Sistema Shyam Teleservices Limited	-	-
1,000 (31 March 2018: 1,000) shares of ₹ 10 each fully paid up in M/s Bharat Glass Tubes Limited	-	-
	-	**-**
Investment valued at fair value through profit and loss		
Investment in equity instruments (quoted)		
1,000 (31 March 2018: 1,000) shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited	0.15	0.14
42,564 (31 March 2018: 42,564) shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited	0.73	0.56
10,457 (31 March 2018: 10,457) shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited	0.01	0.01
2,000 (31 March 2018: 2,000) shares of ₹ 10 each fully paid up in M/s Vardhman Concrete Limited	-	0.01
100 (31 March 2018: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.04	0.06
100 (31 March 2018: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.04	0.06
	0.97	**0.84**
Investment valued at amortised cost model		
Investment in preference shares (unquoted)		
512,500 (31 March 2018: 512,500) redeemable shares of ₹ 10 each fully paid up in M/s Walldorf Integration Solutions Limited (refer note no 47)	14.06	64.06
	14.06	**64.06**
Investment valued at fair value through profit and loss		
Investment in mutual funds (quoted)		
89,039 (31 March 2018: 89,039) units in Principal Monthly Income Plan - Dividend Reinvestment	1.10	1.05
32,387 (31 March 2018: 32,387) units in HDFC Liquid Fund - Regular Plan Growth option	20.26	110.47
	21.36	**111.52**
Total	**36.39**	**176.42**
Aggregate book value of quoted investments	22.33	112.37
Aggregate market value of quoted investments	22.33	112.37
Aggregate value of unquoted investments	14.06	64.06
Aggregate value of impairment in value of investments	-	-

5C. Trade receivables

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Trade receivables		
Secured, considered good	**-**	**-**
Unsecured, considered good	1,965.48	3,026.87
Receivable which have significant increase in credit risk	184.14	155.65
Receivable credit impaired	-	-
	2,149.62	**3,182.52**
Less; Allowance for expected credit loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivable which have significant increase in credit risk	(184.14)	(155.65)
Receivable credit impaired	-	-
	(184.14)	**(155.65)**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

5C. Trade receivables *(Continued)*

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Secured, considered good	-	-
Unsecured, considered good	1,965.48	3,026.87
Receivable which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	1,965.48	**3,026.87**
Trade receivables from related parties (Refer note 35)	49.03	45.43
Current	**1,965.48**	**3,026.87**
Non-current	**-**	**-**

The movement in impairment of trade receivables as follow:

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Opening balance	155.65	149.90
Additions	89.23	12.23
Write off (net of recovery)	(60.74)	(6.48)
Closing balance	**184.14**	**155.65**

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

5D. Cash and cash equivalents

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
-On current accounts	65.31	73.39
-Cheques in hand	171.35	174.22
-Deposits with original maturity of less than three months	0.66	140.76
Cash on hand	0.67	0.93
Total	**237.99**	**389.30**

5E. Other financial assets

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity for more than 3 months but less than 12 months	8.86	7.37
Deposits with original maturity for more than 12 months	2.58	7.13
Interest accrued but not due on fixed deposits (on short term deposits)	0.56	1.54
Interest accrued but not due on fixed deposits (on long term deposits)	2.17	1.35
Interest accrued (refer note no 47)	7.59	-
Restricted cash*	0.09	0.03
Margin money**	0.11	0.11
Total	**21.96**	**17.53**
Current	**17.10**	**8.95**
Non current	**4.86**	**8.58**

* Restricted cash represent earmarked balance for dividend payouts.

** Margin money deposit with a carrying amount of ₹0.11 million (31 March 2018: ₹ 0.11) has been deposited with sales tax department.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

5F. Loans

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Security deposits - non current	29.44	20.13
Security deposits - current	0.91	37.79
Loans related parties - non current (refer note 35)	548.42	632.18
Loans related parties - current	93.74	42.14
Total loans	**672.51**	**732.24**
Break-up for security details		
Considered good - Secured	-	-
Considered good - Unsecured	642.16	674.32
Recoverable which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	642.16	**674.32**
Current	94.66	79.93
Non current	**577.85**	**652.31**

6. Inventories

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Raw materials (at cost)	92.95	21.90
Finished goods (at lower of cost and net realisable value)	703.01	500.28
Finished goods-traded goods (at lower of cost and net realisable value)	2.75	3.82
Total	**798.71**	**526.00**

7 Other assets
7A. Capital advances

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good.	-	25.75
Total	**-**	**25.75**

7B. Other advances

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good.	39.28	41.75
Total	**39.28**	**41.75**

7C. Prepaid expenses

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Prepaid expenses - current	15.94	18.36
Prepaid expenses - non-current	4.16	7.48
Total	**20.10**	**25.84**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

7D. Balance with statutory authorities

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	2.93	3.10
Total	**2.93**	**3.10**

7E. Other assets

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Advance income-tax (net of provision for taxation)	95.02	7.68
Ancillary cost of arranging the borrowings -unamortised cost - current	0.86	-
Ancillary cost of arranging the borrowings -unamortised cost - non current	5.04	-
Total	**100.92**	**7.68**
Current	**59.01**	**63.21**
Non current	**104.22**	**40.91**

8. Deferred taxes

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Items leading to creation of deferred tax assets		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	7.84	3.11
Provision for doubtful debt & advances	65.59	54.39
Provision for diminution in value of investments	17.47	-
Impact of Business Loss to carry forward in next years	158.60	-
Total deferred tax assets	**249.50**	**57.50**
Items leading to creation of deferred tax liabilities		
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	13.51	6.29
Investment: Impact of fair value gain on current Investment	**0.14**	**0.21**
Total deferred tax liabilities	**13.65**	**6.50**
Net deferred tax assets	**235.85**	**51.00**

9. Share capital

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Authorised		
40,000,000 (31 March 2018: 40,000,000) equity shares of ₹ 5/- each (31 March 2018: equity shares of ₹ 5 each)	200.00	200.00
Issued, subscribed and fully paid equity capital		
34,975,287 (31 March 2018: 34,975,287) equity shares of ₹ 5/- each (31 March 2018: equity shares of ₹ 5 each)	174.88	174.88
	174.88	**174.88**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

9. Share capital *(Continued)*

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

Authorised share capital	No. of shares	₹ in millions
As at 31 March 2017	40,000,000	200.00
Increase/(decrease) during the year	-	-
As at 31 March 2018	**40,000,000**	**200.00**
Increase/(decrease) during the year	-	-
As at 31 March 2019	**40,000,000**	**200.00**

Issued equity capital	No. of shares	₹ in millions
Equity share of ₹ 5/- each issued, subscribed and fully paid (31 March 2018: Equity share of ₹ 5 each)		
As at 31 March 2017	29,844,496	149.22
Issued during the year - IPO	4,850,746	24.26
Issued during the year - ESOPs	280,045	1.40
As at 31 March 2018	**34,975,287**	**174.88**
Issued during the year	-	-
As at 31 March 2019	**34,975,287**	**174.88**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2018: ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

c. Details of shareholders holding more than 5% shares in the company (₹ in millions)

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Himanshu Gupta	5,801,454	16.59%	5,777,454	16.52%
Mr. Dinesh Kumar Jhunjhnuwala	3,795,229	10.85%	3,790,229	10.84%
Mrs. Neerja Jhunjhnuwala	4,008,345	11.46%	3,363,018	9.61%
Everstone Capital Partners II LLC	3,323,229	9.50%	3,323,229	9.50%
International Finance Corporation	2,805,784	8.02%	2,805,784	8.02%
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	2,543,978	7.27%	2,543,978	7.27%

d. Shares reserved for issue under options

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

10. Other equity

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Capital reserve*		
Balance as the beginning of reporting year	0.51	0.51
Add: Increase during the year	-	
Balance as the end of reporting year	**0.51**	**0.51**
Securities premium**		
Balance as the beginning of reporting year	6,606.35	3,491.72
Add: increase because of issue of equity share capital	-	3,321.81
Less: decrease due to transaction cost for issued share capital	-	(207.19)
Balance as the end of reporting year	**6,606.35**	**6,606.34**
Employee stock options outstanding		
Balance as the beginning of reporting year	7.90	25.10
Add: compensation option granted during the year- charge for the year	2.10	12.22
Less: transferred to securities premium on exercise of stock options	-	(29.42)
Balance as the end of reporting year	**10.00**	**7.90**
Retained earning		
Balance as the beginning of reporting year	1,810.60	1,353.41
Add/Less: Profit/(Loss) for the year	(310.24)	507.59
Add/Less: Other comprehensive income/ (loss) for the year	(0.69)	2.03
Amount available for appropriation	**1,499.67**	**1,863.03**
Less: Appropriations		
Dividend on equity shares	(52.46)	(43.56)
Tax on equity dividend	(10.78)	(8.87)
Balance as the end of reporting year	**1,436.44**	**1,810.60**

Nature and Purpose of reserve

Capital reserve*

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

Securities premium**

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

11. Distribution made and proposed

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Cash dividends on equity shares declared and paid:		
Final dividend on equity shares for the year ended 31 March 2017 : ₹ 1.25 per share	-	43.56
DDT on final dividend	-	8.87
Final dividend on equity shares for the year ended 31 March 2018 : ₹ 1.50 per share	52.46	-
DDT on final dividend	10.78	-
	63.24	**52.43**
Proposed dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2019: Nil	**-**	**52.46**
(31 March 2018: ₹ 1.50 per share)		
DDT on proposed dividend	-	10.78
	-	**63.24**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

12A. Non-current borrowings

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Term Loans		
Indian rupee loan from financial institutions (secured) (refer note 'a, b, c, d and e' below)	566.67	-
Vehicle loans		
Indian rupee loan from bank (secured) (refer note f and g)	5.48	4.70
Indian rupee loan from financial institutions (secured) (refer note h)	5.28	0.16
Total	**577.43**	**4.86**
Secured	**577.43**	**4.86**
Unsecured	**-**	**-**

Note:-

a. Term loan from Siemens Financial Limited taken during the financial year 2014-15, carries interest @ 13.50% to 13.75%. The loan is repayable in 36 equal monthly instalments beginning from August' 2014 onwards. The instalment amount ranges from ₹ 0.34 millions to of ₹ 0.54 millions. The loan is secured by hypothecation of assets being purchased, currently valued at ₹ 14.46 millions. Further the loan has been guaranteed by personal guarantees of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company & demand promissory note issued in favour of lender. The loan has been repaid during the financial year 2017-18.

b. Term loan from Siemens Financial Limited taken during the financial year 2014-15 carries interest @13.50% . The loan is repayable in 36 equal monthly instalments of ₹ 0.076 millions beginning from April' 2015. Further the loan has been guaranteed by personal guarantees of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwala, Directors of the Company & demand promissory note issued in favour of lender. The loan has been repaid during the financial year 2018-19.

c. Term loan from Indo Star Capital Finance has been taken during the 2014-15 financial year, carries interest @ 12.50% p.a. to 12.95% p.a. linked to Kotak Bank Base Rate + 300 basis points with annual reset. (31 March 2016: 12.85% p.a. to 13.00% p.a.). The loan is repayable in 18 quarterly instalments beginning from December' 2014 onwards. Till September 2015, instalment amount ranging from ₹ 14.00 millions to ₹ 48.46 millions per quarter. On December 2015, Company had made early repayment of loan facility amounting to ₹ 350 millions, consequent to that repayment schedule has been revised. The remaining loan amount is repayable in 7 quarterly instalment beginning from September 2017 onwards. The instalment amount is ranging from ₹ 3.23 millions to ₹ 48.46 millions per quarter. The loan is secured by (i) First and exclusive charge on optionally convertible redeemable debentures of New Saraswati House (India) Private Limited by way of pledge (ii) First and exclusive charge on 98% equity of Vikas Publishing House Private Limited by way of pledge (iii) Second pari passu charge on the entire fixed assets of the Company (iv) Second pari passu charge on all current assets of the Company. Further the loan facility has been secured demand promissory note issued in favour of lender. The loan has been repaid during the financial year 2017-18.

d. Term loan from Axis Finance Limited has been taken during the year ended 31st March 2017 and carries interest @ 11.25 % p.a. linked to the Axis Bank Base Rate . The facility has been taken for a period of 5 years and is repayable in 14 equal quarterly instalments of ₹ 71,43 millions beginning from May 2017. The facility has been secured against: (i) second pari passu charge on both present and future current and fixed assets of the Company, (ii) pledge on entire stake to be purchased by the Company i.e., 43.54% of Chhaya Prakashani Private Limited, (iii) pledge on 20% equity shares of the Company by the promoters to be replaced by pledge of 74% shares of Chhaya Prakashani Private Limited acquired by Company and Eurasia Publishing House Private Limited (iv) pledge on 100% equity shares of New Saraswati House (India) Private Limited, subsidiary Company (v) pledge on 100% equity shares of Eurasia Publishing House Private Limited, wholly owned subsidiary company (vi) charge over publishing license/ IPRs as well as brand of New Saraswati and (vii) PDCs for the interest and principal amount. The above securities are to be shared pari-passu with respect to both the facilities of Axis Finance Limited in borrower i.e., the Company and its wholly owned subsidiary Company, Eurasia Publishing House Private Limited. Furthermore, on acquisition of balance shares of Chhaya Prakashani Private Limited, the balance shares and the publishing license as well as the brand is to be charges to Axis Finance Limited.

Moreover, the sanction letter also contains the mandatory prepayment terms as follows:

- Any change in ownership structure and / or management control of borrower companies i.e., the Company and Eurasia Publishing House Private Limited and security providers i.e., New Saraswati House (India) Pvt. Ltd. and Chhaya Prakashani Private Limited;
- Proceeds from any third party by way of further equity/debt infusion into borrower companies i.e., the Company and Eurasia Publishing House Private Limited;
- Rating downgrade
- Merger events
- Interest reset event, in case borrower is not agreeable with the revised interest rates.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

12A. Non-current borrowings *(Continued)*

The Company had disclosed this under the Objects Clause of the Prospectus filed with SEBI , hence the Term loan has been disclosed as "short term" under current maturities of long term borrowings. The Company listed on NSE and BSE on completion of Initial Public Offering ("IPO") on May 9, 2017 . The loan has been repaid during the financial year 2017-18.

e. Term loan from Axis Finance Limited has been taken during the year ended 31st March 2019 and carries interest @ 11.50 % p.a. linked to the Axis Bank Base Rate . The facility has been taken for a period of 7 years and is repayable in 78 equal monthly instalments of ₹ 8.33 millions beginning from August 2019. The facility has been secured against: (i) Pledge of 64% of unlisted shares of Chhaya Prakashani Private Limited. (ii) 2nd charge on both present and future current and fixed moveable assets of SCCL; (iii) PDCs for the interest and principal amount.

f. Vehicle loans have been taken from HDFC Bank, ICICI Bank, Yes Bank and Vijaya Bank and carry interest @ 10.00% to 12.00%. The loan is repayable in 36 to 60 equal monthly instalments ranging from ₹ 0.004 millions to ₹ 0.099 millions. The loan is secured by hypothecation of respective vehicles.

g. Vehicle loans taken during the year from Yes Bank Ltd, carry interest @ 9.38% p.a to 9.80%. The loans are repayable in 60 equal monthly instalments of ₹ 0.008 millions to ₹ 0.04 millions). The loan is secured by hypothecation of respective vehicle.

h. Vehicle loans have been taken from Daimler Financial and carry interest @ 9.81% to 11% p.a. The loan is repayable in 36 equal monthly instalments of ₹ 0.13 millions to ₹ 0.13 millions. The loan is secured by hypothecation of respective vehicle.

Loan covenants

i. 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. During FY 18-19, there was one instance of breach of financial covenant in case of term loan facility availed from Axis Finance Limited. As per the terms of the sanction letter, the management has intimated to the bank as per agreement terms.

12B. Current borrowings

(₹ in millions)

		As at 31 March 2019	As at 31 March 2018
a.	**Current maturity of loan**		
	Term loans		
	Indian rupee loan from financial institutions (secured) (Refer Note 12A (e)	83.33	0.08
	Vehicle loans		
	Indian rupee loan from bank (secured) (refer Note 12A (f) and (h))	3.41	3.55
	Indian rupee loan from financial institutions (secured) (refer Note 12A (g))	1.07	1.42
	Total current maturity of Indian currency loan	**87.81**	**5.05**
b.	**Cash credit from banks (secured) (refer note f, g, h, I, j and k)**	305.60	257.62
c.	**Indian rupee working capital demand loan from banks (secured) (refer note a, b, c, d and e)**	215.00	250.00
d.	**Indian rupee working capital demand loan from banks (un secured) (refer e)**	99.20	-
	Total current borrowings	**707.61**	**512.67**
	Less: Amount presented under "other financial liabilities"	(87.81)	(5.05)
	Total current borrowings	**619.80**	**507.62**
	Secured	**520.60**	**507.62**
	Unsecured	**99.20**	**-**

Note :-

a. Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with DBS Bank , IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla , Directors of the Company upto 9 June 2017 & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This loan carries interest rate ranging from 8.50 % to 8.70 % p.a. (31 March 2018: 8.50 % to 9.50 % p.a.).

b. Working capital demand loan from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 7 November 2017 . This loan carries interest rate ranging from 8.65 % to 8.75% p.a. (31 March 2018: 8.60 % to 11.35% p.a.).

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

12B. Current borrowings *(Continued)*

c. Working capital demand loan from Standard Chartered Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, Kotak Mahindra Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 4 August 2017 . This loan carries interest rate ranging from 8.60 % to 9.30 % p.a. (31 March 2018: 8.60% to 9.15% p.a.).

d. Working capital demand loan from DBS Bank Limited (under Multiple Banking Arrangement with HDFC Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company Upto 7 November 2017. This loan carries interest rate ranging from 8.65% to 9.35 % p.a (31 March 2018: 8.45% to 9.25 %).

e. Working capital demand loan from Tata Capital Financial Services Limited was taken during the year. This loan carries interest rate of 10.50% p.a (31 March 2018: Nil). This loan is unsecured.

f. Cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with DBS Bank, Standard Chartered Bank , HDFC Bank, Kotak Mahindra Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta , Directors of the Company upto 16 May 2018. It carries interest rate ranging from 10.15% p.a. (31 March 2018: 10 % p.a.).

g. Cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla, Directors of the Company upto 7 November 2017. This carries interest rate ranging from 11.00% to 11.40% p.a. (31 March 2018: 10.85% to 11.05% p.a.).

h. Cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, Kotak Mahindra Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 4 August 2017. This carries interest rate ranging from 10.45% to 11.05%. (31 March 2018: 8.60% to 11.15% p.a.).

i. Cash credit from from Citi Bank (under Multiple Banking Arrangement with DBS Bank , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank and Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any), Corporate gurantee of Nirja Publishers and Printers Private Limited. This loan carries interest rate of 9 % p.a. (31 March 2018: Nil).

j. Cash Credit from DBS Bank Limited (under Multiple Banking Arrangement with HDFC Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla , Directors of the Company Upto 7 November 2017. This loan carries interest rate ranging from 9.40% to 11.10 % p.a (31 March 2018: Nil %).

k. Cash Credit from HDFC Bank Limited (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla , Directors of the Company upto 9 June 2017 & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This carries interest rate ranging from 9.50 % to 10.10% p.a. (31 March 2018: 9.50 % to 11.25 % p.a.).

13. Trade payables

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Trade payables of micro enterprises and small enterprises (refer note 43)	3.27	6.57
Trade payables of related entities (refer note 35)	167.45	361.39
Trade payables other than micro enterprises and small enterprises	634.95	887.71
	805.67	**1,255.67**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

14. Other financial liabilities

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Other financial liabilities at amortised cost		
Current maturity of long term loans (refer note 12B)	87.81	5.05
Employee related liabilities	44.79	47.33
Security deposits received	4.12	8.36
Interest accrued but not due	0.80	0.09
Interest accrued and due on security deposits	0.09	1.05
Interest accrued but not due on bill discounted	5.56	5.76
Interest accrued on trade payables to micro and small enterprises	0.04	0.04
Total (A)	**143.21**	**67.68**
Other financial liabilities at fair value through profit and loss		
Financial liability*	100.00	657.00
Total (B)	**100.00**	**657.00**
Financial guarantee obligation	12.31	7.76
Total (C)	**12.31**	**7.76**
Total (A+B+C)	**255.52**	**732.44**
Current	**255.52**	**732.44**
Non current	**-**	**-**

* In current year financial liability represents an amount of ₹ 100 million for BG invoked due to brech of conditions by selling share holders of New Saraswati House (India) Pvt. Ltd. relating to non compete clause. In previous year it represents amount payable to minority shareholders for 38,554 shares of Chhaya Prakashani Private Limited towards purchase of remaining equity shares as per share purchase agreement.

15. Other liabilities

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	68.09	84.33
Rent equalization reserve - current	0.49	-
Rent equalization reserve - non current	6.27	6.04
Advance from customers	21.43	16.48
Total	**96.28**	**106.85**
Current	**90.01**	**100.81**
Non current	**6.27**	**6.04**

16. Net employee defined benefit liabilities

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Provision for gratuity (refer note 33)	12.19	8.90
Total	**12.19**	**8.90**
Current	**-**	**-**
Non current	**12.19**	**8.90**

17. Other provisions

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Provision for income tax (net of advance tax)	-	133.20
Provision for interim dividend	0.09	0.03
Total other provisions	**0.09**	**133.23**
Current	**0.09**	**133.23**
Non-current	**-**	**-**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

18. Revenue from operations

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Finished goods	1,968.95	3,425.61
Traded goods	64.93	82.13
Less: Discount	(101.40)	(72.50)
Other operating revenue		
Others	-	0.43
Scrap sale	6.64	4.23
Sale of paper	4.88	-
Total	**1,944.00**	**3,439.90**
India	1,918.43	3,404.96
Outside India	25.57	34.94
Total	**1,944.00**	**3,439.90**
Timing of revenue recognition		
Goods transferred at a point in time	1,944.00	3,439.47
Services transferred over time	-	0.43
Total	**1,944.00**	**3,439.90**

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

Contract balances (₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Trade receivables	1,965.48	3,026.87
Contract assets	-	-
Contract liabilities	21.43	16.48

Trade receivables are non-interest bearing and are generally on terms of 150 days. In March 2019, INR 89.23 million (March 2018: INR 12.23 million) was recognised as provision for expected credit losses on trade receivables.

Right to return asset and refund liability (₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Refund liabilities		
Arising from discounts	101.40	72.50
Arising from rights of return	311.10	151.06
	412.50	**223.56**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price (₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Revenue as per contracted price	3,248.93	4,422.42
Adjustments		
Sales return	(888.98)	(669.63)
Discount	(415.95)	(312.89)
	1,944.00	**3,439.90**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

Performance obligation

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

Manufactured goods

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

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

19. Other incomes

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
19.1 Finance income		
Interest income on:		
- Bank deposits	4.64	24.45
- Unwinding of discount on security deposits paid	1.27	6.34
- Income tax refund	-	1.62
- Others	127.04	170.98
Total finance income (A)	**132.95**	**203.39**
19.2 Other income		
Net gain on sale of current investments (net)	5.39	-
Foreign exchange fluctuation gain (net)	1.45	0.20
Fair value gain on financial instruments at fair value through profit or loss	15.00	0.51
Unwinding financial gurantee obligation	2.44	-
Premium on redemption of Investments (refer note 47)	-	23.06
Reversal of temporary diminution in value of investments	-	41.00
Management cross charge (refer note 32)	68.91	-
Others	6.46	2.07
Total other income (B)	**99.65**	**66.84**
Grand Total (A+B)	**232.60**	**270.23**

20. Cost of published goods/material consumed

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventory at the beginning of the year	21.90	6.28
Add: Purchases of published goods	258.47	373.04
Add: Printing charges	277.19	325.05
Add: Purchases of paper	493.20	555.22
Add: Purchases of VRX Sets , CDs and other items	15.91	13.32
	1,066.67	**1,272.91**
Less: Inventory at the end of the year	92.95	21.90
Cost of published goods/material consumed	**973.72**	**1,251.01**
Details of raw material purchased		
Paper	493.20	555.22
Total	**493.20**	**555.22**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

21. Purchase of traded goods

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of traded goods	46.18	16.03
Total	**46.18**	**16.03**

22. (Increase)/ decrease in inventories of finished goods, work-in-progress

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventory at the end of the year		
Finished goods	705.76	504.10
Inventory at the beginning of the year		
Finished goods	(504.10)	(570.81)
(Increase)/decrease in inventories	**201.66**	**(66.71)**
Details of inventory at the end of the year		
Finished goods		
Manufactured goods		
Books	703.01	500.28
Traded goods		
Books	2.75	3.82
	705.76	**504.10**

23. Publication expense

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Royalty	170.88	330.67
Other publication expenses	33.50	49.70
Total	**204.38**	**380.37**

24. Selling and distribution expense

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement, publicity and exhibition	131.50	63.68
Freight & cartage outward	79.33	85.77
Travelling & conveyance	67.95	54.69
Vehicle running & maintenance	16.87	17.21
Packing & dispatch expenses	9.31	12.22
Total	**304.96**	**233.57**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

25. Employee benefits expense

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, bonus and allowances	499.65	465.15
Contribution to provident and other funds	31.86	29.40
Gratuity expense (refer note 33)	7.44	9.10
Employee stock option expenses	1.64	9.48
Staff welfare expenses	32.06	30.70
Total	**572.65**	**543.83**

26. Depreciation and amortization expense

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment (refer note 3)	15.11	14.65
Amortisation on intangible fixed assets (refer note 4)	21.53	18.85
Total	**36.64**	**33.50**

27. Other expenses

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent	125.07	107.87
Repairs and maintenance		
- Plant and machinery	-	0.02
- Building	0.02	0.01
- Others	22.04	20.90
Insurance	3.55	4.15
Rates and taxes	0.30	0.76
Communication cost	16.80	16.07
Printing and stationery	2.64	2.41
Legal and professional fee	42.15	27.20
Donations	1.43	0.52
Payment to auditor (refer details below)	6.87	5.64
Water and electricity charges	10.52	11.35
Provision for doubtful receivables	89.23	12.23
Provision for advances	3.56	-
Recruitment expenses	1.34	0.76
Outsourced employee cost	58.71	60.13
Loss on sale of fixed assets (net)	-	2.04
Office expenses	1.94	2.78
Security charges	14.68	12.84
Corporate social responsibility expenses (refer note 41)	1.45	1.82
Director sitting fees	1.65	1.72
Miscellaneous expenses	5.76	6.97
Total other expenses	**409.71**	**298.19**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

27. Other Expenses *(Continued)*

Payment to auditors:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor:		
- Audit fee	3.80	3.50
- Limited review	2.70	1.80
In other capacity		
- Others	0.37	0.34
	6.87	**5.64**

28. Finance cost

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense		
- On term loan	11.11	18.03
- On others	87.84	70.61
Bank charges	2.26	2.85
Loan processing fee	5.13	5.73
Total	**106.34**	**97.22**

28A. Exceptional Items

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Exceptional items		
Sales return (refer note 50)	175.57	-
Provision for impairment on investment (refer note 51)	50.00	-
Total	**225.57**	**-**

29. Income tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Profit or loss section

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge	-	268.02
Adjustments in respect of current income tax of previous year	(7.19)	(2.93)
Deferred tax:		
Relating to origination and reversal of temporary differences	(184.46)	17.02
Income tax expense reported in the statement of profit or loss	**(191.65)**	**282.11**

OCI section

Deferred tax related to items recognised in OCI during in the year:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net loss/(gain) on remeasurements of defined benefit plans	1.06	(3.10)
Income tax charged to OCI	(0.37)	1.07

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

29. Income tax *(Continued)*

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting profit before tax	(501.89)	789.70
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%)	(175.38)	273.30
Adjustments in respect of current income tax of previous years	(7.19)	(2.93)
Non deductible expenses	(7.34)	16.28
Others	(1.74)	(4.54)
At the effective income tax rate of 38.19% (31 March 2018: 35.72%)	(191.65)	282.11
Income tax expense reported in the statement of profit and loss	(191.65)	282.11

30. Components of Other Comprehensive Income (OCI)

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

Retained earnings (₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Re-measurement gains/(losses) on defined benefit plans	(1.06)	3.10
Tax impact on re-measurement gains/(losses) on defined benefit plans	0.37	(1.07)
	(0.69)	**2.03**

31. Earnings per share

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

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

The following reflects the income and share data used in the basic and diluted EPS computations (₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity holders of the company	(310.24)	507.58
Weighted average number of equity shares used for computing Earning per Share (Basic)	34.98	34.39
Weighted average number of equity shares used for computing Earning per Share (Diluted)	34.89	34.47
Basic EPS	(8.87)	14.76
Diluted DPS	(8.87)	14.72

32. The Company renders various administrative and management services to its subsidiaries companies to facilitate its day to day operations. accordingly, the Company has charged ₹ 68.91 million (31 March 2018 ₹. NIL) towards such services rendered during the year ended march 31, 2019.

33. Gratuity and other post- employment benefits plan

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

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

33. Gratuity and other post- employment benefits plan *(Continued)*

Statement of profit & loss account

Net employee benefit expense recognised in employee cost:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	6.80	6.69
Past service cost	-	1.82
Interest cost on defined obligation	3.19	2.94
Expected return on plan assets	(2.55)	(2.35)
	7.44	**9.10**

Amount recognised in Other Comprehensive Income:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gains) / losses on obligation	1.13	(3.71)
Actuarial gains / (losses) on assets	0.07	(0.61)
	1.06	**(3.10)**

Balance sheet

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening defined benefit obligation	42.00	40.39
Current service cost	6.80	6.69
Past service cost	-	1.81
Interest cost	3.19	2.94
Benefits paid from plan assets	(6.46)	(6.02)
Benefits paid directly by employer	-	(0.10)
Actuarial (gains) / losses on obligation	1.13	(3.71)
Closing defined benefit obligation	**46.66**	**42.00**
Current Portion	**-**	**-**
Non - Current Portion	**46.66**	**42.00**

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening fair value of plan assets	33.10	31.92
Expected return	2.55	2.35
Contributions by employer	5.21	5.46
Benefits paid	(6.46)	(6.02)
Actuarial gain/(loss)	0.07	(0.61)
Closing fair value of plane assets	**34.47**	**33.10**

The Expected contribution to the defined benefit plan in future years ₹ 1.21 millions (31 March 2018: ₹ 1.17 millions)

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Investments with insurer	100%	100%

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

33. Gratuity and other post- employment benefits plan *(Continued)*

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.70%	7.70%
Expected rate of return on assets	7.70%	7.70%
Expected rate of salary increase	6.00%	6.00%
Retirement Age (In years)	60 years	60 years
Employee turnover :-		
- For Service upto 5 years	5.00%	5.00%
- For Service more than 5 years	1.00%	1.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)

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

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

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

(₹ in millions)

	Change in assumptions	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	+ 1%	41.91	37.60
Expected rate of salary increase	+ 1%	52.13	47.05
	- 1%	41.98	37.69

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.

34. Leases

Operating lease: company as lessee

The Company has taken premises for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 125.07 million (31 March 2018: ₹ 107.87 million). These lease have average life of between one to nine years. There are no restrictions imposed by the lease agreements. There are no sub leases.

The Company has taken vehicle for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 0.30 million (31 March 2018: ₹ 1 million). There are no restrictions imposed by the lease agreements. There are no sub leases.

Further minimum rental payable under non-cancellable operating lease are as follows (₹ in millions)

	As at March 31, 2019	As at March 31, 2018
Within one year	119.55	105.63
After one year but not more than five years	187.86	182.41
After five years	24.22	35.02
Total	**331.63**	**323.05**

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

Subsidiary company	:	Nirja Publishers & Printers Private Limited
	:	Safari Digital Education Initiatives Private Limited
	:	Eurasia Publishing House Private Limited
	:	Blackie & Son (Calcutta) Private Limited
	:	BPI (India) Private Limited
	:	Vikas Publishing House Private Limited
	:	DS Digital Private Limited
	:	New Saraswati House (India) Pvt. Ltd.
	:	S Chand Edutech Private Limited
	:	Chhaya Prakashani Private Limited
	:	Indian Progressive Publishing Co. Private Limited
	:	Publishing Services Private Limited
Related parties with whom transactions have taken place during the year:		
Enterprises over which Key Management personnel or their relatives exercise significant influence	:	Hotel Tourist (Partnership firm)
	:	Raasha Entertainment & Leisure LLP
	:	S Chand Hotels Private Limited
	:	SC Hotel Tourist Deluxe Private Limited
	:	Shaara Hospitalities Private Limited
	:	S Chand Properties Private Limited
	:	Shyam Lal Charitable Trust
	:	RKG Hospitalities Private Limited
Associate	:	Edutor Technologies India Private Limited
	:	Smartivity Labs Private Limited
Key Management Personnel (KMP) & their relatives		
Mrs. Savita Gupta	:	Non-Executive, Director
Mr. Himanshu Gupta	:	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	:	Whole-time Director
Mr. Gaurav Jhunjhnuwala	:	Non-Executive, Director
Mr. Desh Raj Dogra	:	Chairman, Non-Executive, Independent Director
Mr. Archana Capoor	:	Non-Executive, Independent Director
Mr. Sanjay Vijay Bhandarkar	:	Non-Executive, Independent Director
Mr. Rajagopalan Chandrashekar	:	Non-Executive, Independent Director (w.e.f 23 July 2018)
Mr. Deep Mishra	:	Non-Executive, Director (till 02 Nov 2018)
Mr. Sanjay Gujral	:	Non-Executive, Director (from 02 Nov 2018 till 05 Mar 2019)
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary
Relatives of KMP	:	Mr. Ravindra Kumar Gupta
	:	Mrs. Neerja Jhunjhnuwala

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Purchase of books and others					
Nirja Publishers & Printers Private Limited (books)	31 March 2019	215.66	-	-	215.66
	31 March 2018	(116.94)	-	-	(116.94)
Vikas Publishing House Private Limited (books)	31 March 2019	81.97	-	-	81.97
	31 March 2018	(246.37)	-	-	(246.37)
BPI (India) Private Limited (books)	31 March 2019	1.30	-	-	1.30
	31 March 2018	(0.33)	-	-	(0.33)
New Saraswati House (India) Pvt. Ltd. (books)	31 March 2019	-	-	-	-
	31 March 2018	(0.00)	-	-	(0.00)
S Chand Edutech Private Limited	31 March 2019	0.53	-	-	0.53
	31 March 2018	-	-	-	-
Smartivity Labs Private Limited (sets)	31 March 2019	-	-	-	-
	31 March 2018	-	(0.25)	-	(0.25)
Smartivity Labs Private Limited (VRX Sets)	31 March 2019	-	15.59	-	15.59
	31 March 2018	-	(11.29)	-	(11.29)
Printing charges					
Nirja Publishers & Printers Private Limited	31 March 2019	11.14	-	-	11.14
	31 March 2018	(28.29)	-	-	(28.29)
Vikas Publishing House Private Limited	31 March 2019	257.01	-	-	257.01
	31 March 2018	(261.76)	-	-	(261.76)
Royalty expense					
Eurasia Publishing House Private Limited	31 March 2019	9.04	-	-	9.04
	31 March 2018	(23.01)	-	-	(23.01)
Blackie & Son (Calcutta) Private Limited	31 March 2019	1.56	-	-	1.56
	31 March 2018	(2.09)	-	-	(2.09)
Vikas Publishing House Private Limited	31 March 2019	0.36	-	-	0.36
	31 March 2018	-	-	-	-
BPI (India) Private Limited	31 March 2019	0.57	-	-	0.57
	31 March 2018	(0.55)	-	-	(0.55)
Purchase- (Other) from					
SC Hotel Tourist Deluxe Private Limited	31 March 2019	-	0.78	-	0.78
	31 March 2018	-	(1.17)	-	(1.17)
Hotel Tourist	31 March 2019	-	2.90	-	2.90
	31 March 2018	-	(3.39)	-	(3.39)
Vikas Publishing House Private Limited	31 March 2019	0.81	-	-	0.81
	31 March 2018	(0.07)	-	-	(0.07)
S Chand Hotels Private Limited	31 March 2019	-	-	-	-
	31 March 2018	-	(0.13)	-	(0.13)
S Chand Edutech Private Limited	31 March 2019	2.95	-	-	2.95
	31 March 2018	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2019	4.44	-	-	4.44
	31 March 2018	(7.23)	-	-	(7.23)
Purchase of fixed asset and paper					
DS Digital Private Limited (fixed assets)	31 March 2019	-	-	-	-
	31 March 2018	(3.95)	-	-	(3.95)

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Vikas Publishing House Private Limited (paper)	31 March 2019	-	-	-	-
	31 March 2018	(12.12)	-	-	(12.12)
Sales of books, fixed assets and paper					
New Saraswati House (India) Pvt. Ltd.	31 March 2019	-	-	-	-
	31 March 2018	(0.05)	-	-	(0.05)
DS Digital Private Limited (fixed assets)	31 March 2019	-	-	-	-
	31 March 2018	(10.19)	-	-	(10.19)
Safari Digital Education Initiatives Private Limited (E books)	31 March 2019	3.37	-	-	3.37
	31 March 2018	(2.29)	-	-	(2.29)
Vikas Publishing House Private Limited (papers)	31 March 2019	4.88	-	-	4.88
	31 March 2018	-	-	-	-
Vikas Publishing House Private Limited (fixed assets)	31 March 2019	-	-	-	-
	31 March 2018	(11.91)	-	-	(11.91)
Other expenses paid (reimbursement)		**-**	**-**	**-**	
S Chand Edutech Private Limited	31 March 2019	0.04	-	-	0.04
	31 March 2018	(8.49)	-	-	(8.49)
BPI (India) Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(0.09)	-	-	(0.09)
Vikas Publishing House Private Limited	31 March 2019	2.26	-	-	2.26
	31 March 2018	(0.17)	-	-	(0.17)
Safari Digital Education Initiatives Private Limited	31 March 2019	0.78	-	-	0.78
	31 March 2018	(0.59)	-	-	(0.59)
DS Digital Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(0.09)	-	-	(0.09)
Shyam Lal Charitable Trust	31 March 2019	-	0.01	-	0.01
	31 March 2018	-	-	-	-
New Saraswati House (India) Pvt. Ltd.	31 March 2019	0.38	-	-	0.38
	31 March 2018	(0.66)	-	-	(0.66)
Rentals paid		**-**	**-**	**-**	
Safari Digital Education Initiatives Private Limited	31 March 2019	14.49	-	-	14.49
	31 March 2018	(12.53)	-	-	(12.53)
S Chand Properties Private Limited	31 March 2019	-	34.05	-	34.05
	31 March 2018	-	(29.42)	-	(29.42)
Mrs.Savita Gupta	31 March 2019	-	-	3.52	3.52
	31 March 2018	-	-	(3.25)	(3.25)
Mrs.Neerja Jhunjhnuwala	31 March 2019	-	-	2.69	2.69
	31 March 2018	-	-	(2.51)	(2.51)
Ravindra Kumar Gupta	31 March 2019	-	-	1.40	1.40
	31 March 2018	-	-	(1.21)	(1.21)
Lease rent received from		**-**	**-**	**-**	
Vikas Publishing House Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(0.30)	-	-	(0.30)

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
DS Digital Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(0.13)	-	-	(0.13)
Cross charges income					
Vikas Publishing House Private Limited	31 March 2019	18.99	-	-	18.99
	31 March 2018	-	-	-	-
New Saraswati House (India) Pvt. Ltd.	31 March 2019	18.45	-	-	18.45
	31 March 2018	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2019	5.21	-	-	5.21
	31 March 2018	-	-	-	-
DS Digital Private Limited	31 March 2019	5.17	-	-	5.17
	31 March 2018	-	-	-	-
S Chand Edutech Private Limited	31 March 2019	12.91	-	-	12.91
	31 March 2018	-	-	-	-
Chhaya Prakashani Private Limited	31 March 2019	8.17	-	-	8.17
	31 March 2018	-	-	-	-
Interest income					
Eurasia Publishing House Private Limited	31 March 2019	13.83	-	-	13.83
	31 March 2018	(56.70)	-	-	(56.70)
New Saraswati House (India) Pvt. Ltd.	31 March 2019	30.66	-	-	30.66
	31 March 2018	(64.62)	-	-	(64.62)
Vikas Publishing House Private Limited	31 March 2019	43.86	-	-	43.86
	31 March 2018	(42.79)	-	-	(42.79)
Safari Digital Education Initiatives Private Limited	31 March 2019	13.04	-	-	13.04
	31 March 2018	(3.54)	-	-	(3.54)
DS Digital Private Limited	31 March 2019	7.05	-	-	7.05
	31 March 2018	(1.23)	-	-	(1.23)
S Chand Edutech Private Limited	31 March 2019	2.22	-	-	2.22
	31 March 2018	(0.77)	-	-	(0.77)
Miscellaneous income		-	-	-	
Vikas Publishing House Private Limited	31 March 2019	0.14	-	-	0.14
	31 March 2018	(3.65)	-	-	(3.65)
S Chand Edutech Private Limited	31 March 2019	1.19	-	-	1.19
	31 March 2018	(0.72)	-	-	(0.72)
Loans given					
Eurasia Publishing House Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(520.25)	-	-	(520.25)
Vikas Publishing House Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(466.00)	-	-	(466.00)
New Saraswati House (India) Pvt. Ltd.	31 March 2019	-	-	-	-
	31 March 2018	(72.50)	-	-	(72.50)
DS Digital Private Limited	31 March 2019	25.00	-	-	25.00
	31 March 2018	(42.55)	-	-	(42.55)
S Chand Edutech Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(20.00)	-	-	(20.00)

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Safari Digital Education Initiatives Private Limited	31 March 2019	66.50	-	-	66.50
	31 March 2018	(83.44)	-	-	(83.44)
Loans repayment received					
Vikas Publishing House Private Limited	31 March 2019	150.00	-	-	150.00
	31 March 2018	(50.00)	-	-	(50.00)
New Saraswati House (India) Pvt. Ltd.	31 March 2019	-	-	-	-
	31 March 2018	(47.50)	-	-	(47.50)
Safari Digital Education Initiatives Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(16.00)	-	-	(16.00)
Remuneration to KMP					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2019	-	-	12.95	12.95
	31 March 2018	-	-	(16.42)	(16.42)
Mr. Himanshu Gupta	31 March 2019	-	-	12.88	12.88
	31 March 2018	-	-	(16.42)	(16.42)
Mr. Desh Raj Dogra	31 March 2019	-	-	0.59	0.59
	31 March 2018	-	-	(0.50)	(0.50)
Mr. Archana Capoor	31 March 2019	-	-	0.56	0.56
	31 March 2018	-	-	(0.53)	(0.53)
Mr. Sanjay Vijay Bhandarkar	31 March 2019	-	-	0.21	0.21
	31 March 2018	-	-	(0.41)	(0.41)
Mr. Rajagopalan Chandrashekar	31 March 2019	-	-	0.12	0.12
	31 March 2018	-	-	-	-
Mr. Sanjay Gujral	31 March 2019	-	-	0.18	0.18
	31 March 2018	-	-	-	-
Mr. Saurabh Mittal	31 March 2019	-	-	12.94	12.94
	31 March 2018	-	-	(12.76)	(12.76)
Mr. Jagdeep Singh	31 March 2019	-	-	7.11	7.11
	31 March 2018	-	-	(5.49)	(5.49)
Investment made during the period					
Eurasia Publishing House Private Limited (Debenture)*	31 March 2019	-	-	-	-
	31 March 2018	(691.60)	-	-	(691.60)
S Chand Edutech Private Limited	31 March 2019	39.95	-	-	39.95
	31 March 2018	-	-	-	-
New Saraswati House (India) Pvt. Ltd.	31 March 2019	520.00	-	-	520.00
	31 March 2018	-	-	-	-
Smartivity Labs Private Limited (Preference shares)	31 March 2019	-	2.96	-	2.96
	31 March 2018	-	(2.50)	-	(2.50)
Balances outstanding as at 31 March 2019					
Security deposit receivable					
Safari Digital Education Initiatives Private Limited	31 March 2019	4.80	-	-	4.80
	31 March 2018	(4.80)	-	-	(4.80)
S Chand Properties Private Limited	31 March 2019	-	12.55	-	12.55
	31 March 2018	-	(12.55)	-	(12.55)

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Mrs.Savita Gupta	31 March 2019	-	-	0.54	0.54
	31 March 2018	-	-	(0.54)	(0.54)
Mrs.Neerja Jhunjhnuwala	31 March 2019	-	-	0.12	0.12
	31 March 2018	-	-	(0.12)	(0.12)
Ravindra Kumar Gupta	31 March 2019	-	-	0.41	0.41
	31 March 2018	-	-	(0.41)	(0.41)
Loans and advances					
Vikas Publishing House Private Limited	31 March 2019	266.00	-	-	266.00
	31 March 2018	(454.51)	-	-	(454.51)
Safari Digital Education Initiatives Private Limited	31 March 2019	166.66	-	-	166.66
	31 March 2018	(86.19)	-	-	(86.19)
DS Digital Private Limited	31 March 2019	92.63	-	-	92.63
	31 March 2018	(55.70)	-	-	(55.70)
S Chand Edutech Private Limited	31 March 2019	53.82	-	-	53.82
	31 March 2018	(39.84)	-	-	(39.84)
SC Hotel Tourist Deluxe Private Limited	31 March 2019	-	1.48	-	1.48
	31 March 2018	-	-	-	-
New Saraswati House (India) Pvt. Ltd.	31 March 2019	48.56	-	-	48.56
	31 March 2018	(31.84)	-	-	(31.84)
Raasha Entertainment & Leisure LLP	31 March 2019	-	-	-	-
	31 March 2018	-	(0.22)	-	(0.22)
Shaara Hospitalities Private Limited	31 March 2019	-	0.01	-	0.01
	31 March 2018	-	(0.01)	-	(0.01)
BPI (India) Private Limited	31 March 2019	3.73	-	-	3.73
	31 March 2018	(5.54)	-	-	(5.54)
RKG Hospitalities Private Limited	31 March 2019	-	0.34	-	0.34
	31 March 2018	-	(0.34)	-	(0.34)
Chhaya Prakashani Private Limited	31 March 2019	8.83	-	-	8.83
	31 March 2018	-	-	-	-
Trade payables					
Nirja Publishers & Printers Private Limited	31 March 2019	45.34	-	-	45.34
	31 March 2018	(153.00)	-	-	(153.00)
Vikas Publishing House Private Limited	31 March 2019	116.97	-	-	116.97
	31 March 2018	(198.95)	-	-	(198.95)
Eurasia Publishing House Private Limited	31 March 2019	0.88	-	-	0.88
	31 March 2018	(6.41)	-	-	(6.41)
Blackie & Son (Calcutta) Private Limited	31 March 2019	3.10	-	-	3.10
	31 March 2018	(1.68)	-	-	(1.68)
Smartivity Labs Private Limited	31 March 2019	-	1.07	-	1.07
	31 March 2018	-	(1.27)	-	(1.27)
Hotel Tourist	31 March 2019	-	0.09	-	0.09
	31 March 2018	-	(0.08)	-	(0.08)

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

35. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Share based payment					
Vikas Publishing House Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(2.02)	-	-	(2.02)
Safari Digital Education Initiatives Private Limited	31 March 2019	-	-	-	-
	31 March 2018	(0.01)	-	-	(0.01)
New Saraswati House (India) Pvt. Ltd.	31 March 2019	-	-	-	-
	31 March 2018	(0.70)	-	-	(0.70)
Directors/KMP remuneration payable					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2019	-	-	0.42	0.42
	31 March 2018	-	-	(0.28)	(0.28)
Mr. Himanshu Gupta	31 March 2019	-	-	0.44	0.44
	31 March 2018	-	-	(0.38)	(0.38)
Mr. Saurabh Mittal	31 March 2019	-	-	0.54	0.54
	31 March 2018	-	-	(0.60)	(0.60)
Mr. Jagdeep Singh	31 March 2019	-	-	0.44	0.44
	31 March 2018	-	-	(0.30)	(0.30)
Trade receivable					
BPI (India) Private Limited	31 March 2019	15.99	-	-	15.99
	31 March 2018	(15.99)	-	-	(15.99)
New Saraswati House (India) Pvt. Ltd.	31 March 2019	5.83	-	-	5.83
	31 March 2018	(5.83)	-	-	(5.83)
Safari Digital Education Initiatives Private Limited	31 March 2019	8.95	-	-	8.95
	31 March 2018	(5.35)	-	-	(5.35)
DS Digital Private Limited	31 March 2019	18.26	-	-	18.26
	31 March 2018	(18.26)	-	-	(18.26)

(Figures in brackets represents previous year figures.)

* the investment in debentures is on account of conversion of loan given to Eurasia along with the accrued interest.
** The Holding company has given corporate guarantees for the loans taken by the subsidiaries

36. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2019 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

36. Employee stock option plans *(Continued)*

(₹ in millions)

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Date of grant	09-Jul-12	09-Jul-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	30-Sep-15	28-Mar-16	05-Aug-16	16-Aug-16	30-Nov-16
Date of Board approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	27-Aug-15	28-Mar-16	05-Aug-16	05-Aug-16	19-Sep-16 & 30-Nov-16
Date of Shareholder's approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	30-Sep-15	30-Sep-15	30-Sep-15	28-Mar-16	05-Aug-16	05-Aug-16	10-Nov-16
Number of options granted	2,194	292	180	75	441	185	248	40	93,388	51,060	12,506
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	Year 1-10% Year 2-15% Year 3-20% Year 4-25% Year 5-30%	100% Immediate vesting	Year 1-28% Year 2-32% Year 3-40%	Year 1-28% Year 2-32% Year 3-40%	Year 1-50% Year 2-50%	Year 1-25% Year 2-35% Year 3-40%	Year 1-25% Year 2-35% Year 3-40%	Year 1-25% Year 2-35% Year 3-40%	Year 1-100%	Year 1-25% Year 2-25% Year 3-25% Year 4-25%	Year 1-50% Year 2-50%
Exercise Period	Exercise on listing but not later than two years from the listing/on sale										
Exercise price	9,110	9,110	36,870	36,870	36,870	45,000	45,000	45,000	304	304	392
Fair value of shares at the time of grant	4,139	4,109	10,949	10,949	25,227	20,944	20,594	20,404	112	139	60
Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till March 31, 2018 is as below:											
Exercise Period	Exercise on listing but not later than two years from the listing/on sale										
Exercise price	61.55	61.55	249.12	249.12	249.12	304.05	304.05	304.05	304.00	304.00	392.00
Fair value of shares at the time of grant	27.97	27.77	73.98	73.98	170.45	141.51	139.15	137.87	112.41	138.97	60.40

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)**	No. of options	WAEP (in ₹)**
Outstanding at the beginning of the year	-	-	47,656	62
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	47,656	62
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

** denotes weighted average excecise price

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

36. Employee stock option plans *(Continued)*

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

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	3,108	62
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	3,108	62
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The details of activities under Grant III a and III b are summarized below: (₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	26,640	249
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	26,640	249
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding as at March 31, 2019 is Nil (March 31, 2018: Nil).

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

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	65,268	249
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	65,268	249
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	40,034	304	68,302	304
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	28,268	304
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	40,034	304	40,034	304
Exercisable at the end of the year	40,034	304	12,210	304

The weighted average remaining contractual life for option outstanding as at March 31, 2019 under Grant IV(b) is 2.41 years, under Grant IV(c) is 2.5 years and under Grant IV(d) is 1.52 years.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

36. Employee stock option plans *(Continued)*

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	93,388	304
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	93,388	304
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	38,295	304	51,060	304
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	12,765	304
Outstanding at the end of the year	38,295	304	38,295	304
Exercisable at the end of the year	12,765	304	-	-

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2019 is 3.38 years.

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	6,451	392	11,203	392
Granted during the year	-	-	-	-
Forfeited during the year	-	-	1,800	392
Exercised during the year	-	-	2,952	392
Outstanding at the end of the year	6,451	392	6,451	392
Exercisable at the end of the year	6,451	392	1,750	392

The weighted average remaining contractual life for option outstanding under Grant VII as at March 31 2019 is 1.67 years.

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

(₹ in millions)

	Grant IVa 31 March 2016	Grant IVb 31 March 2016	Grant IVc 31 March 2016	Grant IVd 31 March 2016	Grant V 31 March 2017	Grant VI 31 March 2017	Grant VII 31 March 2017
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	17.05%	16.46%	16.20%	16.57%	16.43%	16.41%	17.06%
Risk-free interest rate	7.67%	7.71%	7.46%	7.36%	6.73%	6.86%	5.99%
Weighted average fair market price (Rs.)	377	377	377	377	376	376	376
Exercise price (Rs.)	249	304	304	304	304	304	392
Expected life of options granted in years	2.43	3.22	3.20	3.15	2.00	3.50	2.50
Weighted average fair value of option at the time of grant (Rs.)	170.45	141.51	139.15	137.87	112.41	138.97	60.40

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

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

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

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

A. Market Risk

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

a). Interest rate risk,

b). currency risk and other price risk, such as equity price risk and

c). commodity risk.

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2019.

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

a. Interest rate risk.

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

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

(₹ in millions)

	Increase/decrease in basis points	Effect on profit before tax
As at 31 March 2019		
INR Borrowings	+0.50%	6.43
	-0.50%	**(6.43)**
As at 31 March 2018		
INR Borrowings	+0.50%	2.59
	-0.50%	**(2.59)**

b. Foreign currency risk

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

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

37. Financial Instruments:- Financial risk management objectives and policies *(Continued)*

(₹ in millions)

	Changes in foreign currency rates	Effect on profit before tax
For the year ended 31 March 2019		
USD	+5%	1.35
	-5%	**(1.35)**
For the year ended 31 March 2018		
USD	+5%	2.28
	-5%	**(2.28)**

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) before adjustment of ECL provision of ₹ 184.14 millions (31 Mar 2018 ₹ 156.13 million) as of the reporting date is as follows:

(₹ in millions)

Age Bracket	Not Due	0-215 Days	216-365 Days	365-730 Days	More than 730 Days	Total
As at 31 March 2018	2,708.52	284.00	53.00	62.00	75.00	**3,182.52**
As at 31 March 2019	1,447.98	148.57	393.32	39.99	119.76	**2,149.62**

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.

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
On Demand		
- Borrowings	619.80	507.62
	619.80	**507.62**
Less than 1 year		
- Borrowings	87.81	5.05
- Trade payables	805.67	1,255.67
- Other financial liabilities	255.52	732.44
	1,149.00	**1,993.16**
More than 1 year		
- Borrowings	577.43	4.86
	577.43	**4.86**

38. 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.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

38. Capital management *(Continued)*

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 less than 30%. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity equity capital, share premium and all other reserves attributable to the equity holders of the Company, as applicable.

Company's adjusted net debt to equity ratio as at 31 March 2019 is as follow: (₹ in millions)

Gearing Ratio	As at 31 March 2019	As at 31 March 2018
Borrowings (Note 12A & 12B) (Including current maturities)	1,285.04	517.53
Less: cash and cash equivalents (Note 5D)	(237.99)	(389.30)
Adjusted Net debt (A)	**1,047.05**	**128.23**
Equity	8,228.18	8,600.24
Total equity (B)	**8,228.18**	**8,600.24**
Total equity and net debt [C = (A+B)]	**9,275.23**	**8,728.47**
Gearing Ratio (A/C)	11%	1%

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 2019 and 31 March 2018.

39. Fair Values

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

(₹ in millions)

Particulars	31 March 2019			31 March 2018		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Assets						
Non current financial assets						
- Investments	5,374.44	700.86	-	5,374.04	692.92	-
- Loans	577.85	-	-	652.31	-	-
- Other financial assets	4.86	-	-	8.58	-	-
Financial assets						
- Trade receivables	1,965.48	-	-	3,026.87	-	-
- Loans	94.66	-	-	79.93	-	-
- Investments	14.06	36.39	-	64.06	176.43	-
- Other financial assets	17.10	-	-	8.95	-	-
- Cash and cash equivalents	237.99	-	-	389.30	-	-
Non Current Financial liabilities						
- Borrowings	577.43	-	-	4.86	-	-
- Other financial liabilities	6.27	-	-	6.04	-	-
Current Financial liabilities	-	-	-			
- Borrowings	619.80	-	-	507.62	-	-
- Trade payables	-	-	-	-	-	-
- Other financial liabilities	255.52	-	-	75.44	657.00	-

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

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

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

ii). Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii). The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.

iv). The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the quoted notes and bonds are based on price quotations at the reporting date.

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

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Mutual Funds	21.36	-	-
Liability measured at fair value			
Other financial liabilities	-	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018: (₹ in Million)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Mutual Funds	111.51	-	-
Liability measured at fair value			
Other financial liabilities	-	-	657.00

40. The Company has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Sons (Calcutta) Private Limited, Nirja Publishers and Printers Private Limited, DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited (Company) and their respective shareholders and creditors (Composite Scheme) with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) and Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular). The education business of DS Digital and Safari Digital shall be demerged from respective Companies and will be merged with the Company as part of Composite Scheme. The Company shall file the Composite Scheme with National Company Law Tribunal (NCLT), post approval from BSE and NSE.

41. Corporate Social Responsibility

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
a) Gross amount required to be spent by the Company during the year	9.87	5.40
b) Amount spent during the year	1.45	1.82

42. Segment reporting

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

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

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	3.27	6.57
- Interest due on above	0.04	0.04
	3.31	**6.61**
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	-	-

44. Imported and indigenous raw materials, components and spare parts consumed

(₹ in millions)

Raw Materials	Imported		Indigenously obtained	
	Percentage (%)	(Amount in ₹)	Percentage (%)	(Amount in ₹)
As at 31 March 2019	0%	-	100%	973.72
As at 31 March 2018	0%	-	100%	1,251.01

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

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

(₹ in millions)

Name of the loanee	Rate of Interest/Due Date	Tenure	Secured/ unsecured	31 March 2019	31 March 2018
Safari Digital Education Initiatives Private Limited	10.75%-12% p.a	3 years	Unsecured	159.55	84.56
D S Digital Private Limited	10.75% p.a	3 years	Unsecured	74.98	43.64
New Saraswati House (India) Pvt. Ltd.	10.75%-11.25% p.a	3 years	Unsecured	25.20	28.78
Vikas Publishing House Private Limited	11.25% p.a	3 years	Unsecured	266.00	454.51
S Chand Edutech Private Limited	10.75% p.a	3 years	Unsecured	22.69	20.69

46. Information about major customers

Revenue from no single customer during the year exceeded more than 10% of total revenue. Last year revenue from 1 major customers amounted to ₹ 777.98 million aggregating to 20.68% of total revenue

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

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

48. Capital and other commitment

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
a. Capital commitment (net of advance)	-	74.33
b. For commitment relating to lease arrangement, please refer note 34		

49. Contingent liabilities

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Corporate guarantee (refer note 'a' below)	1,252.68	1,206.00
Dealer financing (refer note 'e' below)	100.00	-
Stamp duty (refer note 'b' below)	95.01	95.01
Registration fee (refer note 'b' below)	9.15	9.15
Income Tax demand (refer note 'c' & 'd' below)	1.39	1.39

a Corporate guarantee includes guarantees given by the Company to banks and financial institutions against loans taken by the subsidiaries.

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

During the year 2017-18, the Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9,154,800 (31 March 2018: 9,154,800)

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

c In respect of Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Delhi High Court. The amount involved is ₹ 0.67 million (31 March 2018: ₹ 0.67 million).

d In respect of Assessment Year 2015-16 a disallowance under section 36(1)(va) read with section 2(24)(x) of the act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filling return. The matter is pending with CIT (A). The amount involved is ₹ 0.72 million (31 March 2018: ₹ 0.72 million)

e During the year ₹ 100 millions dealer financing facility is availed through Yes Bank.

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

50. During the year ended March 31, 2019, the company experienced significant sales return which was more than the management estimates made during year ended March 31, 2018, out of which ₹ 175.57 million was considered exceptional as being other than the ordinary course of business.

51. During the year ended March 31, 2019, diminution in the carrying value of investment in respect of DS Digital Private Limited amounting to ₹ 50 million (represented by Investment in Equity Shares) has been made to recognise a decline in the Risekids (Pre School business), other than temporary in the value of the investment.

S Chand and Company Limited
Notes to financial statements as at 31 March 2019 *(Continued)*

52. Unhedged foreign currency exposure

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

	Foreign currency	Amount in foreign currency		(Rs. In million)	
		March 31, 2019	March 31, 2018	March 31, 2019*	March 31, 2018**
Trade Receivables	USD	0.39	0.43	27.08	27.69

* Exchange Rate for 31 March 2019, 1 USD = Rs.69.32
** Exchange Rate for 31 March 2018, 1 USD = Rs.65.05

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

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Sd/-
Himanshu Gupta
Managing Director
DIN: 0054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

Place : New Delhi
Date : May 28, 2019

S Chand and Company Limited
Consolidated financial statements for the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand and Company Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of S Chand and Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Provisions for doubtful debts (As described in 2.1 of the financial statements)	
The Company is required to regularly assess the recoverability of its trade receivables. The recoverability of trade receivables was significant to our audit due to the value of amounts aged greater than the credit terms extended to customers.	In obtaining sufficient audit evidence over the carrying value of trade receivables, we: • Tested the ageing of trade receivables for a sample of customer transactions;

Key audit matters	How our audit addressed the key audit matter
The provisions for doubtful debts are determined through expected credit loss model under Ind AS 109 Financial Instruments. This involves judgement as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions, as well as the time value of money. The Company's disclosures are included in Note 5C and Note 2.1 to the financial statements, which outlines the accounting policy for determining the allowance for doubtful debts and details of the period on period movement in gross and net trade receivables.	• Tested subsequent receipts after year-end on sample basis; • Considered the customers' historical payment trends. • We assessed the Company's provisioning policy, which included assessing the calculation required under Ind AS 109. We assessed whether the time value of money was considered in the expected credit loss impairment model and checked the mathematical accuracy of the calculations. • We assessed the adequacy of the Company's disclosures in relation to trade receivables included in the financial statements.
Provision for Sales return (as described in note 54 of the financial statements)	
The company is involved in publishing and distribution of educational books. Due to the nature of business significant amount of returns are received in the years subsequent to the year when books are sold. Provision for such sales returns are estimated, deducted from gross sales and recorded as a deduction from accounts receivable. Estimates of expected future sales returns are required to be made at the time of sale. When determining the appropriate allowance, management considers historical trends as a basis for the estimate as well as all other known factors, which could significantly influence the level of future sales returns. Significant judgement is required in assessing the appropriate level of the provision for sales return. Such judgements include management's expectations of forecast sales return and historical estimates of sales return vis a vis the sales made during the year. During the year ended March 31, 2019, the Company also experienced significant sales returns in relation to sales made during year-ended March 31, 2018, primarily due to unknown business facts which were either not anticipated by the management or was outside the ordinary course of business.	Our audit procedures included the following: • We obtained management's calculations for provision for sales returns, recalculated the amounts for mathematical accuracy and tested controls related to approval of sales return as per authority matrix i.e. budget, evaluated the assumptions used by reference to internal sources (i.e. management budgets), historical sales returns levels. • We considered the accuracy of management's estimates in previous years by comparing historical provisions to the actual amounts to assess the management ability to accurately estimate their sales return allowance. • We considered the adequacy of the Company's revenue recognition accounting policies, including the recognition and measurement of deductions to gross sales relating to sales returns and related disclosures. • We tested the sales return after the balance sheet date to determine whether the revenue has been recognized in the appropriate period or not.

Other Information

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 7 subsidiaries, whose Ind AS financial statements include total assets of Rs 2961.52 million as at March 31, 2019, and total revenues of Rs 595.24 million and net cash outflows of Rs 0.91 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 14.43 million for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 2 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associates, is based solely on the report(s) of such other auditors.

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

Report on Other Legal and Regulatory Requirements

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

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

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

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and associate companies, none of the directors of the Group's companies, and its associates incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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

g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, and associates incorporated in India, we report that managerial remuneration of directors for the year ended March 31, 2019 is in excess of the limits applicable under Section 197 of the Act, read with Schedule V thereto, by Rs 7.40 million. We are informed by the management that it is in the process of recovering Rs 5.38 million from the directors and get shareholders waiver in the upcoming AGM for excess remuneration paid amounting to Rs 2.02 million.

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

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

   ii. The Group, and its associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, and associates incorporated in India during the year ended March 31, 2019.

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

per Yogesh Midha
Partner
Membership Number: 94941

Place: New Delhi
Date: 28 May 2019

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

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

In conjunction with our audit of the consolidated financial statements of S Chand and Company Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of S Chand and Company Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

Other Matters

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

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

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: New Delhi
Date: May 28, 2019

S Chand and Company Limited
Balance Sheet as at 31 March 2019

(₹ in millions)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	1,151.58	1,073.68
Capital work-in-progress		2.87	7.12
Goodwill	4	3,373.12	3,373.12
Other intangible assets	4	829.77	694.51
Intangible assets under development		107.25	61.34
Investment in associates	5A	187.54	178.60
Financial assets			
- Investments	5B	54.44	54.39
- Loans	5G	95.40	93.23
- Other financial assets	5F	12.73	11.88
Income tax assets (net)	8	155.52	9.11
Deferred tax assets (net)	9	592.82	219.82
Other non-current assets	7	131.66	125.59
Total non-current assets		**6,694.70**	**5,902.39**
Current assets			
Inventories	6	2,047.84	1,562.24
Financial assets			
- Investments	5C	215.58	467.63
- Loans	5G	66.72	83.02
- Trade receivables	5D	4,446.03	6,312.33
- Cash and cash equivalents	5E	603.96	664.81
- Other financial assets	5F	90.86	29.35
Income tax assets (net)	8	6.22	5.10
Other current assets	7	145.73	134.12
Total current assets		**7,622.94**	**9,258.60**
Total assets		**14,317.64**	**15,160.99**
Equity and liabilities			
Equity			
Equity share capital	10	174.88	174.88
Other equity			
- Retained earnings	11	2,638.90	3,333.75
- Other reserves	11	6,490.12	6,488.02
Equity attributable to equity holders of the parent		**9,303.90**	**9,996.65**
Non- controlling interests		29.08	42.05
Total equity		**9,332.98**	**10,038.70**
Non-current liabilities			
Financial liabilities			
- Borrowings	13A	727.27	265.87
- Trade payables	14	6.82	6.49
- Other financial liabilities	15	8.05	3.34
Net employee defined benefit liabilities	17	51.65	70.19
Other non-current liabilities	18	7.41	7.54
Total non-current liabilities		**801.20**	**353.43**
Current liabilities			
Financial liabilities			
- Borrowings	13B	1,408.87	1,447.52
- Trade payables			
Trade payables of micro enterprises and small enterprises	14	117.24	50.17
Trade payables other than micro enterprises and small enterprises	14	1,826.48	1,965.26
- Other financial liabilities	15	589.72	830.99
Other provisions	16	36.59	251.43
Net employee defined benefit liabilities	17	8.51	7.08
Other current liabilities	18	196.05	216.41
Total current liabilities		**4,183.46**	**4,768.86**
Total equity and liabilities		**14,317.64**	**15,160.99**
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

Place : New Delhi
Date : May 28, 2019

S Chand and Company Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2019

(₹ in millions)

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I	**Revenue**			
	Revenue from operations	19	5,220.24	7,944.45
	Other income	20.1	92.88	83.98
	Finance income	20.2	23.31	42.39
	Total Revenue (I)		**5,336.43**	**8,070.82**
II	**Expenses**			
	Cost of published goods/material consumed	21	2,093.56	2,346.21
	Purchase of traded goods	22	153.65	116.98
	Publication expense	23	448.23	682.79
	(Increase)/ decrease in inventories of finished goods and work-in-progress	24	(440.02)	99.18
	Employee benefit expense	25	1,511.44	1,385.61
	Selling and distribution expense	26	884.34	737.17
	Finance cost	27	272.07	239.72
	Depreciation and amortization expense	28	237.32	192.84
	Other expenses	29	880.54	648.65
	Total expenses (II)		**6,041.13**	**6,449.15**
III	**Profit before exceptional item and share of loss of an associate (I-II)**		**(704.70)**	**1,621.67**
IV	Exceptional Income/ (Expense)	29A	(233.39)	-
V	**Profit before share of loss of an associate (III-IV)**		**(938.09)**	**1,621.67**
VI	Share of loss in associates	34	(14.43)	(12.25)
VII	**Profit before tax (V - VI)**		**(952.52)**	**1,609.42**
	Tax expense:			
(1)	Current tax		99.31	581.45
(2)	Income tax adjustment related to earlier year		0.39	3.10
(3)	Deferred tax (credit)/ charge		(383.73)	(45.96)
(4)	Deferred tax credit related to earlier year		0.71	-
IX	**Profit for the year (VII-VIII)**		**(669.20)**	**1,070.83**
X	**Other Comprehensive Income**	**30**		
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/(losses) on defined benefit plans		34.66	1.13
	Income tax effect		(10.04)	0.24
XI	**Total Comprehensive Income for the year (IX + X)**		**(644.58)**	**1,072.20**
XII	**Profit for the year**			
	Attributable to:			
	- Equity holders of the parent		(631.61)	1,072.06
	- Non- controlling interests		(12.97)	0.14
XIII	**Earnings per equity share (in ₹)**	**31**		
	Basic		(19.13)	31.14
	Diluted		(19.13)	31.06

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Place : New Delhi
Date : May 28, 2019

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Jagdeep Singh
Company Secretary

S Chand and Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash flow from operating activities		
Profit before tax	(938.09)	1,621.67
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	237.32	192.84
Loss on sale of property, plant & equipment (net)	3.30	3.83
Interest income	(23.31)	(42.39)
Dividend income on investments	-	(1.39)
Reversal of temporary diminution in value of investments	-	(41.00)
Net income on deemed disposal of associate	(20.41)	-
Miscellaneous amount written back	(19.14)	(3.77)
Net gain on sale of current investments	(18.88)	(6.65)
Interest paid on borrowings	255.88	224.78
Amortization of ancillary borrowing cost	-	6.42
Foreign exchange difference	(3.75)	1.18
Employee stock option expense	2.10	12.21
Provision for bad debts and advances	161.19	39.67
Bad debt written off	27.31	1.49
Operating profit before working capital changes	**(336.48)**	**2,008.89**
Movement in working capital:		
(Increase)/ Decrease in inventories	(485.60)	139.63
Decrease/ (Increase) in trade receivable	1,677.80	(1,651.68)
(Increase)/ Decrease in loans and advances	(11.29)	29.04
(Increase)/ Decrease in other financial assets	(54.95)	10.16
Increase in provisions	17.61	19.56
(Decrease)/ Increase in trade payable	(52.24)	206.82
Increase in current liabilities	109.11	129.48
Cash generated from operations	**863.96**	**891.90**
Direct taxes paid (net of refunds)	(477.72)	(502.42)
Net cash generated from operating activities (A)	**386.24**	**389.48**
B. Cash flows from investing activities		
Purchase of property, plant & equipment (including assets acquired on acquisition)	(476.84)	(426.58)
Acquisition of subsidiaries, net of cash acquired	(642.00)	9.55
Investment in non current investments (including investments acquired on acquisition)	(3.01)	(2.46)
Purchase in current investments	(177.79)	(423.15)
Proceed from sale of current investments	433.71	157.97
Proceed from sale of property, plant and equipment	11.22	30.60
Dividend received	-	1.39
Interest received	15.90	42.39
Net cash used in investing activities (B)	**(838.81)**	**(610.29)**
C. Cash flows from financing activities		
Proceed from issue of equity shares including securities premium	-	3,318.04
Interest paid on borrowings	(253.28)	(224.78)
Amortization of ancillary borrowing cost	(4.94)	(4.22)
Proceed from long term borrowings	863.27	175.09
Repayment of long term borrowings	(115.19)	(2,177.10)
Proceed/(repayment) from short term borrowings	(38.65)	(232.64)
Assets acquired under finance lease	-	(43.55)
Dividend paid on equity share	(52.46)	(43.56)
Payments made for fresh issuance of equity share capital	-	(207.19)
Tax on equity dividend paid	(10.78)	(8.87)
Net cash generated from financing activities (C)	**387.97**	**551.23**

S Chand and Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2019 *(Continued)*

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net increase in cash and cash equivalents (A+B+C)	**(64.60)**	**330.42**
Foreign exchange difference	3.75	(1.18)
Cash and cash equivalents at the beginning of the year	664.81	335.57
Cash and cash equivalents at the end of the year	**603.96**	**664.81**
Components of cash and cash equivalents		
Cash in hand	5.30	2.36
With Banks - On current accounts	321.08	274.12
Deposits with original maturity of less than 3 months	0.66	140.76
Cheques in hand	276.92	247.57
Total cash and cash equivalents (note 5E)	**603.96**	**664.81**
Non-cash investing and financing transaction		
Acquisition of property, plant and equipment by means of a finance lease	**-**	**43.55**

	As at 31 March 2018	Cash flows	Non cash changes	As at 31 March 2019
Long term borrowings (including current maturity)	322.25	748.07	-	1,070.32
Short term borrowings	1,447.52	(38.65)	-	1,408.87
	1,769.77	709.42	-	2,479.19

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Place : New Delhi
Date : May 28, 2019

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

S Chand and Company Limited
Consolidated statement of changes in equity for the year ended 31 March 2019

A. Equity share capital

	No. of shares	(₹ in millions)
Issued, subscribed and fully paid up		
At 1 April 2017	**29,844,496**	**149.22**
Issued during the year - IPO	4,850,746	24.25
Issued during the year - ESOPs	280,045	1.41
At 31 March 2018	**34,975,287**	**174.88**
Issued during the year - IPO	-	-
Issued during the year - ESOPs	-	-
At 31 March 2019	**34,975,287**	**174.88**

B. Other equity

(₹ in millions)

	Reserve & Surplus						Total	Non-Controlling Interests	Total Equity
	Retained earnings	Security premium	Debenture redemption reserve	Capital reserve	General reserve	ESOPs reserve			
As at 1 April 2017	2,314.36	3,491.73	390.00	26.96	14.19	25.10	6,262.34	132.39	6,394.73
Profit/ (Loss) for the period	1,070.69	-	-	-	-	-	1,070.69	0.14	1,070.83
Other comprehensive income	1.37	-	-	-	-	-	1.37	-	1.37
Total comprehensive income	3,386.42	3,491.73	390.00	26.96	14.19	25.10	7,334.40	132.53	7,466.93
Issue of share capital	-	3,292.39	-	-	-	-	3,292.39	9.80	3,302.19
Exercise of share options	-	29.42	-	-	-	(29.42)	-	-	-
Share based payments	-	-	-	-	-	12.21	12.21	-	12.21
Transaction Costs	-	(207.19)	-	-	-	-	(207.19)	-	(207.19)
Final equity dividend	(43.55)	-	-	-	-	-	(43.56)	-	(43.56)
Dividend distribution tax	(8.87)	-	-	-	-	-	(8.87)	-	(8.87)
Amalgamation between Group Company	-	-	-	(0.65)	-	-	(0.65)	-	(0.65)
Acquisition of non-controlling interests	(0.25)	-	-	(556.72)	-	-	(556.96)	(100.28)	(657.24)
As at 31 March 2018	**3,333.75**	**6,606.35**	**390.00**	**(530.41)**	**14.19**	**7.89**	**9,821.77**	**42.05**	**9,863.82**
As at 31 March 2018	3,333.75	6,606.35	390.00	(530.41)	14.19	7.89	9,821.77	42.05	9,863.82
Profit/ (Loss) for the period	(656.17)	-	-	-	-	-	(656.17)	(13.03)	(669.20)
Other comprehensive income	24.56	-	-	-	-	-	24.56	0.06	24.62
Total comprehensive income	2,702.14	6,606.35	390.00	(530.41)	14.19	7.89	9,190.16	29.08	9,219.24
Share based payments	-	-	-	-	-	2.10	2.10	-	2.10
Transfer to/ from debenture redemption reserve	-	-	(390.00)	-	390.00	-	-	-	-
Final equity dividend	(52.46)	-	-	-	-	-	(52.46)	-	(52.46)
Dividend distribution tax	(10.78)	-	-	-	-	-	(10.78)	-	(10.78)
As at 31 March 2019	**2,638.90**	**6,606.35**	**-**	**(530.41)**	**404.19**	**9.99**	**9,129.02**	**29.08**	**9,158.10**

Summary of significant accounting policies 2.1

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

As per our report of even date

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Place : New Delhi
Date : May 28, 2019

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Jagdeep Singh
Company Secretary

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019

1. Corporate information

S Chand and Company Limited ('the company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The company has become a Public Limited Company w.e.f. 8th September 2016 and consequently the name of the company has changed from S Chand and Company Private Limited to S Chand and Company Limited. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 7361, Ram Nagar, Qutab Road, New Delhi - 110055. These are consolidated financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the group.

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

2. Significant accounting policies

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP).

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

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

ii) Equity settled employee share-based payment plan

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

2.1 Principles of consolidation

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

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

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

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

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

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

vi. The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the group i.e. period ended 31 March 2019.

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

Name of the Company	Country of Incorporation	Relationship as at 31 March 2019	Percentage of effective ownership interest held (directly or indirectly)	
			31 March 2019	31 March 2018
Nirja Publishers and Printers Private Limited	India	Subsidiary of S Chand And Company Limited	100%	100%
Eurasia Publishing House Private Limited	India	Subsidiary of S Chand And Company Limited	100%	100%
Blackie & Son (Calcutta) Private Limited	India	Subsidiary of S Chand And Company Limited	100%	100%
Vikas Publishing House Private Limited*	India	Subsidiary of S Chand And Company Limited	100%	100%
Safari Digital Education Initiatives Private Limited**	India	Subsidiary of S Chand And Company Limited	100%	100%
BPI (India) Private Limited	India	Subsidiary of Blackie & Son (Calcutta) Private Limited	51%	51%
S Chand Edutech Private Limited	India	Subsidiary of Safari Digital Education Initiatives Private Limited	100%	100%
D S Digital Private Limited***	India	Subsidiary of S Chand And Company Limited	99.93%	99.93%
New Saraswati House (India) Private Limited****	India	Subsidiary of S Chand And Company Limited	100%	100%
Chhaya Prakashani Private Limited*****	India	Subsidiary of S Chand And Company Limited	100%	100%
Indian Progressive Publishing Co. Private Limited	India	Wholly owned subsidiary of Chhaya Prakashani Private Limited	100%	100%
Edutor Technologies India Private Limited	India	Associate of Safari Digital Education Initiatives Private Limited	44.66%	44.66%
Smartivity Labs Private Limited	India	Associate of S Chand And Company Limited	19.70%	24.12%

* 2% held by Nirja Publishers and Printers Private Limited

** 40.08% held by Nirja Publishers and Printers Private Limited

*** 49% held by Safari Digital Education Initiatives Private Limited

**** 23.90% held by Vikas Publishing House Private Limited

***** 30.47% held by Eurasia Publishing House Private Limited

2.2 Business Combinations and Goodwill

a. Business combinations and goodwill

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

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

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

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

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

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

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

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

2.3 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

The group classifies all other liabilities as non-current.

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

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

2.4 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.5 Fair value measurement

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

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 amust be accessible by the group.

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

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

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

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

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

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

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

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

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

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

i. Disclosures for valuation methods, significant estimates and assumptions (Note 2.22)

ii. Quantitative disclosures of fair value measurement hierarchy (Note 45)

iii. Investment in unquoted equity shares (Note 5A, 5B and 5C)

iv. Financial instruments (including those carried at amortised cost) (Note 45)

v. Equity Settled employee share based payment plan (Note 36)

2.6 Revenue recognition

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

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

Sale of goods

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

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

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

Variable consideration

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

- **Rights of return**

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

- **Volume rebates**

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

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- Cash rebates

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

Contract assets

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

Trade receivables

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

Contract liabilities

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

Interest income

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

Dividends

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

Ind AS 115 adoption

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

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

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

2.7 Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income.

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

Deferred tax

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

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

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

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

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

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

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

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

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

2.8 Property, plant and equipment

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

Depreciation

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

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

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

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

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

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

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

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

2.9 Intangible assets

Recognition and measurement

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

Amortisation and useful lives

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

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

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

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

Research and development costs

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits

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- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure during development

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

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

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

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

2.10 Borrowing costs

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

2.11 Leases

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

Group as a lessee

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

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

Group as a lessor

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

2.12 Inventories

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

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

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

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

2.13 Impairment of non–financial assets

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

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

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

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

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

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

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

2.14 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset

Subsequent measurement

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

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

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

Financial assets at amortised cost

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

- 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.

Debt instrument at FVTOCI

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

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

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

Equity instruments at FVTOCI

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

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

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

Financial assets at FVTPL

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

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

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

De-recognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

As a practical expedient, the group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the group has estimated provision of 4.55% is required to be made on outstanding receivables at the reporting date.

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

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

a) For financial assets measured as at amortised cost and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

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b) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

c) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

Financial guarantee contracts

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

De-recognition

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

Re-classification of Financial Assets

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

Offsetting of Financial Instruments

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

2.15 Retirement and other employee benefits

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

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

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

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

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

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

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

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

Compensated absences

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

2.16 Share based payments

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

Equity settled transactions

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

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Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

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

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

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

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

2.17 Provisions

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

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

2.18 Cash and cash equivalents

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

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

2.19 Earnings Per Share (EPS)

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

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

2.20 Cash dividend and non-cash distribution to equity holders of the group

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

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

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

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Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

2.22 Significant accounting judgement, estimates and assumptions

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

A. Judgements

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

Operating lease commitments – Group as a lessee

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

B. Estimates and assumptions

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

Taxes

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

Defined benefit plans (gratuity)

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

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

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

Further details about gratuity obligations are given in Note 35.

Provision for trade receivable

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

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Impairment of non-financial assets

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

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

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

2.23 Standards issued but not yet effective

a. Ind AS 116 "Leases"

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

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

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

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

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

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

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

(a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

(b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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

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

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

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

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

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

c. Amendment to Ind AS 12: Income Taxes

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

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

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

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

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

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

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

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

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

e. Amendment to Ind AS 109: Prepayment Feature with Negative Compensation

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

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

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

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

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

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

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

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

g. Annual improvement to Ind AS (2018);

These improvements include:

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

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

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

Amendments to Ind AS 111: Joint Arrangements

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

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

Amendments to Ind AS 23: Borrowing Costs

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

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

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3. Property, plant and equipment

(₹ in millions)

	Leasehold land	Building office	Building factory*	Plant & machinery	Furniture & fixtures	Vehicles**	Office equipments	Leasehold improvement	Electrical installations	Computers	Total
As at 1 April 2017	65.25	13.91	204.92	481.66	58.61	72.53	48.22	22.21	15.86	154.96	1,138.13
Additions	-	-	-	80.14	10.36	43.55	22.83	2.66	-	58.52	218.06
Disposals	-	-	-	(18.95)	(0.04)	(6.29)	(0.10)	-	-	(23.95)	(49.33)
Impairment	-	-	-	-	-	-	-	-	-	(0.09)	(0.09)
As at 31 March 2018	**65.25**	**13.91**	**204.92**	**542.85**	**68.93**	**109.79**	**70.95**	**24.87**	**15.86**	**189.44**	**1,306.77**
Additions	98.70	13.99	-	24.78	6.80	13.27	4.02	0.18	-	32.18	193.92
Disposals	-	-	-	(5.37)	(4.44)	(10.51)	(0.05)	-	(0.70)	(1.99)	(23.06)
Impairment	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**163.95**	**27.90**	**204.92**	**562.26**	**71.29**	**112.55**	**74.92**	**25.05**	**15.16**	**219.63**	**1,477.63**
Accumulated depreciation											
As at 1 April 2017	1.14	0.62	10.31	50.21	13.05	17.19	16.93	3.69	3.96	43.51	160.61
Charge for the year	1.14	0.22	3.34	21.69	6.92	7.92	9.08	4.24	1.40	32.11	88.06
Disposals	-	-	-	(1.86)	(0.01)	(2.10)	(0.05)	-	-	(11.53)	(15.55)
Impairment	-	-	-	-	-	-	-	-	-	(0.03)	(0.03)
As at 31 March 2018	**2.28**	**0.84**	**13.65**	**70.04**	**19.96**	**23.01**	**25.96**	**7.93**	**5.36**	**64.06**	**233.09**
Charge for the year	1.14	0.22	3.34	24.41	7.67	10.96	13.51	4.54	1.39	34.32	101.50
Disposals	-	-	-	(1.21)	(1.72)	(3.72)	(0.01)	-	(0.26)	(1.62)	(8.54)
Impairment	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**3.42**	**1.06**	**16.99**	**93.24**	**25.91**	**30.25**	**39.46**	**12.47**	**6.49**	**96.76**	**326.05**
Net block											
As at 31 March 2018	**62.97**	**13.07**	**191.27**	**472.81**	**48.97**	**86.78**	**44.99**	**16.94**	**10.50**	**125.38**	**1,073.68**
As at 31 March 2019	**160.53**	**26.84**	**187.93**	**469.02**	**45.38**	**82.30**	**35.46**	**12.58**	**8.67**	**122.87**	**1,151.58**

Note: The Group has changed its estimate of depreciation on property, plant and equipment from financial year 2017-18, impact of change is given in below table:

Particular	(₹ in millions)
Depreciation as per written down value	129.06
Depreciation as per straight line method	57.91
Profit for previous year increased by	71.15

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

** Vehicles under loan contracts at 31 March 2019 was ₹ 82.02 million (31 March 2018: ₹ 86.78 million). Additions during the year include ₹ 12.96 million (31 March 2018: ₹ 43.55 million). Loaned assets are pledged as security for the related loan.

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Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

4. Intangible assets

(₹ in millions)

	Goodwill	Computer software	Trade-mark	Copy-right	Website designing	Technical knowhow	Content develop-ment (in House)	Mobile application	License fees	Total
As at 1 April 2017	3,373.77	72.31	0.17	146.97	0.11	3.21	488.21	-	0.81	4,085.56
Purchase	-	9.19	0.17	4.26	-	-	169.34	2.21	-	185.17
Disposals	(0.65)	-	-	-	-	-	-	-	-	(0.65)
As at 31 March 2018	**3,373.12**	**81.50**	**0.34**	**151.23**	**0.11**	**3.21**	**657.55**	**2.21**	**0.81**	**4,270.08**
Purchase	-	3.37	0.14	0.14	0.17	-	262.47	0.32	-	266.61
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**3,373.12**	**84.87**	**0.48**	**151.37**	**0.28**	**3.21**	**920.02**	**2.53**	**0.81**	**4,536.69**
Accumulated amortization										
As at 1 April 2017	-	25.75	0.01	20.85	0.02	0.57	49.89	-	0.64	97.73
Amortization for the year	-	11.80	0.06	21.20	0.02	0.63	70.76	0.08	0.17	104.72
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	**-**	**37.55**	**0.07**	**42.05**	**0.04**	**1.20**	**120.65**	**0.08**	**0.81**	**202.45**
Amortization for the year	-	11.36	0.08	21.42	0.03	0.63	97.32	0.51	-	131.35
Disposals	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**-**	**48.91**	**0.15**	**63.47**	**0.07**	**1.83**	**217.97**	**0.59**	**0.81**	**333.80**
Net block										
As at 31 March 2018	**3,373.12**	**43.95**	**0.27**	**109.18**	**0.07**	**2.01**	**536.90**	**2.13**	**-**	**4,067.63**
As at 31 March 2019	**3,373.12**	**35.96**	**0.33**	**87.90**	**0.21**	**1.38**	**702.05**	**1.94**	**-**	**4,202.89**

Impairment testing of goodwill

The Group performs test for goodwill impairment at least annually on March 31, or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows. Any adverse changes in key assumptions about our businesses and their prospects or an adverse change in market conditions may cause a change in the estimation of fair value and could result in an impairment charge.

5. Financial assets

5A. Investment in associates (refer note 34)

(₹ in millions)

	31 March 2019	31 March 2018
Investment in unquoted Equity Shares		
50 (31 March 2018: 50) Equity Shares of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	0.52	0.52
2,025,766 (31 March 2018: 2,025,766) Equity Shares of ₹ 2/- each fully paid up in Edutor Technologies India Private Limited	162.93	168.55
(A)	**163.45**	**169.07**
Investment in unquoted Preference Shares		
5,414 (31 March 2018: 5,264) 0.001% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each fully paid up in Smartivity Labs Private Limited	24.09	9.53
(B)	**24.09**	**9.53**
Total (A+B)	**187.54**	**178.60**

(₹ in millions)

	31 March 2019	31 March 2018
5B. Non-current investments		
Investments valued at cost		
Investment in unquoted equity shares		
100 (31 March 2018: 100) Equity Shares of ₹. 10/- each of Gyankosh Solutions Private Limited	0.01	0.01
100 (31 March 2018: 100) Equity Shares of ₹ 10/- each of Testbook Edu Solutions Private Limited	0.83	0.83
(A)	**0.84**	**0.84**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

5B. Non-current investments *(Continued)*

(₹ in millions)

	31 March 2019	31 March 2018
Investment in unquoted preference shares		
Investment in others		
319,900 (31 March 2018: 319,900) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Gyankosh Solutions Private Limited	24.15	24.15
2,690 (31 March 2018: 2,690) Compulsory Convertible Cumulative Preference Shares of ₹ 500/- each of Testbook Edu Solutions Private Limited	22.23	22.23
353 (31 March 2018: 353) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Next Door Learning Solutions Private Limited	4.87	4.87
(B)	**51.25**	**51.25**
Investments at fair value through profit and loss		
Investments in Government and Trust securities (Unquoted)		
Investment in Tax Free Bonds of Power Finance Corporation	2.14	2.14
National Savings Certificates	0.03	0.03
(C)	**2.17**	**2.17**
Investments in quoted equity shares		
500 (31 March 2018: 500) Equity Shares of ₹ 10 each fully paid up in State Bank of India	0.16	0.11
200 ((31 March 2018: 200) Equity Shares of ₹ 10 each fully paid up in Oriental Bank of Commerce	0.02	0.02
(D)	**0.18**	**0.13**
Total Non- Current Investments (A+B+C+D)	**54.44**	**54.39**
Aggregate book value of quoted investment	**0.18**	**0.13**
Aggregate market value of quoted investment	**0.18**	**0.13**
Aggregate book value of unquoted investment	**54.26**	**54.26**
Aggregate value of impairment in value of investments	**0.07**	**0.06**

5C. Investments - Current

(₹ in millions)

	31 March 2019	31 March 2018
Investment in others		
512,500 (31 March 2018: 512,500) redeemable shares of ₹ 10 each fully paid up in M/s Walldorf Integration Solutions Limited (refer note 49)	14.06	64.06
(A)	**14.06**	**64.06**
Investments at fair value through profit and loss		
Investments in quoted equity shares		
1,000 (31 March 2018: 1,000) Equity Shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited	0.15	0.15
125 (31 March 2018: 125) Equity Shares of ₹ 10 each fully paid up in M/s Reliance Power Limited	-	-
400 (31 March 2018: 400) Equity Shares of ₹ 10 each fully paid up in M/s EIH Associated Hotel Limited	0.15	0.19
10,000 (31 March 2018: 10,000) Equity Shares of Rs. 10 each fully paid up in M/s Bharat Glass Tubes Limited	-	-
40 (31 March 2018: 40) Equity Shares of ₹ 10 each fully paid up in M/s Reliance Industries Limited	0.05	0.04
21,600 (31 March 2018: 21,600) Equity Shares of ₹ 10 each fully paid up in M/s Winsome Breweries Limited	0.09	0.20
500 (31 March 2018: 500) Equity Shares of ₹ 10 each fully paid up in State Bank of India	0.16	0.12
200 (31 March 2018: 200) Equity Shares of ₹ 10 each fully paid up in Oriental Bank of Commerce	0.02	0.02
42,564 (31 March 2018: 42,564) Equity Shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited	0.72	0.56
10,457 (31 March 2018: 10,457) Equity Shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited	0.01	0.01
2,000 (31 March 2018: 2,000) Equity Shares of ₹ 10 each fully paid up in M/s Vardhman Concrete Limited	-	0.01
100 (31 March 2018: 100) Equity Shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.04	0.06
100 (31 March 2018: 100) Equity Shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.04	0.06
(B)	**1.43**	**1.41**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

5C. Investments - Current *(Continued)*

(₹ in millions)

	31 March 2019	31 March 2018
Investments in mutual fund (quoted)		
Nil (31 March 2018: 693,636) units of ₹ 10 each Aditya Birla Sun Life Mutual Fund Growth-Regular Plan	-	289.63
6,135,628 (31 March 2018: Nil) units of Rs.10 each SBI Savings Fund - Regular Plan - Growth	177.60	-
57,906 (31 March 2018: 57,906) units of Templeton India Corporate Bond Opportunities Growth Fund	1.13	1.01
89,039 (31 March 2018: 89,039) units in Principal Monthly Income Plan - Dividend Reinvestment	1.10	1.05
32,387 (31 March 2018: 32,387) units in HDFC Liquid Fund - Regular Plan Growth option	20.26	110.46
(C)	**200.09**	**402.15**
Investment in debentures		
50 (31 March 2018: 50) units of ₹ 40 each in MGF Limited	-	-
(D)	**-**	**-**
Total current investments (A+B+C+D)	**215.58**	**467.63**
Aggregate book value of quoted investments	**201.52**	**403.57**
Aggregate market value of quoted investments	**201.52**	**403.57**
Aggregate book value of unquoted investments	**14.06**	**64.06**
Aggregate value of impairment in value of investments	**-**	**-**

5D. Trade receivables

(₹ in millions)

	31 March 2019	31 March 2018
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	4,446.03	6,312.33
Receivables which have significant increase in credit risk	365.33	300.89
Receivable credit impaired	-	-
	4,811.36	**6,613.22**
Less: Allowance for expected credit Loss		
Secured, considered good	-	-
Unsecured, considered good	-	-
Receivables which have significant increase in credit risk	365.33	300.89
Receivable credit impaired	-	-
	365.33	**300.89**
Net trade receivables		
Secured, considered good	-	-
Unsecured, considered good	4,446.03	6,312.33
Receivables which have significant increase in credit risk	-	-
Receivable credit impaired	-	-
	4,446.03	**6,312.33**
Current	**4,446.03**	**6,312.33**
Non-Current	**-**	**-**

The movement in impairment of trade receivables as follow:

(₹ in millions)

	31 March 2019	31 March 2018
Opening balance	300.89	293.39
Additions	154.01	38.46
Write off (net of recovery)	(89.57)	(30.96)
Closing balance	**365.33**	**300.89**

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

5E. Cash and cash equivalents

(₹ in millions)

	31 March 2019	31 March 2018
Balances with banks		
- In current accounts	321.08	274.12
- Deposits with original maturity of less than three months	0.66	140.76
Cheques/ drafts in hand	276.92	247.57
Cash in hand	5.30	2.36
Total	**603.96**	**664.81**
Current	**603.96**	**664.81**
Non-Current	**-**	**-**

5F. Other financial assets

(₹ in millions)

	31 March 2019	31 March 2018
Margin money deposit		
- Deposits with remaining maturity for less than 12 months	85.27	21.90
- Deposits with remaining maturity for more than 12 months	5.68	10.41
Interest accrued but not due on fixed deposits (short term)	0.63	1.61
Interest accrued but not due on fixed deposits (long term)	2.17	1.37
Interest accrued (refer Note 49)	7.59	-
Advance to employees	2.16	5.50
Restricted cash	0.09	0.03
Others	-	0.40
Total	**103.59**	**41.23**
Current	**90.86**	**29.35**
Non-current	**12.73**	**11.88**

i. Margin money deposit with a carrying amount of ₹0.11 million (31 March 2018: ₹0.11 million) has been deposited with sales tax department.

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

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

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

v. Margin money deposits with carrying amount of ₹ 0.59 million (31 March 2018: ₹ 0.54 million) is subject to Registration of UP VAT & DVAT.

v. Margin money deposits amounting to ₹ 0.08 million (31 March 2018: ₹ 0.08 million) are under lien with banks towards bank guarantees issued by them.

vi. Restricted cash represent earmarked balance for dividend payouts.

5G. Loans

(₹ in millions)

	31 March 2019	31 March 2018
Security deposits- Current	9.83	38.22
Security deposits- Non- current	62.82	55.69
Loans- Current	-	-
Loans- Non- current	32.58	37.54
Advances recoverable in cash or in kind- Current	54.98	43.33
Advances recoverable in cash or in kind- Non-Current	-	-
Advances recoverable from related parties- Current	1.91	1.47
Advances recoverable from related parties- Non- Current	-	-
	162.12	**176.25**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

5G. Loans *(Continued)*

(₹ in millions)

	31 March 2019	31 March 2018
Less: Allowance for expected credit loss	-	-
Total	**162.12**	**176.25**
Current	**66.72**	**83.02**
Non current	**95.40**	**93.23**
Break-up for security details		
Considered good - Secured	-	-
Considered good - Unsecured	162.12	176.25
Recoverable which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-

6. Inventories

(₹ in millions)

	31 March 2019	31 March 2018
Raw materials (at cost)	248.05	138.21
Raw materials others (at cost)	-	2.46
Stores and spares (at cost)	8.84	4.05
Work in progress (at cost)	4.38	14.67
Finished goods (at lower of cost or net realisable value)		
- Manufactured goods	1,723.83	1,380.61
- Imported goods	0.38	1.23
- Traded goods	62.36	21.01
Total	**2,047.84**	**1,562.24**

7. Other assets

7A. Capital advances

(₹ in millions)

	31 March 2019	31 March 2018
Unsecured, considered good	1.00	29.26
Total	**1.00**	**29.26**

7B. Other advances

(₹ in millions)

	31 March 2019	31 March 2018
Unsecured, considered good	50.56	64.39
Total	**50.56**	**64.39**

7C. Prepaid expenses

(₹ in millions)

	31 March 2019	31 March 2018
Prepaid expenses - current	49.08	32.59
Prepaid expenses - non-current	22.08	14.81
Total	**71.16**	**47.40**

7D. Balance with statutory / government authorities

(₹ in millions)

	31 March 2019	31 March 2018
Unsecured, considered good	38.96	23.48
Total	**38.96**	**23.48**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

7E. Other assets

(₹ in millions)

	31 March 2019	31 March 2018
Income tax recoverable	37.13	23.65
MAT credit entitlement (Non current)	71.14	69.89
MAT credit entitlement (Current)	0.86	-
Ancillary cost of arranging borrowings (Non current)	5.20	0.68
Ancillary cost of arranging borrowings (Current)	1.38	0.96
Total	**115.71**	**95.18**
Grand total	**277.39**	**259.71**
Current	**145.73**	**134.12**
Non current	**131.66**	**125.59**

8. Income tax asset (net)

(₹ in millions)

	31 March 2019	31 March 2018
Advance income tax (net of provision for tax)	161.74	14.21
Total	**161.74**	**14.21**
Current	**6.22**	**5.10**
Non- current	**155.52**	**9.11**

9 Income Tax

A. The major components of income tax expense for the year are:

Statement of profit and loss:

(₹ in millions)

Profit or loss section	31 March 2019	31 March 2018
Current income tax:		
Current income tax charge	99.31	581.45
Income tax adjustment related to earlier years	0.39	3.10
MAT credit utilisation	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(383.02)	(45.96)
Income tax expense reported in the statement of profit or loss	**(283.32)**	**538.59**
OCI section	**31 March 2019**	**31 March 2018**
Deferred tax related to items recognised in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	(10.04)	0.24
Income tax charged to OCI	(10.04)	0.24

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

(₹ in millions)

	31 March 2019	31 March 2018
Accounting profit before income tax	(952.52)	1,609.42
At India's statutory income tax rate of 34.608% (31 March 2018: 34.608%)	(329.65)	556.99
Adjustments:		
- Adjustments in respect of current income tax of previous years	2.00	(2.93)
- Non-deductible expenses for tax purposes	4.00	24.79
Permanent difference	33.00	(29.42)
Exempt income under section 80IC	(4.00)	(3.18)
Others	11.33	(7.55)
Basis difference that will reverse during tax holiday period	-	(0.11)
At the effective income tax rate of 29.74% (31 March 2018: 33.46%)	**(283.32)**	**538.59**
Income tax expense reported in the statement of profit and loss	**(283.32)**	**538.59**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

C. Deferred tax:

(₹ in millions)

	31 March 2019	31 March 2018
Items leading to creation of deferred tax assets		
Impact of expenditure charged to the statement of profit and loss account in the current year but allowed for tax purposes on payment basis in subsequent years	185.18	145.07
Impact on account of brought forward depreciation of income tax	58.45	60.67
Impact on account of brought forward and carried forward losses	376.61	4.57
Provision for doubtful debts	105.78	101.80
Others	2.67	0.64
Total deferred tax assets	**728.69**	**312.75**
Items leading to creation of deferred tax liabilities		
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	(135.87)	(92.93)
Total deferred tax liabilities	**(135.87)**	**(92.93)**
Net deferred tax assets	**592.82**	**219.82**

10. Share capital

(₹ in millions)

		As at 31 March 2019	As at 31 March 2018
	Issued, subscribed and fully paid equity capital		
	34,975,287 (31 March 2018: 34,975,287) equity shares of ₹ 5/- each (31 March 2018: equity shares of ₹ 5 each)	174.88	174.88
		174.88	**174.88**
a.	**Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**		
	Authorised share capital	**No. of shares**	**₹ in millions**
	As at 31 March 2017	**40,000,000**	**200.00**
	Increase/(decrease) during the year	-	-
	As at 31 March 2018	**40,000,000**	**200.00**
	Increase/(decrease) during the year	-	-
	As at 31 March 2019	**40,000,000**	**200.00**
	Issued equity capital	**No. of shares**	**₹ in millions**
	Equity share of ₹ 5/- each issued, subscribed and fully paid (31 March 2018: Equity share of ` 5 each)		
	As at 31 March 2017	**29,844,496**	**149.22**
	Issued during the year - IPO	4,850,746	24.26
	Issued during the year - ESOPs	280,045	1.40
	As at 31 March 2018	**34,975,287**	**174.88**
	Issued during the year	-	-
	As at 31 March 2019	**34,975,287**	**174.88**

b. **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 5 per share (31 March 2018: ₹ 5 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Himanshu Gupta	5,801,454	16.59%	5,777,454	16.52%
Mr. Dinesh Kumar Jhunjhnuwala	3,795,229	10.85%	3,790,229	10.84%
Mrs. Neerja Jhunjhnuwala	4,008,345	11.46%	3,363,018	9.61%
Everstone Capital Partners II LLC	3,323,229	9.50%	3,323,229	9.50%
International Finance Corporation	2,805,784	8.02%	2,805,784	8.02%
HDFC Trustee Company Limited A/C HDFC Balanced Advantage Fund	2,543,978	7.27%	2,543,978	7.27%

d. Shares reserved for issue under options

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

11. Other equity

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
Retained earning		
Balance as the beginning of the year	3,333.75	2,314.36
Add: Surplus/ (Loss) during the year	(656.17)	1,070.69
Add: Other comprehensive income	24.56	1.37
Less: Adjustment relating to subsidiary companies	-	(0.25)
Less: Dividend for the year	(52.46)	(43.55)
Less: Dividend distribution tax on Dividend	(10.78)	(8.87)
Balance as the end of the year	**2,638.90**	**3,333.75**
Securities premium account*		
Balance as the beginning of the year	6,606.35	3,491.73
Add: Increase during the year on issue of new equity shares	-	3,321.81
Less: Decrease due to transaction cost for issued share capital	-	(207.19)
Balance as the end of the year	**6,606.35**	**6,606.35**
Debenture redemption reserve**		
Balance as the beginning of the year	390.00	390.00
Less: transfer to general reserve	(390.00)	-
Balance as the end of the year	**-**	**390.00**
Capital reserve***		
Balance as the beginning of the year	(530.41)	26.96
Less: Pursuant to a scheme of amalgamation between group companies (refer Note 48)	-	(0.65)
Less: Acquisition of non- controlling interest	-	(556.72)
Balance as the end of the year	**(530.41)**	**(530.41)**
General reserve****		
Balance as the beginning of the year	14.19	14.19
Add: transfer from debenture redemption reserve	390.00	-
Balance as the end of the year	**404.19**	**14.19**
ESOPs reserve (refer Note 36)		
Balance as the beginning of the year	7.89	25.10
Add: Compensation options granted during the year	2.10	12.21
Less: Transferred to securities premium on exercise of stock options	-	(29.42)
Balance as the end of the year	**9.99**	**7.89**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

Securities premium*

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

Debenture redemption reserve**

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

Capital reserve***

During the financial year 2015-16, the Company cancelled its 149,900 forfeited equity shares pursuant to resolution passed at Board Meeting dated September 22, 2015 and the amount was transferred to Capital Reserve. During the financial year 2017-18, the Company acquired non-controlling interest in a subsidiary Company and the amount was transferred to Capital Reserve.

General reserve****

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

12. Distribution made and proposed

(₹ in millions)

	31 March 2019	31 March 2018
Final dividend on equity shares for the year ended 31 March 2018 : ₹ 1.50 per share	52.46	-
Final dividend on equity shares for the year ended 31 March 2017 : ₹ 1.25 per share	-	43.55
Dividend distribution tax on final dividend	10.68	8.87
Total	**63.14**	**52.42**
Proposed dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2019: ₹ Nil per share (31 March 2018: ₹ 1.50 per share)	-	52.46
Dividend distribution tax on proposed dividend	-	10.68
Total	**-**	**63.14**

13. Borrowings
13A. Non-current borrowings

(₹ in millions)

	31 March 2019	31 March 2018
Term Loans		
Foreign Currency loan from banks (secured) (refer note 1 to 2 and 20 below)	56.67	170.00
Indian rupee loan from banks (secured) (refer note 3 to 4 below)	56.07	30.00
Indian rupee loan from others (secured) (refer note 5 to 8 below)	594.41	48.38
Vehicle loans		
Indian rupee loan from bank (secured) (refer note 9 to 16 below)	11.27	13.13
Indian rupee loan from others (secured) (refer note 17 to 19 below)	8.85	4.36
Total non-current borrowings	**727.27**	**265.87**
Secured	**727.27**	**265.87**
Unsecured	**-**	**-**

Notes:

1. In Vikas Publishing House Private Limited, Company has taken foreign currency term loan for the purpose of working capital from RBL Bank Limited which carries interest at 9.95% p.a. It is repayable in 12 quarterly instalments, starting from January 2019. It is secured

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

by first pari pasu charge by way of hypothecation on entire current assets inclusive of stock and book debts and movable fixed assets (excluding those assets which are specifically charged to other lenders), both present and future and corporate guarantee of S Chand And Company Limited. Interest to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited.

2. In New Saraswati House (India) Private Limited, Company has taken foreign currency term Loan from RBL Bank which carries interest at 9.75 % p.a. It is repayable in 12 quarterly instalments starting from May 2018. The loan is secured by first pari passu charge by way of hypothecation on entire existing and future current assets and movable fixed asset of the Company, and Corporate Guarantee of S Chand And Company Limited. Interest to be paid on monthly basis. Principal and interest both are fully hedged by RBL Bank Limited.
3. In Vikas Publishing House Private Limited, Company has taken Loan against Property from Deustche Bank which carries interest at 11.50% p.a. It is repayable in 120 equated monthly instalments, starting from March 2019. It is secured by equitable mortgage of property bearing no. E-28, Sector -8, Noida (U.P.).
4. In New Saraswati House (India) Private Limited, Indian currency working capital term loan facility from RBL Bank is carrying an interest rate of 10.35 % p.a. repayable on demand . The loan is secured by way of first pari passu charge on entire existing and future current assets, First pari passu charge over entire existing and future movable fixed asset of the Company, and Corporate Guarantee of S Chand and Company Limited.
5. In S Chand And Company Limited, term loan from Axis Finance Limited has been taken during the year ended 31st March 2019 and carries interest @ 11.50 % p.a. linked to the Axis Bank Base Rate . The facility has been taken for a period of 7 years and is repayable in 78 equal quarterly instalments of ₹ 8.33 million. beginning from August 2019. The facility has been secured against: (i) Pledge of 64% of unlisted shares of Chhaya Prakashani Private Limited. (ii) 2nd charge on both present and future current and fixed moveable assets of SCCL; (iii) PDCs for the interest and principal amount.
6. In Vikas Publishing House Private Limited, Company has taken three term loans from Siemens Financial Services Private Limited for purchase of machines, which carries interest ranging between 11.5% to 13% p.a. It is repayable in 33 to 36 equated monthly instalments. It is secured by hypothecation of respective machine and Corporate Guarantee of S Chand and Company Limited. Company has made interest free refundable security deposits of Rs 2.73 million to lender, included in non current security deposit in Note 5G. Out of these three loans , one loan has been fully repaid during the year 2018-19.
7. In Vikas Publishing House Private Limited, Company has taken three term loan from Siemens Financial Services Private Limited for purchase of machines, which carries interest @ 11.50% p.a. It is repayable in 36 equated monthly instalments. It is secured by hypothecation of respective machine and Corporate Guarantee of S Chand and Company Limited.
8. In DS Digital Private Limited, Company has taken term loans from Siemens Financial Services Private Limited for purchase of machines, which carries interest ranging from 11.25% p.a to 13.5%. They are repayable in 36 equated monthly instalments and are secured by hypothecation of respective machine and Corporate Guarantee of S Chand And Company Limited.
9. In S Chand And Company Limited, vehicle loans have been taken from HDFC Bank, ICICI Bank and Vijaya Bank and carry interest @ 10.00% to 12.00%. The loan is repayable in 36 to 60 equal monthly instalments ranging from ₹ 0.00 million to Rs 0.10 million. The loan is secured by hypothecation of respective vehicles.
10. In S Chand And Company Limited, vehicle loans have been taken from Yes Bank Ltd. and carry interest @ 8.90% p.a. The loans are repayable in 60 equal monthly instalments of Rs 0.01 million to Rs 0.04 million. The loan is secured by hypothecation of respective vehicle.
11. In Vikas Publishing House Private Limited, Company has taken vehicle loan from HDFC Bank Limited which carries interest at 9.50% p.a. It is repayable in 60 Monthly equated monthly instalments, starting from May 2016. It is secured by hypothecation of respective vehicle.
12. In Vikas Publishing House Private Limited, Company has taken vehicle loan from ICICI Bank Limited which carries interest at 9.26% p.a. It is repayable in 36 Monthly instalments, starting from May 2018. It is secured by hypothecation of respective vehicle.
13. In New Saraswati House (India) Private Limited, vehicle loan taken from HDFC bank is secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.36% p.a. The loan is repayable in 60 equal monthly instalments inclusive of interest ₹ 0.04 million each beginning from May 2016.
14. In BPI (India) Private Limited, vehicle Loan from HDFC Bank Limited carried interest @ 9.7% p.a. The loan was repayable in 60 equal monthly instalments of ₹ 0.05 million each including interest, from the date of loan, viz., 5 September 2013. The loan was secured by hypothecation of vehicle of the Company. The loan has been fully repaid as on reporting date.
15. In BPI (India) Private Limited, Vehicle Loan from Yes Bank Limited carries interest @ 9.0% p.a. The loan is repayable in 37 equal monthly installments of ₹ 0.02 million each including interest, from the date of loan, viz., 2 August 2018. The loan is secured by hypothecation of vehicle of the Company.

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

16. In Nirja Publishers & Printers Private Limited, Vehicle Loan from HDFC Bank taken during the year and carries interest rate @ 8.26% p.a. The loan is repayable in 37 monthly instalments of ₹ 0.31 million. The loan is secured by hypothecation of the respective vehicles.
17. In S Chand And Company Limited, vehicle loans have been taken from Daimler Financial and carry interest @ 9.81% to 11% p.a. The loan is repayable in 36 equal monthly instalments of ₹ 0.13 million. The loan is secured by hypothecation of respective vehicle.
18. In Vikas Publishing House Private Limited, Company has taken vehicle loan from Daimler Financial Services Private Limited which carries interest at 9% p.a. It is repayable in 36 Monthly instalments, starting from September 2017. It is secured by hypothecation of respective vehicle.
19. In New Saraswati House (India) Private Limited, Vehicle loan from Daimler Financial Services India Private Limited is secured by way of hypothecation of respective vehicle in favour of the bank. It carries interest rate of 9.8% p.a. The loan is repayable in 36 equal monthly instalments inclusive of interest ₹ 0.13 millions each beginning from May 2016. The loan has been fully repaid as on reporting date.

Loan covenants

20. The Group is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank. As at 31 March 2019, Vikas Publishing House Private Limited could not meet some of the debt covenants and accordingly the entire loan has been classified under "current maturity of long term borrowing".
21. The Group is required to comply with certain debt covenants as mentioned in the loan agreement, failure of which makes the loan to be repaid on demand at the discretion of the bank. During FY 18-19, in case of S Chand And Company Limited, there was one instance of breach of financial covenant in case of term loan facility availed from Axis Finance Limited. As per the terms of the sanction letter, the management has intimated to the bank as per agreement terms.

13B. Current borrowings

(₹ in millions)

		31 March 2019	31 March 2018
a.	**Current maturity of loan**		
	Term Loans		
	Foreign currency loan from banks (secured)	194.17	-
	Indian rupee loan from banks (secured)	12.77	-
	Indian rupee loan from financial institution (secured)	126.59	44.97
	Vehicle loans		
	Indian rupee loan from bank (secured)	7.88	9.47
	Indian rupee loan from financial institutions (secured)	1.64	1.94
	Total current maturity of long term borrowings	**343.05**	**56.38**
b.	**Buyers Credit**		
	Foreign Currency loan from bank (secured) (refer note 1 below)	-	39.69
c.	**Cash credit from banks**		
	Indian rupee loan from bank (secured) (refer note 2 to 15 below)	994.38	853.85
	Bank overdraft	-	5.49
d.	**Indian rupee working capital demand loan from banks (secured) (refer note 16 to 18 below)**	305.00	540.00
e.	**Indian rupee working capital demand loan from others (secured) (refer note 19 below)**	99.20	-
e.	**Loan from directors- unsecured (refer note 20 below)**	10.29	8.49
	Total current borrowings	**1,751.92**	**1,503.90**
	Less: Amount presented under "other financial liabilities"	(343.05)	(56.38)
	Total current borrowings	**1,408.87**	**1,447.52**
	Secured	**1,299.38**	**1,439.03**
	Unsecured	**109.49**	**8.49**

Notes:

1. In Vikas Publishing House Private Limited, Buyers credit from IndusInd bank carries interest at 1.72 % p.a. Facility is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding specifically charged to other lenders) and corporate guarantee of S Chand and Company Limited. This loan has been repaid in full during 2017-18.

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

2. In S Chand And Company Limited, Cash Credit from DBS Bank Limited (under Multiple Banking Arrangement with HDFC Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company Upto 7 November 2017. This loan carries interest rate ranging from 9.40% to 11.10 % p.a (31 March 2018: Nil %).

3. In S Chand And Company Limited, Cash credit from from Citi Bank (under Multiple Banking Arrangement with DBS Bank , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank and Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any). This loan carries interest rate of 9 % p.a. (31 March 2018: Nil).

4. In S Chand And Company Limited, Cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with DBS Bank , Standard Chartered Bank , HDFC Bank, Kotak Mahindra Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta , Directors of the Company upto 16 May 2018. It carries interest rate ranging from 10.15% p.a. (31 March 2018: 10 % p.a.).

5. In S Chand And Company Limited, Cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 7 November 2017. This carries interest rate ranging from 11.00% to 11.40% p.a. (31 March 2018: 10.85% to 11.05% p.a.).

6. In S Chand And Company Limited, Cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, HDFC Bank, Kotak Mahindra Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company and personal guarantee of personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla ,Directors of the Company upto 4 August 2017. This carries interest rate ranging from 10.45% to 11.05%. (31 March 2018: 8.60% to 11.15% p.a.).

7. In S Chand And Company Limited, Cash Credit from HDFC Bank Limited (under Multiple Banking Arrangement with DBS Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta and Mr. Dinesh Kumar Jhunjhnuwla , Directors of the Company upto 9 June 2017 & Corporate Guarantee of Nirja Publishers & Printers Private Limited. This carries interest rate ranging from 9.50 % to 10.10% p.a. (31 March 2018: 9.50 % to 11.25 % p.a.).

8. In New Saraswati House (India) Private Limited, Cash Credit from HDFC bank is carrying an interest rate of 10.20% p.a. (31 March 2018: 11.75% p.a.) repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current assets (ii) first pari passu charges on entire existing and future movable fixed asset of the Company and (iii) Corporate Guarantee of S Chand and Company Limited.

9. In New Saraswati House (India) Private Limited, Cash Credit from DBS bank is carrying an interest rate of 10.95% p.a. (31 March 2018 : 10.95% p.a.) repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current assets (ii) first pari passu charge on entire existing and future movable fixed asset of the Company and (iii) Corporate Guarantee of S Chand and Company Limited. This facility has been completely repaid during 2018-19.

10. In New Saraswati House (India) Private Limited, Cash Credit from Kotak Mahindra bank is carrying an interest rate of 9.95% p.a. (31 March 2018 : 9.5% p.a.)repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current assets (ii) first pari passu charge over the entire existing and future movable fixed asset of the Company and (iii) Corporate Guarantee of S Chand and Company Limited.

11. In New Saraswati House (India) Private Limited, Cash Credit/Working capital demand loan of ₹ 50 millions from RBL Bank is carrying an interest rate of 10.2% (31 March 2018: 9.10 % p.a.) repayable on demand. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over the entire existing and future movable fixed asset of the Company (iii) Corporate Guarantee of S Chand and Company Limited.

12. In Vikas Publishing House Private Limited, Company has taken the cash credit facility from HDFC bank, Indusind bank, DBS bank, RBL Bank, HSBC Bank and Standard chartered bank carries interest at MCLR plus spread (ranging from 1.30% to 2.15 %) p.a which are repayable on demand. Cash credit facility availed to the extent of sanction limit, is secured by first pari passu charge (by hypothecation) on entire existing and future current assets and movable fixed assets (excluding specifically charged to other lenders) and corporate guarantee of S Chand and Company Limited and has been considered as secured. Cash credit availed over and above the sanction limit has been considered as unsecured and carries same interest rate as secured facility and is repayable on demand. Cash credit facility from IndusInd Bank has been closed during the year.

13. In BPI (India) Private Limited, Cash credit facility carry interest rate of Base Rate at one year MCLR plus 3.7% per annum taken from

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

IndusInd Bank on 12th February, 2015. Cash credit facility are secured by exclusive charge on all current assets and movable fixed assets except vehicle specifically charged to other lender of the Company (both present and future), exclusive charge on entire immovable properties of the company, property of directors situated at DDA Flat No. D-7/7123, HIG First Floor, Vasant Kunj, New Delhi, and Property of Vikas Publishing House Pvt. Ltd. (Subsidiary of Group Co.) situated at 161718/1, Apartment No.4, 1st Floor, 4th Cross, Main Gandhi Nagar, Bangalore and corporate guarantee of M/s S Chand and Company Ltd and personal guarantee of Mr. Jai Saxena and Mrs Vidya Saxena.

14. In Nirja Publishers & Printers Private Limited, Cash credit from State Bank of India taken during the previous year and carries interest rate ranging from 8.35% to 10.75% p.a. The loan is repayable on demand. The loan is secured by hypothecation of current assets (present and future), hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) and Corporate Guarantee of S Chand And Company Limited. This facility has been repaid during the year.

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

16. In S Chand And Company Limited, Working capital demand loan from IndusInd Bank Limited, HDFC Bank, DBS Bank, Kotak Mahindra Bank, Standard Chartered Bank and Citi Bank carries interest ranging from 8.65% to 9.35% p.a. (31 March 2018: 8.50 % to 11.35% p.a.). which is repayable on maturity. Working capital Demand Loan is a sub-limit of cash credit facility and secured by the same security as provided in cash credit facility.

17. In Vikas Publishing House Pvt. Limited, Working capital demand loan from HDFC bank, DBS bank, RBL Bank, HSBC Bank and Standard chartered bank carries interest ranging from 8.75% to 10.20% p.a which are repayable on maturity. Working capital demand loan facility is the sub limit of cash credit facility and secured by the same security as provided in cash credit faciltity.

18. In New Saraswati House (India) Private Limited, Working capital demand loan from HDFC bank, RBL Bank and Kotak Mahindra bank carries interest ranging from 8.75% to 10.20% p.a which are repayable on maturity. Working capital demand loan facility is the sub limit of cash credit facility and secured by the same security as provided in cash credit faciltity.

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

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

14. Trade payables

(₹ in millions)

	31 March 2019	31 March 2018
Non-Current		
Trade payables other than micro enterprises and small enterprises	6.82	6.49
Current		
Trade payables of micro enterprises and small enterprises (refer note 32)	117.24	50.17
Trade payables of related entities (refer note 38)	6.21	6.23
Trade payables other than micro enterprises and small enterprises	1,820.27	1,959.03
Total	**1,950.54**	**2,021.92**
Current	**1,943.72**	**2,015.43**
Non current	**6.82**	**6.49**

15. Other financial liabilities

(₹ in millions)

	31 March 2019	31 March 2018
Other financial liabilities at amortised cost		
Interest accrued but not due	5.97	4.49
Interest accrued and due on short term borrowings	2.28	-
Interest accrued and due on security deposits	0.10	1.05
Interest accrued and due on bill discounted	5.56	5.76
Current maturity of long term loans (refer note 13B)	343.05	56.38
Security deposits received	4.12	9.07
Financial liability*	100.00	657.00

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

15. Other financial liabilities *(Continued)*

(₹ in millions)

	31 March 2019	31 March 2018
Employee related liabilities	136.65	100.54
Interest accrued on trade payables to micro and small enterprises (refer note 32)	0.04	0.04
Total	**597.77**	**834.33**
Total other financial liabilities	**597.77**	**834.33**
Current	**589.72**	**830.99**
Non current	**8.05**	**3.34**

* In current year financial liability represents an amount of ₹ 100 million for BG invoked due to breach of conditions by selling share holders of New Saraswati House (India) Private Limited relating to non compete clause. In previous year it represents amount payable to minority shareholders for 38,554 shares of Chhaya Prakashani Private Limited towards purchase of remaining equity shares as per share purchase agreement.

16. Other provisions

(₹ in millions)

	31 March 2019	31 March 2018
Provision for income tax (net of advance tax)	36.50	251.40
Provision for unclaimed dividend	0.09	0.03
Total other provisions	**36.59**	**251.43**
Current	**36.59**	**251.43**
Non-current	**-**	**-**

17. Net employee defined benefit liabilities

(₹ in millions)

	31 March 2019	31 March 2018
Provision for gratuity (non-current) (refer note 35)	45.79	66.63
Provision for gratuity (current) (refer note 35)	1.57	0.05
Provision for leave encashment	11.97	9.39
Provision for bonus	0.83	1.20
Total	**60.16**	**77.27**
Current	**8.51**	**7.08**
Non current	**51.65**	**70.19**

18. Other liabilities

(₹ in millions)

	31 March 2019	31 March 2018
Other payables:		
Statutory dues payable	136.26	155.85
Rent equalization reserve- current	0.49	6.05
Rent equalization reserve- non- current	6.27	-
Creditors for capital expenditure	1.56	-
Advance from customers	56.31	44.33
Other payables	2.57	17.72
Total	**203.46**	**223.95**
Current	**196.05**	**216.41**
Non current	**7.41**	**7.54**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

19. Revenue From Operations

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Finished goods	5,394.72	8,030.81
Less: Discounts	(385.42)	(350.71)
Sale of services	165.15	211.70
Other operating revenue		
Scrap sale	41.57	48.84
Export incentives	2.38	3.81
Creditors written back	1.84	-
Total	**5,220.24**	**7,944.45**
Details of products sold		
Finished goods sold		
Books (published titles)	5,192.44	7,893.90
Educational kits	9.02	5.50
Stationary	-	4.60
E- Book sale	5.98	2.06
Curriculum books sales	147.09	86.34
Computers and peripherals	40.19	38.41
	5,394.72	**8,030.81**
Detail of sale of services		
Content development charges	2.60	25.90
Royalty income/ License fees	0.63	1.25
Training income	3.11	7.95
License fee	-	0.55
Customised interactive education services	144.72	160.39
Income from pre-school educational activity	14.09	15.66
	165.15	**211.70**

Disaggregated revenue information

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
India	5,112.55	7,848.52
Outside India	107.69	95.93
	5,220.24	**7,944.45**

Timing of revenue recognition

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Goods transferred at a point in time	5,055.09	7,732.75
Services transferred over time	165.15	211.70
	5,220.24	**7,944.45**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

Contract balances

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Trade receivables	4,446.03	6,312.33
Contract assets	-	-
Contract liabilities	56.31	44.33

Trade receivables are non-interest bearing and are generally on terms of 150-180 days. For year ended March 2019, ₹ 154.01 million (March 2018: ₹ 39.67 million) was recognised as provision for expected credit losses on trade receivables.

Right to return asset and refund liability

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Refund liabilities		
Arising from discounts	310.82	215.51
Arising from rights of return	1,015.56	429.21
	1,326.38	**644.72**

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue as per contracted price	8,453.64	10,091.87
Adjustments		
Sales return	2,847.98	1,796.71
Discount	385.42	350.71
	5,220.24	**7,944.45**

Performance obligation

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

Manufactured goods

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

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

Services

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

20.1 Other income

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Other non-operating income		
Dividend income on investments	-	1.39
Gain on sale of current investments (net)	18.88	6.65
Net income on deemed disposal of associate	20.41	-
Duty drawback	-	0.52
Fair value gain on financial instruments at fair value through profit or loss	19.78	30.48
Foreign exchange fluctuation gain (net)	3.75	-
Reversal of temporary diminution in value of investments (refer note 49)	-	41.00
Miscellaneous amount written back	19.14	3.77
Others	10.92	0.17
Total	**92.88**	**83.98**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

20.2 Finance income

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on:		
- Bank deposits	7.44	25.86
- Income tax refund	6.42	3.12
- Unwinding of discount on security deposits paid	6.88	7.82
- On bonds	0.18	0.18
- Others	2.39	5.41
Total	**23.31**	**42.39**

21. Cost of published goods/material consumed

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year	138.21	181.96
Add : purchases during the year	2,203.40	2,304.36
	2,341.61	**2,486.32**
Less : Inventory written off	-	(1.90)
Less : Inventories at the end of the year	(248.05)	(138.21)
Total	**2,093.56**	**2,346.21**
Details of raw material purchased		
Paper	1,535.87	1,638.10
Books	307.95	169.40
E Books	1.40	0.93
Test papers & skill assessment reports	1.70	1.20
Learning Material Boxes	7.18	-
Printing and binding charges	109.52	348.35
CD and other items	17.02	14.54
Printing binding material	222.76	131.84
Total	**2,203.40**	**2,304.36**

22. Purchase of traded goods

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Traded books	120.90	78.67
Import of services	1.51	3.67
Computer & peripherals	30.67	33.52
English labs (Kit)	0.57	1.12
Total	**153.65**	**116.98**

23. Publication expenses

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Royalty expenses	271.49	507.55
Freight and cartage expenses	12.89	10.77
Power & fuel	60.62	51.59
Repairs and maintenance - machinery	31.53	37.39
Consumption of stores and spares	4.83	3.57
Other publishing expenses	66.87	71.92
Total	**448.23**	**682.79**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

24. (Increase)/Decrease in inventories

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the end of the year		
Finished goods	1,772.78	1,384.06
Stores and spares	8.84	4.05
Work in progress	4.38	14.67
	1,786.00	**1,402.78**
Inventories at the beginning of the year		
Finished goods	1,385.39	1,470.75
Stock lost by fire (refer note 53)	(58.13)	-
Stores and spares	4.05	4.35
Work in progress	14.67	26.86
	1,345.98	**1,501.96**
(Increase)/decrease in inventories	**(440.02)**	**99.18**

Details of inventories

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Work in progress		
Printed material for books	4.38	14.67
	4.38	**14.67**
Finished goods		
- Manufactured goods		
Books	1,723.83	1,346.46
- Traded goods		
Books	23.91	14.11
Other trade items	25.04	23.49
	1,772.78	**1,384.06**

25. Employee benefits expenses

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,343.95	1,213.78
Contribution to provident and other funds	80.03	72.07
Gratuity expense (refer note 35)	30.18	32.79
Employee stock option expense (refer Note 36)	2.10	12.21
Staff welfare expenses	55.18	54.76
Total	**1,511.44**	**1,385.61**

26. Selling and distribution expenses

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement and sales promotion	364.77	220.97
Meeting & conference expenses	11.17	11.67
Travelling and conveyance	235.99	201.30
Freight and forwarding charges	198.21	198.31
Packing expenses	20.48	54.63
Vehicle running and maintenance	18.94	17.99
Canvassing expenses	18.65	19.25
Leases rent - vehicles (refer note 37)	0.31	1.01
Book workshop expenses	15.82	12.04
Total	**884.34**	**737.17**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

27. Finance cost

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on loans and debts	255.88	224.49
Unwinding of discount on security deposit received	-	0.29
Bank charges	9.67	7.33
Processing fees - bank loan	6.52	1.19
Amortization of ancillary borrowing costs	-	6.42
Total	**272.07**	**239.72**

28. Depreciation and amortisation expense

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment	101.50	88.07
Amortisation of intangible assets	131.35	104.72
Impairment of property, plant & equipment	-	0.05
Intangible assets under development written off	4.47	-
Total	**237.32**	**192.84**

29. Other expenses

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Communication cost	46.39	40.36
Rent (refer note 37)	233.03	213.21
Rates and taxes	14.50	2.07
Insurance	20.16	18.07
Travelling and conveyance	7.12	1.26
Repairs and maintenance:		
-Plant & machinery	0.16	0.53
-Buildings	4.37	3.41
-Others	63.51	66.88
Printing and stationery	9.10	11.34
Legal and professional fee	53.22	51.79
Donations	6.08	-
Payment to auditor (refer details below)	18.58	14.59
Water and electricity charges	20.45	20.30
Office expenses	33.37	22.21
Security expenses	29.08	25.93
Foreign exchange difference (net)	-	1.18
Corporate social responsibility expenses (refer note 50)	12.30	14.00
Bad debts written off	27.31	1.49
Provision for bad & doubtful debts	154.01	39.67
Loss on sale of property, plant and equipment (net)	3.30	3.82
Provision for advances	7.18	-
Miscellaneous expenses	43.56	26.74
Fair value loss on financial instruments at fair value through profit or loss	4.37	0.03
Outsourced employee cost	69.39	69.77
Total	**880.54**	**648.65**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

29A. Exceptional expense

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss of goods by fire (refer note 53)	(7.12)	-
Sales Return (refer Note 54)	(226.27)	-
	(233.39)	**-**

30. Components of Other Comprehensive Income (OCI)

(₹ in millions)

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

For the year ended 31 March 2019

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

For the year ended 31 March 2018

(₹ in millions)

	Retained earnings	Total
Re-measurment gains/(losses) on defined benefit plans	1.13	1.13
Tax impact on re-measurement gains/(losses) on defined benefit plans	0.24	0.24
	1.37	**1.37**

31. Earnings per share

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

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

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity holders of the company (₹ in millions)	(669.20)	1,070.83
Weighted average number of equity shares used for computing Earning per Share (Basic)	34,975,287	34,388,586
Weighted average number of equity shares used for computing Earning per Share (Diluted)	35,060,067	34,473,366
Basic EPS (Amount in ₹)	(19.13)	31.14
Diluted EPS (Amount in ₹)	(19.13)	31.06

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

The Amount due to Micro and small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Group. The disclosures relating to Micro and Small Enterprises as at 31st March 2019 are as under:

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

(₹ in millions)

	31 March 2019	31 March 2018
Description		
(i) Principal amount remaining unpaid as on 31 March, 2019	117.24	50.17
(ii) Interest due thereon as on 31 March, 2019	0.04	0.04
	117.28	**50.21**
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 interest accrued and remaining unpaid at the end of each accounting year.	-	-
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	-	-

33. Group information

Information about subsidiary companies:

	Principal activities	Country of incorporation	% equity interest	
			31 Mar 2019	31 Mar 2018
Nirja Publishers & Printers Private Limited	Publishing and Printing of Books	India	100.00%	100.00%
Safari Digital Education Initiatives Private Limited	Curriculum Solutions & Digital data management Services	India	100.00%	100.00%
Eurasia Publishing House Private Limited	Publishing of Books	India	100.00%	100.00%
Blackie & Son (Calcutta) Private Limited	Publishing of Books	India	100.00%	100.00%
Vikas Publishing House Private Limited	Publishing and Printing of Books	India	100.00%	100.00%
DS Digital Private Limited	Digital Learning solutions to Schools	India	99.99%	99.99%
New Saraswati House (India) Private Limited	Publishing of Books	India	100.00%	100.00%
Chhaya Prakashani Private Limited (w.e.f. 5 December 2016) *	Publishing of Books	India	100.00%	100.00%
BPI (India) Private Limited	Publishing of Books & Educational Kits	India	51.00%	51.00%
S Chand Edutech Private Limited	Learning solutions for Pre School/ Online Testing	India	100.00%	100.00%
Indian Progressive Publishing Company Private Limited	Publishing of Books	India	100.00%	100.00%
Publishing Services Private Limited *	Publishing of Books	India	-	100.00%

* Refer Note 57

Information about associates:

	Principal activities	Country of incorporation	% equity interest	
			31 Mar 2019	31 Mar 2018
Edutor Technologies India Private Limited	Digital Education Solutions on Tabs & Apps	India	44.66%	44.66%
Smartivity Labs Private Limited	Early Learning through Augmented Reality, STEM DIY Kits and Virtual Reality	India	19.70%	24.12%

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

34. Investment in associates

34A. Edutor Technologies India Private Limited

The Group has a 44.66% (31 March 18: 44.66%) interest in Edutor Technologies India Private Limited, which is primarily engaged in the business of providing digital education solutions of all kind through an online Learning Management System (LMS), enabling students to achieve academic success through one-on-one tutoring and engage in personalized training by using the electronic devices such as gadgets, with specialization in length and breadth of all streams of education. Its registered and principal office of business is located at Hyderabad. Edutor Technologies India Private Limited is a private entity that is not listed on any public exchange. The Group's interest in Edutor Technologies India Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Edutor Technologies India Private Limited:

(₹ in millions)

	31 March 2019	31 March 2018
Current assets	27.17	29.81
Non-current assets	15.82	21.72
Current liabilities	(62.06)	(60.37)
Non-current liabilities	(4.23)	(4.15)
Equity	**(23.30)**	**(12.99)**
Proportion of the Group's ownership	44.66%	44.66%
Carrying amount of the investment	162.93	168.55

(₹ in millions)

	31 March 2019	31 March 2018
Revenue	71.66	98.02
Cost of raw material and components consumed	(18.38)	(25.10)
Depreciation & amortization	(6.46)	(8.16)
Finance cost	(3.25)	(3.24)
Employee benefit	(37.43)	(46.74)
Other expense	(18.05)	(29.61)
Loss before tax	(11.91)	(14.83)
Income tax expense	0.33	0.68
Loss for the year	(11.58)	(14.15)
Other Comprehensive Income	(1.00)	(1.09)
Total comprehensive income for the year	**(12.58)**	**(15.24)**
Group's share of loss for the year	**(5.62)**	**(6.80)**

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

The associate had no contingent liabilities or capital commitments as at 31 March 2019 or 31 March 2018.

34B. Smartivity Labs Pvt Ltd

The Group has a 19.70% (24.12% on 31 March 2018) interest in Smartivity Labs Pvt Ltd, which is primarily engaged in the business of Early Learning through Augmented Reality (AR) , STEM DIY Kits (Science , Technology and Maths) and also Virtual Reality (VRX) Content. Smartivity Labs Pvt Ltd is a private entity that is not listed on any public exchange. The Group's interest in Smartivity Labs Pvt Ltd is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Smartivity Labs Private Limited:

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

34B. Smartivity Labs Pvt Ltd *(Continued)*

(₹ in millions)

	31 March 2019	31 March 2018
Current assets	101.07	60.39
Non-current assets	71.64	38.04
Current liabilities	(71.17)	(67.36)
Equity	**101.54**	**31.07**
Proportion of the Group's ownership	19.70%	24.12%
Carrying amount of the investment	24.61	10.05

(₹ in millions)

	31 March 2019	31 March 2018
Revenue	175.29	98.89
Cost of raw material and components consumed	(81.83)	(55.67)
Depreciation & amortization	(10.81)	(7.82)
Finance cost	(2.45)	(0.62)
Employee benefit	(53.47)	(31.70)
Other expense	(78.91)	(31.67)
Loss before tax	(52.18)	(28.59)
Income tax expense	7.47	5.99
Loss for the year	**(44.71)**	**(22.60)**
Other Comprehensive Income	-	-
Total comprehensive income for the year	**(44.71)**	**(22.60)**
Group's share of loss for the year	**(8.81)**	**(5.45)**

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

The associate had no contingent liabilities or capital commitments as at 31 March 2019 or 31 March 2018.

35. Gratuity and other post-employment benefits plan

Gratuity

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

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

Statement of Profit & Loss account

Net employee benefit expense recognised in employee cost:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	25.19	21.58
Past service cost	-	7.53
Interest cost on defined obligation	8.86	7.00
Expected return on plan assets	(3.87)	(3.32)
	30.18	**32.79**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

35. Gratuity and other post-employment benefits plan *(Continued)*

Amount recognised in Other Comprehensive Income:

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gains) / losses on obligation	(35.89)	(2.15)
Actuarial gains / (losses) on assets	(1.23)	(1.02)
Net gain/(loss)	**34.66**	**1.13**

Balance sheet

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening defined benefit obligation	122.58	98.05
Current service cost	25.19	21.58
Past service cost	-	7.53
Interest cost	8.86	7.00
Benefits paid from plan assets	(9.71)	(7.70)
Benefits paid directly by employer	(0.79)	(1.73)
Actuarial (gains) / losses on obligation	(35.89)	(2.15)
Acquisition/ divestiture	1.30	-
Closing defined benefit obligation	**111.54**	**122.58**

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

(₹ in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening fair value of plan assets	55.90	48.64
Expected return	3.87	3.32
Contributions by employer	12.89	10.62
Benefits paid	(9.71)	(7.70)
Actuarial gain/(loss)	1.23	1.02
Closing fair value of plan assets	**64.18**	**55.90**
Net liability recognised in financial statements	**47.36**	**66.68**
Current Portion	**1.57**	**0.05**
Non - Current Portion	**45.79**	**66.63**

The Company expects to contribute Rs. 4.63 million to gratuity in this year (31 March 2018: Rs. 2.38 million)

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Investments with insurer	100%	100%

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.15% to 7.70%	7.35% to 7.70%
Expected rate of return on assets	7.5% to 7.70%	7.35% to 8.00%
Expected rate of salary increase	6% to 10%	6% to 10%
Retirement Age (In years)	58- 60 years	58- 60 years
Employee turnover :-		
- For Service upto 5 years	3% to 15%	3% to 15%
- For Service more than 5 years	1% to 2%	1.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)

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

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

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

(₹ in millions)

	Change in assumptions	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	+ 1%	95.07	40.19
	- 1%	117.88	135.58
Expected rate of salary increase	+ 1%	117.36	134.94
	- 1%	95.28	39.89

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

36. Employee stock option plans

The Group provides share-based payment schemes to its employees. During the year ended March 31, 2019 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

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

(₹ in millions)

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Date of grant	09-Jul-12	09-Jul-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	30-Sep-15	28-Mar-16	05-Aug-16	16-Aug-16	30-Nov-16
Date of Board approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	27-Aug-15	28-Mar-16	05-Aug-16	05-Aug-16	19-Sep-16 & 30-Nov-16
Date of Shareholder's approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	30-Sep-15	30-Sep-15	30-Sep-15	28-Mar-16	05-Aug-16	05-Aug-16	10-Nov-16
Number of options granted	2,194	292	180	75	441	185	248	40	93,388	51,060	12,506

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

36. Employee stock option plans *(Continued)*

(₹ in millions)

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Method of settlement (Cash/Equity)	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	Year 1- 10% Year 2- 15% Year 3-20% Year 4-25% Year 5-30%	100% Immediate vesting	Year 1- 28% Year 2- 32% Year 3-40%	Year 1- 28% Year 2- 32% Year 3-40%	Year 1- 50% Year 2- 50%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 25% Year 2- 35% Year 3- 40%	Year 1- 100%	Year 1- 25% Year 2- 25% Year 3- 25% Year 4- 25%	Year 1- 50% Year 2- 50%
Exercise Period	Exercise on listing but not later than two years from the listing/on sale										
Exercise price	9,110	9,110	36,870	36,870	36,870	45,000	45,000	45,000	304	304	392
Fair value of shares at the time of grant	4,139	4,109	10,949	10,949	25,227	20,944	20,594	20,404	112	139	60
Equity shares of ₹ 10 each were subdivided into 2 equity shares of ₹ 5 each as per resolution passed by shareholders at extraordinary general meeting dated 20 April 2016. Further, bonus shares were issued to the shareholders in the ratio of 73:1 as per resolution passed at extraordinary general meeting (EGM) dated 20 April 2016. The effect of share split and bonus issue on exercise price, fair value at the time of grant and weighted average exercise price on options granted till March 31, 2018 is as below:											
Exercise Period	Exercise on listing but not later than two years from the listing/on sale										
Exercise price	61.55	61.55	249.12	249.12	249.12	304.05	304.05	304.05	304.00	304.00	392.00
Fair value of shares at the time of grant	27.97	27.77	73.98	73.98	170.45	141.51	139.15	137.87	112.41	138.97	60.40

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)**	No. of options	WAEP (in ₹)**
Outstanding at the beginning of the year	-	-	47,656	62
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	47,656	62
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

** denotes weighted average excecise price

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

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	3,108	62
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-

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Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

36. Employee stock option plans *(Continued)*

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Exercised during the year	-	-	3,108	62
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The details of activities under Grant III a and III b are summarized below: (₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	26,640	249
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	26,640	249
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding as at March 31, 2019 is Nil (March 31, 2018: Nil).

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

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	65,268	249
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	65,268	249
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	40,034	304	68,302	304
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	28,268	304
Effect of share split	-	-	-	-
Effect of bonus issue	-	-	-	-
Outstanding at the end of the year	40,034	304	40,034	304
Exercisable at the end of the year	40,034	304	12,210	304

The weighted average remaining contractual life for option outstanding as at March 31, 2019 under Grant IV(b) is 2.41 years, under Grant IV(c) is 2.5 years and under Grant IV(d) is 1.52 years .

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

36. Employee stock option plans *(Continued)*

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	-	-	93,388	304
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	93,388	304
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	38,295	304	51,060	304
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	12,765	304
Outstanding at the end of the year	38,295	304	38,295	304
Exercisable at the end of the year	12,765	304	-	-

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2019 is 3.38 years.

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

(₹ in millions)

	March 31, 2019		March 31, 2018	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	6,451	392	11,203	392
Granted during the year	-	-	-	-
Forfeited during the year	-	-	1,800	392
Exercised during the year	-	-	2,952	392
Outstanding at the end of the year	6,451	392	6,451	392
Exercisable at the end of the year	6,451	392	1,750	392

The weighted average remaining contractual life for option outstanding under Grant VII as at March 31 2019 is 1.67 years.

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

(₹ in millions)

	Grant IVa	Grant IVb	Grant IVc	Grant IVd	Grant V	Grant VI	Grant VII
	31 March 2016	31 March 2016	31 March 2016	31 March 2016	31 March 2017	31 March 2017	31 March 2017
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	17.05%	16.46%	16.20%	16.57%	16.43%	16.41%	17.06%
Risk-free interest rate	7.67%	7.71%	7.46%	7.36%	6.73%	6.86%	5.99%
Weighted average fair market price (Rs.)	377	377	377	377	376	376	376
Exercise price (Rs.)	249	304	304	304	304	304	392
Expected life of options granted in years	2.43	3.22	3.20	3.15	2.00	3.50	2.50
Weighted average fair value of option at the time of grant (Rs.)	170.45	141.51	139.15	137.87	112.41	138.97	60.40

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

37. Leases

Operating lease: company as lessee

a. The Group has taken premises for office and storage use under cancellable and non-cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 233.03 million (31 March 2018: ₹ 213.21 million). These lease have average life of between one to nine years. There are no restrictions imposed by the lease agreements. There are no sub leases.

b. The Group has taken vehicle for office use under cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 0.31 million (31 March 2018: ₹ 1.01 million). There are no restrictions imposed by the lease agreements. There are no sub leases.

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

(₹ in millions)

	31 March 2019	31 March 2018
Within one year	147.16	46.68
More than one year but not more than five years	257.90	195.02
After five years	24.22	25.23

38. Related party disclosure

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

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

Enterprises over which Key Management	:	Hotel Tourist (Partnership firm)
personnel or their relatives exercise	:	Raasha Entertainment & Leisure LLP
significant influence	:	S Chand Hotels Private Limited
	:	SC Hotel Tourist Deluxe Private Limited
	:	Shaara Hospitalities Private Limited
	:	S Chand Properties Private Limited
	:	Shyam Lal Charitable Trust
	:	RKG Hospitalities Private Limited
Key Management Personnel (KMP) & their relatives		
Mrs. Savita Gupta	:	Non- Executive Director
Mr. Himanshu Gupta	:	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	:	Whole-time Director
Mr. Gaurav Jhunjhnuwala	:	Non- Executive Director
Mr. Desh Raj Dogra	:	Chairman, Non-Executive, Independent Director
Mrs. Archana Capoor	:	Non-Executive, Independent Director
Mr. Sanjay Vijay Bhandarkar	:	Non-Executive, Independent Director
Mr. Rajagopalan Chandrashekar	:	Non-Executive, Independent Director (w.e.f 23 July 2018)
Mr. Deep Mishra	:	Non-Executive Director (till 05 Nov 2018)
Mr. Sanjay Gujral		Non-Executive Director (from 05 Nov 2018 till 05 Mar 2019)
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary
Relatives of KMP	:	Mr. Ravindra Kumar Gupta
	:	Mrs. Neerja Jhunjhnuwala
	:	Mrs. Ankita Gupta

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

38. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Sale of Books					
Edutor Technologies India Private Limited	31 March 2019	-	-	0.29	0.29
	31 March 2018	-	-	0.18	0.18
Easy Note Stationery Private Limited	31 March 2018	0.18	-		0.18
	31 March 2017	0.54	-		0.54
Purchase of books and others					
Edutor Technologies India Private Limited (App Development support services)	31 March 2019	-	-	7.43	7.43
	31 March 2018	-	-	-	-
Smartivity Labs Private Limited (sets)	31 March 2019	-	-	-	-
	31 March 2018	-	-	0.25	0.25
Smartivity Labs Private Limited (VRX Sets)	31 March 2019	-	-	15.59	15.59
	31 March 2018	-	-	11.29	11.29
Purchase- (Other) from					
SC Hotel Tourist Deluxe Private Limited	31 March 2019	2.66	-	-	2.66
	31 March 2018	3.09	-	-	3.09
S Chand Hotels Private Limited	31 March 2019	-	-	-	-
	31 March 2018	0.13	-	-	0.13
Hotel Tourist	31 March 2019	3.34	-	-	3.34
	31 March 2018	3.76	-	-	3.76
Development work of Project VRX					
Smartivity Labs Private Limited	31 March 2019	-	-	9.42	9.42
	31 March 2018	-	-	4.20	4.20
Other expenses paid (reimbursement)					
Shyam Lal Charitable Trust	31 March 2019	0.01	-	-	0.01
	31 March 2018	-	-	-	-
Ankita Gupta	31 March 2019	-	0.98	-	0.98
	31 March 2018	-	0.51	-	0.51
Rentals paid					
S Chand Properties Private Limited	31 March 2019	34.05	-	-	34.05
	31 March 2018	29.42	-	-	29.42
Mrs.Savita Gupta	31 March 2019	-	3.52	-	3.52
	31 March 2018	-	3.25	-	3.25
Mrs.Neerja Jhunjhnuwala	31 March 2019	-	2.69	-	2.69
	31 March 2018	-	2.51	-	2.51
Mr. Ravindra Kumar Gupta	31 March 2019	-	1.40	-	1.40
	31 March 2018	-	1.21	-	1.21
SC Hotel Tourist Deluxe Private Limited	31 March 2019	11.04	-	-	11.04
	31 March 2018	9.84	-	-	9.84
Mrs. Ankita Gupta	31 March 2019	-	0.45	-	0.45
	31 March 2018	-	0.40	-	0.40

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

38. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Investment made during the period					
Smartivity Labs Private Limited (Preference shares)	31 March 2019	-	-	2.96	2.96
	31 March 2018	-	-	2.50	2.50
Remuneration to KMP					
Mr. Himanshu Gupta	31 March 2019	-	12.88	-	12.88
	31 March 2018	-	16.42	-	16.42
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2019	-	12.95	-	12.95
	31 March 2018	-	16.42	-	16.42
Mr. Desh Raj Dogra	31 March 2019	-	0.59	-	0.59
	31 March 2018	-	0.50	-	0.50
Ms. Archana Capoor	31 March 2019	-	0.56	-	0.56
	31 March 2018	-	0.53	-	0.53
Mr. Sanjay Vijay Bhandarkar	31 March 2019	-	0.21	-	0.21
	31 March 2018	-	0.41	-	0.41
Mr. Rajagopalan Chandrashekar	31 March 2019	-	0.12	-	0.12
	31 March 2018	-	-	-	-
Mr. Sanjay Gujral	31 March 2019	-	0.18	-	0.18
	31 March 2018	-	-	-	-
Mr. Saurabh Mittal	31 March 2019	-	12.94	-	12.94
	31 March 2018	-	12.76	-	12.76
Mr. Jagdeep Singh	31 March 2019	-	7.11	-	7.11
	31 March 2018	-	5.49	-	5.49
Loans and Advances given					
Edutor Technologies India Private Limited	31 March 2019	-	-	7.50	7.50
	31 March 2018	-	-	-	-

Balances outstanding as at 31 March 2019

(₹ in millions)

Security deposit receivable					
SC Hotel Tourist Deluxe Private Limited	31 March 2019	4.20	-	-	4.20
	31 March 2018	4.20	-	-	4.20
Mrs. Ankita Gupta	31 March 2019	-	0.19	-	0.19
	31 March 2018	-	0.19	-	0.19
S Chand Properties Private Limited	31 March 2019	12.55	-	-	12.55
	31 March 2018	12.55	-	-	12.55
Mrs.Savita Gupta	31 March 2019	-	0.54	-	0.54
	31 March 2018	-	0.54	-	0.54
Mrs.Neerja Jhunjhnuwala	31 March 2019	-	0.12	-	0.12
	31 March 2018	-	0.12	-	0.12
Mr. Ravindra Kumar Gupta	31 March 2019	-	0.41	-	0.41
	31 March 2018	-	0.41	-	0.41
Loans and advances					
SC Hotel Tourist Deluxe Private Limited	31 March 2019	1.48	-	-	1.48
	31 March 2018	-	-	-	-

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

38. Related party disclosure *(Continued)*

(₹ in millions)

Nature of Transactions	Period/Year Ended	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Associates	Total
Raasha Entertainment & Leisure LLP	31 March 2019	-	-	-	-
	31 March 2018	0.22	-	-	0.22
Shaara Hospitalities Private Limited	31 March 2019	0.01	-	-	0.01
	31 March 2018	0.01	-	-	0.01
RKG Hospitalities Private Limited	31 March 2019	0.34	-	-	0.34
	31 March 2018	0.34	-	-	0.34
Edutor Technologies India Private Limited	31 March 2019	-	-	4.39	4.39
	31 March 2018	-	-	1.48	1.48
Trade payables					
Hotel Tourist	31 March 2019	0.18	-	-	0.18
	31 March 2018	0.24	-	-	0.24
SC Hotel Tourist Deluxe Private Limited	31 March 2019	0.46	-	-	0.46
	31 March 2018	0.34	-	-	0.34
Edutor Technologies India Pvt Ltd	31 March 2019	-	-	0.97	0.97
	31 March 2018	-	-	-	-
Smartivity Labs Private Limited	31 March 2019	-	-	1.07	1.07
	31 March 2018	-	-	1.27	1.27
Directors remuneration payable					
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2019	-	0.42	-	0.42
	31 March 2018	-	0.28	-	0.28
Mr. Himanshu Gupta	31 March 2019	-	0.44	-	0.44
	31 March 2018	-	0.38	-	0.38
Mrs. Neerja Jhunjhnuwala	31 March 2019	-	0.30	-	0.30
	31 March 2018	-	0.30	-	0.30
Mrs. Ankita Gupta	31 March 2019	-	0.14	-	0.14
	31 March 2018	-	-	-	-
Mr. Saurabh Mittal	31 March 2019	-	0.54	-	0.54
	31 March 2018	-	0.60	-	0.60
Mr. Jagdeep Singh	31 March 2019	-	0.44	-	0.44
	31 March 2018	-	0.30	-	0.30
Investments made as at 31st Mar 2019					
Edutor Technologies India Pvt Ltd	31 March 2019	-	-	162.93	162.93
	31 March 2018	-	-	168.55	168.55
Smartivity Labs Private Limited	31 March 2019	-	-	24.61	24.61
	31 March 2018	-	-	10.05	10.05

39. Capital and other commitment

(₹ in millions)

	31 March 2019	31 March 2018
a. Capital commitment (net of advance)	0.52	75.17
b. Relating to Export Promotion Capital Goods commitment	22.59	77.89
c. Other commitments	24.25	0.28

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

40. Contingent liabilities

(₹ in millions)

	31 March 2019	31 March 2018
Stamp duty (refer note 'a' below)	95.01	95.01
Registration fee (refer note 'a' below)	9.15	9.15
Income Tax demand (refer note 'b', 'c','d','e','h' and 'i' below)	77.14	1.39
VAT claim by U. P. VAT Act. (refer note 'g')	2.75	2.75
Contractual Obligations	-	2.04
EPCG laibility (refer note 'j' below)	3.77	-
Dealer financing (refer note 'm' below)	100.00	-

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

The Company has also received a demand notice from the Sub-Registrar under section 80A of the Registration Act, 1908 wherein the authority has directed the Company to pay additional registration fee of ₹ 9.15 million (31 March 2018: 9.15 million)

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

b. In S Chand And Company Ltd., in respect of Assessment Year 2006-2007, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the Assessing officer. The amount involved is ₹ 0.67 million (31 March 2018: ₹ 0.67 million).

c. In S Chand And Company Ltd., in respect of Assessment Year 2015-16 a disallowance under section 36(1)(va) read with section 2(24)(x) of the act, a demand has been raised on account of disallowance of payment made towards employee's contribution to PF after the due date of payment but before the due date of filling return. The matter is pending with CIT (A). The amount involved is ₹ 0.72 million (31 March 2018: ₹ 0.72 million)

d. In Nirja Publishers & Printers Private Limited, in respect of Assessment Year 2011-2012, demand was raised due to disallowance of deduction under section 80IC of the Income Tax Act and also certain penalty proceedings on the above issue. The matter is pending with the ITAT. The amount involved is ₹ 39.44 million (31 March 2018: ₹ 39.44 million).

e. In Nirja Publishers & Printers Private Limited, in respect of Assessment Year 2012-13, demand was raised due to disallowance of deduction under section 80IC of the Income Tax Act and also certain penalty proceedings on the above issue. During the year ending 31 March, 2018, the Company got favourable outcome in respect of above demand in appellate process. The department is in appeal before the Income Tax Appellate Tribunal (ITAT). The amount involved is ₹ 35.43 million (31 March 2018: ₹ 35.43 million).

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

g. In DS Digital Private Limited, Company has paid ₹ 1.10 million for levy of penalty U/S 54(1) of U P. VAT Act.vide Appelate order. The order has been set aside for re-adjudication.

h. In Chhaya Prakashani Private Limited, during FY 18-19, the Company received demand notice from the Income Tax Authorities requiring the Company to pay additional tax of ₹ 9.29 million (31 March 2018: ₹ NIL) for assessment year 2013-14 to assessment year 2018-19. The demand pertains to deduction of TDS at a lower rate on certain charges, being incurred by the Company. The Company has filed an appeal with Income Tax Appellate Tribunal ("ITAT") contesting the demand made by assessing officer. The management is confident of reversal of demand raised by assessing officer. The company also has a tax indemnity for this from the selling shareholders of Chhaya Prakashani Pvt. Ltd.

i. In Vikas Publishing House Pvt. Ltd., during FY 18-19, the Company has received Penalty Order from Income tax authorities under Section 271DA of Income Tax Act, 1961 requiring the Company to pay ₹ 0.88 million (previous year: ₹ Nil) for the assessment year 2018-19. The Company has paid ₹ Nil (previous year: ₹ Nil) and has filed an appeal with CIT(A) contesting the demand.

j. In Vikas Publishing House Private Limted, the Company has export obligation outstanding as on March 31, 2019 amounting to ₹ 22.59 million against which the Company had saved the import duty of ₹ 3.77 million. In view of expiration of period during the year, within which export obligation was to be fulfilled, the Company has applied for extension of export obligation period with Directorate General of Foreign Trade (DGFT). The management expects to receive the extension, hence no adjustment has been made in the financial statements in this respect.

k. In S Chand And Company Ltd., during the year ₹ 100 million dealer financing facility is availed by the dealers from Yes Bank for which the company has given FLDG.

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

41. Unhedged foreign currency exposure

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

	Foreign currency	Amount in foreign currency		Amount in ₹ (million)	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Trade receivable	USD	37,499.01	80,397	2.99	5.66
	QAR	234,998	426,000	4.47	7.63
	AED	73,900	165,600	1.39	2.93
	SAR	-	45,000	-	0.78
	MXN	1,116	1,451	0.00	0.01
	JPY	14,600	8,593	0.01	0.00
	GBP	331	303	0.03	0.03
	EUR	478	402	0.04	0.03
	CAD	235	203	0.01	0.01
	BRL	506	480	0.01	0.01
	AUD	267	182	0.01	0.01
Trade payable	GBP	1,350	-	0.09	-
Buyer's credit (borrowings)	USD	-	610,133	-	39.69

42. BPI India Private Limited had entered into a contract with a foreign party for supply of certain children books. As per the contract material was to be supplied in lots. After receiving certain lots the Company had requested the vendor to terminate the contract as there were no demands for such books. But the party had continued to supply books. The party has filed case against the Company for recovery of amount with interest. The case is currently lying with Delhi High court. The Company will discuss with AD / Reserve Bank of India (RBI) for remitting / regularizing the payment due once the case is finally settled. Also, based on the discussions with the solicitor/expert, the management feels that the Company has a strong chance of success in above mentioned case and hence no provision for interest has been recognised in the financial statements.

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

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

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

A. Market Risk

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

Market risk comprises three types of risk:-

a.) Interest rate risk,

b.) currency risk and other price risk, such as equity price risk and

c.) commodity risk.

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2019.

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

a. Interest rate risk.

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

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

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2019			
Borrowings	+0.50%	(12.40)	-
	-0.50%	12.40	-
As at 31 March 2018			
Borrowings	+0.50%	(8.85)	-
	-0.50%	8.85	-

b. Foreign currency risk

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

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

(₹ in millions)

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
For the year ended 31 March 2019			
USD	+0.5%	0.01	-
	-0.5%	(0.01)	-
QAR	+0.5%	0.02	-
	-0.5%	(0.02)	-
AED	+0.5%	0.01	-
	-0.5%	(0.01)	-
For the year ended 31 March 2018			
USD	+0.5%	(0.17)	-
	-0.5%	0.17	-
QAR	+0.5%	0.04	-
	-0.5%	(0.04)	-
AED	+0.5%	0.01	-
	-0.5%	(0.01)	-

B. Credit Risk

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

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

Age Bracket	Not Due	Due	Total
As at 31 March 2018	5,564.11	748.22	6,312.33
As at 31 March 2019	3,700.67	745.36	4,446.03

C. Liquidity Risk

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

(₹ in millions)

	31 March 2019	31 March 2018
On Demand		
- Borrowings	1,299.38	1,399.34
	1,299.38	**1,399.34**
Less than 1 year		
- Borrowings	353.34	104.56
- Trade payables	1,943.72	2,015.43
- Other financial liabilities	246.67	774.61
	2,543.73	**2,894.60**
More than 1 year		
- Borrowings	727.27	265.87
- Trade payables	6.82	6.49
- Other financial liabilities	8.05	3.34
	742.14	**275.70**

44. Capital management

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

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

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

Group's adjusted net debt to equity ratio as at 31 March 2019 is as follows:

Gearing Ratio	31 March 2019	31 March 2018
Borrowings (Note 13A & 13B) (including current maturities)	2,479.19	1,769.77
Less: cash and cash equivalents (Note 5E)	(603.96)	(664.81)
Adjusted Net debt (A)	**1,875.23**	**1,104.97**
Equity	9,332.98	10,038.70
Total equity (B)	**9,332.98**	**10,038.70**
Total equity and net debt [C = (A+B)]	**11,208.21**	**11,143.66**
Gearing Ratio (A/C)	**17%**	**10%**

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Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

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

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

45. Fair Values

The Carrying values of financial instruments by categories is as under: (₹ in millions)

Particulars	31 March 2019			31 March 2018		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Assets						
Non current financial assets						
- Investments	241.80	0.18	-	232.87	0.13	-
- Loans	95.40	-	-	93.23	-	-
- Other financial assets	12.73	-	-	11.88	-	-
Current Financial assets						
- Trade receivables	4,446.03	-	-	6,312.33	-	-
- Loans	66.72	-	-	83.02	-	-
- Investments	14.06	201.52	-	64.06	403.57	-
- Other financial assets	90.86	-	-	29.35	-	-
- Cash and cash equivalents	603.96	-	-	664.81	-	-
Liabilities						
Non Current Financial liabilities						
- Borrowings	727.27	-	-	265.87	-	-
- Trade payables	6.82	-	-	6.49	-	-
- Other financial liabilities	8.05	-	-	3.34	-	-
Current Financial liabilities						
- Borrowings	1,408.87	-	-	1,447.52	-	-
- Trade payables	1,943.72	-	-	2,015.43	-	-
- Other financial liabilities	589.72	-	-	830.99	-	-

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

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

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

46. As per requirement of Companies Act, 2013, following additional disclosure needs to be given in the Notes to Accounts for the year ended 31 March 2019 along with comparative numbers for 31 March 2018:

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

As at 31 March 2019

(₹ in millions)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
S Chand And Company Limited	54.95%	5,128.82	39.63%	(265.23)	-2.83%	(0.70)	41.25%	(265.92)
Subsidiaries								
Indian								
Eurasia Publishing House Private Limited	1.48%	137.91	-0.56%	3.78	0.00%	-	-0.59%	3.78
BPI (India) Private Limited	0.30%	27.64	2.03%	(13.57)	0.27%	0.07	2.09%	(13.50)
Safari Digital Education Initiatives Private Limited	-1.50%	(139.82)	12.21%	(81.72)	-1.22%	(0.30)	12.72%	(82.02)
Blackie & Son (Calcutta) Private Limited	0.16%	15.21	-0.16%	1.04	0.00%	-	-0.16%	1.04
Nirja Publishers & Printers Private Limited	5.91%	551.75	-5.95%	39.79	0.09%	0.02	-6.18%	39.81
Vikas Publishing House Private Limited	18.41%	1,718.29	-9.42%	63.02	58.56%	14.42	-12.01%	77.43
S Chand Edutech Private Limited	-0.09%	(8.05)	2.76%	(18.46)	-0.33%	(0.08)	2.88%	(18.54)
D S Digital Private Limited	1.87%	174.46	7.91%	(52.91)	2.47%	0.61	8.11%	(52.30)
New Saraswati House (India) Private Limited	7.80%	727.98	68.46%	(458.11)	44.20%	10.88	69.38%	(447.23)
Chhaya Prakashani Private Limited	8.40%	783.65	-20.55%	137.51	-1.48%	(0.36)	-21.28%	137.15
Indian Progressive Publishing Company Private Limited	0.08%	7.46	-0.47%	3.13	0.00%	-	-0.49%	3.13
Minority interest in all subsidiaries	0.31%	29.08	1.95%	(13.04)	0.26%	0.06	2.01%	(12.98)
Associates (Indian)								
Investment as per Equity Method	1.91%	178.60	2.16%	(14.43)	0.00%		2.24%	(14.43)
	100.00%	**9,332.98**	**100.00%**	**(669.20)**	**100.00%**	**24.62**	**100.00%**	**(644.58)**

As at 31 March 2018

(₹ in millions)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
S Chand And Company Limited	58.84%	5,908.16	47.10%	504.36	147.59%	2.03	47.23%	506.39
Subsidiaries								
Indian								
Eurasia Publishing House Private Limited	1.34%	134.13	-2.08%	(22.24)	0.00%	-	-2.07%	(22.24)
BPI (India) Private Limited	0.41%	41.14	0.03%	0.29	9.24%	0.13	0.04%	0.42
Safari Digital Education Initiatives Private Limited	-0.02%	(2.11)	-1.40%	(14.96)	124.82%	1.71	-1.24%	(13.25)
Blackie & Son (Calcutta) Private Limited	0.14%	14.17	0.16%	1.67	0.00%	-	0.16%	1.67

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

As at 31 March 2018 *(Continued)*

(₹ in millions)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Nirja Publishers & Printers Private Limited	5.10%	511.94	3.08%	32.94	11.20%	0.15	3.09%	33.09
Vikas Publishing House Private Limited	17.84%	1,790.53	22.98%	246.10	-343.21%	(4.71)	22.51%	241.39
S Chand Edutech Private Limited	-0.29%	(29.46)	-0.11%	(1.16)	-1.29%	(0.02)	-0.11%	(1.18)
D S Digital Private Limited	1.43%	143.67	-2.20%	(23.52)	1.55%	0.02	-2.19%	(23.50)
New Saraswati House (India) Private Limited	6.53%	655.06	9.18%	98.32	136.85%	1.88	9.35%	100.20
Chhaya Prakashani Private Limited	6.42%	644.37	24.16%	258.76	6.50%	0.09	24.13%	258.85
Indian Progressive Publishing Company Private Limited	0.04%	4.32	0.30%	3.18	0.00%	-	0.30%	3.18
Publishing Services Private Limited	0.02%	2.13	-0.06%	(0.68)	-2.13%	(0.03)	-0.07%	(0.71)
Minority interest in all subsidiaries	0.42%	42.05	0.00%	0.02	8.88%	0.12	0.01%	0.14
Associates (Indian)								
Investment as per Equity Method	1.78%	178.60	-1.14%	(12.25)	0.00%	-	-1.14%	(12.25)
	100.00%	**10,038.70**	**100.00%**	**1,070.83**	**100.00%**	**1.37**	**100.00%**	**1,072.20**

47. S Chand And Company Limited has filed Draft Composite Scheme of Arrangement on January 9, 2018, amongst Blackie & Sons (Calcutta) Private Limited, Nirja Publishers and Printers Private Limited, DS Digital Private Limited ("DS Digital"), Safari Digital Education Initiatives Private Limited ("Safari Digital") and S Chand And Company Limited (Company) and their respective shareholders and creditors (Composite Scheme) with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) and Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular). The education business of DS Digital and Safari Digital shall be demerged from respective Companies and will be merged with the Company as part of Composite Scheme. The Company shall file the Composite Scheme with National Company Law Tribunal (NCLT), post approval from BSE and NSE.

48. The Board of Directors of Chhaya Prakashani Private Limited ("Chhaya"), in its meeting held on August 08, 2017 approved the scheme of amalgamation of Publishing Services Private Limited ("PSPL"), a wholly owned subsidiary of Chhaya with Chhaya. Thereafter, Chhaya in accordance with the provisions of Section 233 of The Companies Act, 2013, had filed an application dated December 12, 2017 with the Regional Director, Eastern Region, for amalgamation of PSPL with Chhaya, which was sanctioned by the Regional Director vide its Confirmation Order dated August 03, 2018. The financial statement for financial year ended March 31, 2019 have been prepared considering the effect of the said amalgamation, which resulted into an adjustment of ₹ (0.65) million in capital reserves in accordance with IND-AS 103.

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

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

50. Corporate social responsibility

(₹ in millions)

	As at 31 March 2019	As at 31 March 2018
a) Gross amount required to be spent by the Group during the year	24.51	21.45
b) Amount spent during the year	12.30	14.00

51. Segment reporting

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

52. Business combinations

Acquisition of Chhaya Prakashani Private Limited ("CPPL") during the year ended 31 March 2017

On 5 December 2016, the Group acquired 74% of the voting shares of Chhaya Prakashani Private Limited ("CPPL"), a non-listed company based in Kolkata, India and specialising in the publishing, printing, sale, purchase, export and import of all types of books and other literary work in exchange for the Group's shares. The Group acquired Chhaya Prakashani Private Limited because it significantly enlarges the range of products in the school segment.

CPPL had two 100% subsidiaries namely Indian Progressive Publishing Company Private Limited ("IPPCPL") and Publishing Services Private Limited ("PSPL") which are also in the same business.

For the year ending 31 March 2018, the group recognised a liability of ₹ 657.00 million (refer Note 15) in place of non- controlling interest as buyout consideration for remaining equity payable as per Share Purchase Agreement.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of CPPL as at the date of acquisition were:

(₹ in millions)

	Book value recognised on acquisition
Assets	
Property, plant and equipment (note 3)	12.22
Intangible Assets (note 4)	5.22
Cash and cash equivalents	4.56
Investments	2.14
Loans & advances	297.96
Trade receivables	8.93
Inventories	156.86
Other assets	2.23
	490.12
Liabilities	(₹ in millions)
Trade payables	60.83
Other liabilities & provisions	258.13
	318.96
Total identifiable net assets at fair value	**171.16**
Non-controlling interests measured at book value	(44.50)
Goodwill arising on acquisition (note 4)	1,573.43
Purchase consideration transferred	**1,700.09**

S Chand and Company Limited
Notes to consolidated financial statements as at 31 March 2019 *(Continued)*

From the date of acquisition, CPPL along with its subsidiaries have contributed ₹ 1,917.64 million of revenue and ₹ 726.77 million to the profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been ₹ 6,832.89 million and the profit before tax for the Group would have been ₹1,058.65 million for the year ending 31 March 2017.

53. In New Saraswati House (India) Pvt. Ltd., the company has one of its warehouse situated at "Sahibabad" . During the year ended March 31, 2019, a fire broke out in warehouse, which resulted in loss of finished goods lying in warehouse at that point in time. The valuation of goods computed by the management at cost is INR 58.13 million, which has been disclosed as an exceptional item. The company has received insurance claim of INR 50.13 million and the scrap value realised from such stock is INR 0.88 million during the year ended March 31, 2019, which have been netted off from the exceptional item.

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

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

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

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

For **S. R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm Registration No. 101049W / E300004
Chartered Accountants

per Yogesh Midha
Partner, Membership No.: 94941

Place : New Delhi
Date : 28 May 2019

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

Sd/-
Dinesh Kumar Jhunjhnuwala
Whole-time director
DIN: 00282988

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

NOTICE

NOTICE is hereby given that 48th Annual General Meeting (**"AGM"**) of Members of S Chand And Company Limited (**"Company"**) will be held on Thursday, September 19, 2019 at 11:30 A.M. at Executive Club Resort, 439, Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (both standalone and consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gaurav Kumar Jhunjhnuwala (DIN:03518763), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Himanshu Gupta as Managing Director of the Company**

   To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable clauses of the Articles of Association of the Company and subject to such other approvals as may be required, approval of the members of the Company, be and is hereby accorded to re-appoint Mr. Himanshu Gupta (DIN: 00054015) as Managing Director, for another term of 5 (five) years from the expiry of his present term of office, that is, with effect from May 22, 2019 on the terms and conditions including remuneration (effective from April 01, 2019) as mentioned below:

   Part I: Salary:

   a) Basic Salary- Rs. 10,28,500/- per month

   Part II: Perquisites:

   Following perquisites upto 10% of the basic salary

   a) Water and Electricity;

   b) Club Membership Fees; and

   c) Medical Expenses

   Other Terms and Conditions:

   The terms and conditions of appointment of Mr. Himanshu Gupta may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under The Companies Act, 2013 and such alterations/variations shall always be within the overall limits of remuneration provided in this resolution.

   No sitting fees will be paid to Mr. Himanshu Gupta for attending meeting of the Board of Directors or any committee thereof.

   In addition of above basic salary and perquisites, Mr. Himanshu Gupta shall also be entitled to remuneration by way of commission upto 1% of the net profit of the Company (subject to a maximum limit of Rs. 50.00 lakhs) in a particular year (calculated under the provisions of Section 198 of The Companies Act, 2013).

   Total remuneration to Mr. Himanshu Gupta in any financial year shall not exceed 5% of net profits (calculated under the provisions of Section 198 of The Companies Act, 2013) of the Company during that financial year.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above remuneration and perquisites of Mr. Himanshu Gupta will be within the overall ceiling laid down in Schedule V of The Companies Act, 2013."

4. **Re-appointment of Mr. Dinesh Kumar Jhunjhnuwala as Whole-time Director of the Company**

   To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable clauses of the Articles of Association of the Company and subject to such other approvals as may be required, approval of the members of the Company, be and is hereby accorded to re-appoint Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988) as Whole-time Director, for another term of 5 (five) years from the expiry of his present term of office, that is, with effect from March 28, 2019 on the terms and conditions including remuneration (effective from March 28, 2019) as mentioned below:

Part I: Salary:

a) Basic Salary-Rs. 10,28,500/- per month

Part II: Perquisites:

Following perquisites upto 10% of the basic salary

a) Water and Electricity;

b) Club Membership Fees; and

c) Medical Expenses

Other Terms and Conditions:

The terms and conditions of appointment of Mr. Dinesh Kumar Jhunjhnuwala may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under The Companies Act, 2013, and such alterations/variations shall always be within the overall limits of remuneration provided in this resolution.

No sitting fees will be paid to the Mr. Dinesh Kumar Jhunjhnuwala for attending meeting of the Board of Directors or any committee thereof.

In addition to the basic salary and perquisites, Mr. Dinesh Kumar Jhunjhnuwala shall also be entitled to remuneration by way of commission upto 1% of the net profit of the Company (subject to a maximum limit of Rs. 50.00 lakhs) in a particular year (calculated under the provisions of Section 198 of The Companies Act, 2013).

Total remuneration to Mr. Dinesh Kumar Jhunjhnuwala in any financial year shall not exceed 5% of the net profits (calculated under the provisions of Section 198 of The Companies Act, 2013) of the Company during that financial year.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the above remuneration and perquisites of Mr. Dinesh Kumar Jhunjhnuwala will be within the overall ceiling laid down in Schedule V of The Companies Act, 2013."

5. **Approval for amendments in Memorandum of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 13 and other applicable provisions, if any, of The Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the rules framed thereunder, consent of the members be and is hereby accorded to amend the Memorandum of Association of the Company by way of replacing references of the provisions of The Companies Act, 1956 and inserting the relevant provisions of The Companies Act, 2013.

RESOLVED FURTHER THAT the amended Memorandum of Association as placed before the members be and is hereby approved."

6. **Approval for amendments in Articles of Association of the Company**

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of The Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the rules framed thereunder, consent of the members be and is hereby accorded to amend the Articles of Association of the Company in the following manner:

(i) Article 1(zz), definition of Subsidiaries and Joint Ventures Governance Committee be deleted;

(ii) Reference of Subsidiaries and Joint Ventures Governance Committee in Article 39 be deleted;

(iii) Post deletion of the definition and reference of Subsidiaries and Joint Ventures Governance Committee, the remaining Articles of the Articles of Association be renumbered.

RESOLVED FURTHER THAT the amended Articles of Association as placed before the members be and is hereby approved."

By Order of the Board
S Chand And Company Limited

Sd/-
Jagdeep Singh
Company Secretary
Membership No. A15028

Date: August 10, 2019
Place: New Delhi

NOTES:

1. **The Explanatory Statement pursuant to Section 102 of The Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.**
2. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a Member of the Company. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing proxy in order to be valid and effective must be deposited at the Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting.**
3. Members/Proxies should fill the Attendance Slip for attending the Meeting.
4. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the board resolution/authority authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and until the conclusion of the Meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. Members may avail nomination facility as provided under Section 72 of The Companies Act, 2013.
8. Pursuant to Regulation 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, the information about the Directors proposed to be appointed/re-appointed is given in the **Annexure I** to this Notice.
9. The Company hereby requests Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s. Link Intime India Private Limited, Registrar and Transfer Agent (R&T) of the Company. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participant(s)/R&T of the Company.
10. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agent, M/s Link Intime India Private Limited or at the Registered Office of the Company, quoting their Folio number(s). Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the Company or its Registrar and Share Transfer Agent. Any such changes effected by the DP will be automatically reflected in the records of the Company subsequently.
11. Electronic copy of the Annual Report for financial year ending March 31, 2019 is being sent to all the Members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for financial year ending March 31, 2019 is being sent in the permitted mode. Electronic copy of the Notice of the 48th AGM of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the Members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 48th AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode. Members may also note that the Notice of the 48th AGM, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for financial year ending March 31, 2019 will also be available on the Company's website www.schandgroup.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection without any fee during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's investor email id: investors@schandgroup.com.
12. Voting through electronic means:
    I. The Company, in compliance of provisions of Section 108 of The Companies Act 2013, Rule 20 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 48th AGM by electronic means.
    II. The facility of casting votes by Members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited ("**NSDL**").
        (i) The remote e-voting period begins on Sunday, September 15, 2019 (9:00 a.m.) and ends on Wednesday, September 18, 2019 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 12, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
        (ii) The instructions for e-voting are given in the **Annexure II** to this Notice.

III. Facility for voting through ballot paper shall be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.

IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

V. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

VI. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. September 12, 2019 may obtain the login ID and password by sending a request at delhi@linkintime.co.in or investors@schandgroup.com.

VIII. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of The Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of The Companies Act, 2013, shall be made available at the commencement of the Meeting and shall remain open and accessible to the Members during the continuance of the Meeting.

IX. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

X. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.

XI. Mr. R. S. Bhatia, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the voting process at the AGM in a fair and transparent manner.

XII. The Scrutinizer after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XIII. The Results declared along with the Scrutinizer's Report shall be displayed at the Registered Office of the Company and uploaded on the Company's website www.schandgroup.com as well as on the website of NSDL after the same is declared by the Chairman/authorized person. The Results shall also be simultaneously forwarded to the stock exchanges.

XIV. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Registrar and Share Transfer Agent as mentioned above, or to the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of The Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of The Companies Act, 2013, and the applicable rules.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

Mr. Himanshu Gupta was appointed as the Managing Director of the Company on May 22, 2014 for a period of 5 (five) years and his present term has expired on May 21, 2019. The Board of Directors at its meeting held on February 14, 2019, subject to approval of members of the Company, has re-appointed Mr. Himanshu Gupta (DIN: 00054015) as Managing Director of the Company for another term of 5 (five) years with effect from May 22, 2019.

The Board at its meeting held on February 14, 2019 subject to approval of the members has also fixed the remuneration of Mr. Himanshu Gupta on the existing terms and conditions to be paid with effect from April 01, 2019 till the expiry of his term i.e. May 21, 2024. The said re-appointment and remuneration was approved by the Nomination and Remuneration Committee at its meeting held on February 14, 2019 and was recommended to Board for its approval.

Pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable clauses of the Articles of Association of the Company, the above re-appointment and fixation of remuneration requires approval of members of the Company in a general meeting by way of a special resolution. Accordingly, the resolution set out at item no. 3 of the notice is placed before the members for their approval.

The particulars of re-appointment and remuneration of Mr. Himanshu Gupta are as under:

Part I: Salary:

a) Basic Salary- Rs. 10,28,500/- per month

Part II: Perquisites:

Following perquisites upto 10% of the basic salary

a) Water and Electricity;

b) Club Membership Fees; and

c) Medical Expenses

Other Terms and Conditions:

The terms and conditions of appointment of Mr. Himanshu Gupta may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under The Companies Act, 2013 and such alterations/variations shall always be within the overall limits of remuneration provided in this resolution.

No sitting fees will be paid to Mr. Himanshu Gupta for attending meeting of the Board of Directors or any committee thereof.

In addition of above basic salary and perquisites, Mr. Himanshu Gupta shall also be entitled to remuneration by way of commission upto 1% of the net profit of the Company (subject to a maximum limit of Rs. 50.00 lakhs) in a particular year (calculated under the provisions of Section 198 of The Companies Act, 2013).

Total remuneration to Mr. Himanshu Gupta in any financial year shall not exceed 5% of net profits (calculated under the provisions of Section 198 of The Companies Act, 2013) of the Company during that financial year.

Mr. Himanshu Gupta is not disqualified from being re-appointed as Managing Director in terms of Section 164 of The Companies Act, 2013. He is not debarred from holding the office of Director pursuant to any SEBI order.

The details as per Schedule V of The Companies Act, 2013 are as under:

I.	**General information:**		
	(1)	Nature of Industry	Publishing
	(2)	Date of commencement of commercial production	09/09/1970
	(3)	Financial performance based on given indicators	Revenue from Operations were lower by 34% at Rs. 5220 millions, Gross Margins was Rs. 2964 millions at 56.8%, EBIDTA Loss was Rs. 195 millions at 3.7 % and PAT Loss was Rs. 669 millions at 12.8 % which includes an extraordinary loss of Rs. 233 millions
	(4)	Foreign investments or collaborations, if any	N.A.
II	**Information about the appointee:**		
	(1)	Background details	Mr. Himanshu Gupta holds a bachelor's degree in commerce from the University of Delhi. He has been associated with our Company since 2000 and accordingly, has over 19 years of experience in the knowledge products and services industry.
	(2)	Past remuneration	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of the basic salary
	(3)	Recognition or awards	He was the vice president (south) of the Federation of Indian Publishers for the year 2012-2013. He is a recipient of 'Young Publisher Award' by the Federation of Educational Publishers in India for the year 2011.
	(4)	Job profile and his suitability	Mr. Himanshu Gupta is involved with Strategic Planning, Investments, Sales and Marketing, Publishing, Operations, Printing and Procurement functions of the business. He has over 19 years of experience in the Industry
	(5)	Remuneration proposed	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of the basic salary
	(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is at par with companies in the education industry both listed and unlisted and experience.
	(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving remuneration, Mr. Himanshu Gupta does not have any pecuniary relationship with the Company. Ms. Savita Gupta is the mother of Mr. Himanshu Gupta.

III	Other Information:		
	(1)	Reasons of loss or inadequate profits	The business was impacted by sales return from channel partners on the back of the expectation of change in curriculum under the New Education Policy (NEP) which was expected during the Financial Year. Further, there was an incremental provision for returns and discounts, which was a one time impact. The Company also suffered a one time loss on certain titles being returned. All of the above impacted revenues which led to lower gross margin with fixed costs being higher, the Company reported losses.
	(2)	Steps taken or proposed to be taken for improvement	Though currently Company has reported losses but the Company always focus on optimizing cost and enhancing efficiency. In furtherance of this objective, during the financial year the Company has consolidated its operations and optimize resources which are expected to result in considerable cost saving and improved efficiency thereby improving overall performance of the Company.
	(3)	Expected increase in productivity and profits in measurable terms	The Company expects Revenues to grow by 15-18% retain its Gross Margins by 58-60%, EBIDTA Margins by 18-20% and Net Margins by 4-6%

Your Board recommends the proposed Special Resolution set out at Item No. 3 for your approval.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 3 of the accompanying notice except Mr. Himanshu Gupta and Ms. Savita Gupta who is relative of Mr. Himanshu Gupta.

Item No. 4

Mr. Dinesh Kumar Jhunjhnuwala was appointed as the Whole-time Director of the Company on March 28, 2014 for a period of 5 (five) years and his present term has expired on March 27, 2019. The Board of Directors at its meeting held on February 14, 2019, subject to approval of members of the Company, has re-appointed Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988) as Whole-time Director of the Company for another term of 5 (five) years with effect from March 28, 2019.

The Board at its meeting held on February 14, 2019 subject to the approval of the members has fixed the remuneration of Mr. Dinesh Kumar Jhunjhnuwala on the existing terms and conditions to be paid with effect from March 28, 2019 till the expiry of his term i.e. March 27, 2024. The said re-appointment and remuneration was approved by the Nomination and Remuneration Committee at its meeting held on February 14, 2019 and was recommended to Board for its approval.

Pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of The Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable clauses of the Articles of Association of the Company, the above re-appointment and fixation of remuneration requires approval of members of the Company in a general meeting by way of a special resolution. Accordingly, the resolution set out at item no. 4 of the notice is placed before the members for their approval.

The particulars of re-appointment and remuneration of Mr. Dinesh Kumar Jhunjhnuwala are as under:

Part I: Salary:

a) Basic Salary- Rs. 10,28,500/- per month

Part II: Perquisites:

Following perquisites upto 10% of the basic salary

a) Water and Electricity;

b) Club Membership Fees; and

c) Medical Expenses

Other Terms and Conditions:

The terms and conditions of appointment of Mr. Dinesh Kumar Jhunjhnuwala may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required under The Companies Act, 2013 and such alterations/ variations shall always be within the overall limits of remuneration provided in this resolution.

No sitting fees will be paid to Mr. Dinesh Kumar Jhunjhnuwala for attending meeting of the Board of Directors or any committee thereof.

In addition of above basic salary and perquisites, Mr. Dinesh Kumar Jhunjhnuwala shall also be entitled to remuneration by way of commission upto 1% of the net profit of the Company (subject to a maximum limit of Rs. 50.00 lakhs) in a particular year (calculated under the provisions of Section 198 of The Companies Act, 2013).

Total remuneration to Mr. Dinesh Kumar Jhunjhnuwala in any financial year shall not exceed 5% of net profits (calculated under the provisions of Section 198 of The Companies Act, 2013) of the Company during that financial year.

Mr. Dinesh Kumar Jhunjhnuwala is not disqualified from being re-appointed as Whole-time Director in terms of Section 164 of The Companies Act, 2013. He is not debarred from holding the office of director pursuant to any SEBI order.

The details as per Schedule V of The Companies Act, 2013 are as under:

I.	**General information:**		
	(1)	Nature of Industry	Publishing
	(2)	Date of commencement of commercial production	09/09/1970
	(3)	Financial performance based on given indicators	Revenue from Operations were lower by 34% at Rs. 5220 millions, Gross Margins was Rs. 2964 millions at 56.8%, EBIDTA Loss was Rs. 195 millions at 3.7 % and PAT Loss was Rs. 669 millions at 12.8 % which includes an extraordinary loss of Rs. 233 millions
	(4)	Foreign investments or collaborations, if any	N.A.
II	**Information about the appointee:**		
	(1)	Background details	Mr. Dinesh Kumar Jhunjhnuwala has received basic education. He has been associated with our Company since 2004 and accordingly, has over 15 years of experience in the knowledge products and services industry.
	(2)	Past remuneration	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of the basic salary
	(3)	Recognition or awards	N.A.
	(4)	Job profile and his suitability	Mr. Dinesh Kumar Jhunjhnuwala is involved with Strategic Planning, Investments, Finance, Operations, Digital business functions of the business. He has over 15 years of experience in the Industry
	(5)	Remuneration proposed	Basic Salary: Rs. 1,028,500/- per month plus perquisites upto 10% of the basic salary
	(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration is at par with companies in the education industry both listed and unlisted and experience.
	(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Apart from receiving remuneration, Mr. Dinesh Kumar Jhunjhnuwala does not have any pecuniary relationship with the Company. Mr. Gaurav Kumar Jhunjhnuwala, Director of the Company is the son of Mr. Dinesh Kumar Jhunjhnuwala.
III	**Other Information:**		
	(1)	Reasons of loss or inadequate profits	The business was impacted by sales return from channel partners on the back of the expectation of change in curriculum under the New Education Policy (NEP) which was expected during the Financial Year. Further, there was an incremental provision for returns and discounts, which was a one time impact. The Company also suffered a one time loss on certain titles being returned. All of the above impacted revenues which led to lower gross margin with fixed costs being higher, the Company reported losses.
	(2)	Steps taken or proposed to be taken for improvement	Though currently Company has reported losses but the Company always focus on optimizing cost and enhancing efficiency. In furtherance of this objective, during the financial year the Company has consolidated its operations and optimize resources which are expected to result in considerable cost saving and improved efficiency thereby improving overall performance of the Company.
	(3)	Expected increase in productivity and profits in measurable terms	The Company expects Revenues to grow by 15-18%, retain its Gross Margins by 58-60%, EBIDTA Margins by 18-20% and Net Margins by 4-6%

Your Board recommends the proposed Special Resolution set out at Item No. 4 for your approval.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 4 of the accompanying notice except Mr. Dinesh Kumar Jhunjhnuwala and Mr. Gaurav Kumar Jhunjhnuwala who is relative of Mr. Dinesh Kumar Jhunjhnuwala.

Item No. 5

The existing Memorandum of Association ("MOA") of the Company has references of the provisions of The Companies Act, 1956. The MOA is required to be amended by way of deleting the references of The Companies Act, 1956 and inserting the relevant provisions of The Companies

Act, 2013. The Board of Directors at its meeting held on May 28, 2019, has approved the amendments in MOA to incorporate the reference of relevant provisions of The Companies Act, 2013 and delete the reference of provisions of The Companies Act, 1956. Further, as per the provisions of Section 13 of The Companies Act, 2013 for amending MOA, approval of the members of the Company is required by way of passing a special resolution in general meeting.

Accordingly, the approval of the members is being sought, by way of Special Resolution to amend the MOA of the Company.

A draft copy of the amended MOA of the Company will be available for inspection by the members at the Registered Office of the Company in physical form between 11:00 A.M. to 01:00 P.M. on working days upto the date of Annual General Meeting.

None of the directors or key managerial personnel and/or their relatives is deemed to be interested or concerned in this resolution, except to the extent of their shareholding in the Company.

Item No. 6

As per the existing Articles of Association ("AOA"), the Company has a Subsidiaries and Joint Ventures Governance Committee which takes all decisions on matters relating to the material subsidiaries and joint venture companies of the Company on behalf of the Company as specifically set out in the Articles of Association of respective subsidiaries, including all such matters that require the Company to vote in its capacity as a shareholder in such subsidiaries or joint venture companies.

The Board of material subsidiaries comprises of one Independent Director who is also an Independent Director on the Board of the Company. All the important matters of the material subsidiaries are reviewed by them and these matters are placed before the Board of the Company for its consideration and approval. Also the Company does not have any joint venture company. Thus, considering this, Board of the Company felt that this Subsidiaries and Joint Venture Governance Committee is no longer required and accordingly Board dissolved this committee with effect from May 28, 2019.

The dissolution of the Subsidiaries and Joint Ventures Governance Committee will also lead to amendments in the existing AOA of the Company by way of deleting the references of this Committee.Thus, the Board of Directors subject to the approval of the members at its meeting held on May 28, 2019, approved the following amendments in the existing AOA:

(i) Article 1(zz), definition of Subsidiaries and Joint Ventures Governance Committee be deleted;

(ii) Reference of Subsidiaries and Joint Ventures Governance Committee in Article 39 be deleted;

(iii) Post deletion of the definition and reference of Subsidiaries and Joint Ventures Governance Committee, the remaining Articles of the AOA be renumbered.

Pursuant to the provisions of Section 14 and other applicable provisions, if any, of The Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the rules framed thereunder, for amending the AOA the approval of the members is required by way of passing special resolution in general meeting.

Accordingly, the approval of the members is being sought, by way of Special Resolution to amend the AOA of the Company.

A draft copy of the amended AOA of the Company will be available for inspection of the members at the Registered Office of the Company in physical form between 11:00 A.M. to 01:00 P.M. on working days upto the date of Annual General Meeting.

None of the directors or key managerial personnel and/or their relatives is deemed to be interested or concerned in this resolution, except to the extent of their shareholding in the Company.

By Order of the Board

Sd/-
Jagdeep Singh
Company Secretary
Membership No. A15028
Date: August 10, 2019

Registered Office:
A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi-110044
Tel:+91 11 49731800
Fax:+91 11 49731801
Website: www.schandgroup.com
E-mail: investors@schandgroup.com

ANNEXURE I TO NOTICE

Details of Director seeking appointment / re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Particulars	Mr. Himanshu Gupta (DIN: 00054015)	Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)
Date of Birth	27/09/1978	26/08/1960
Age	40 years	58 years
Date of first appointment on the Board	21/04/2000	11/12/2004
Qualifications	Bachelor's degree in commerce from the University of Delhi	Basic Education
Nature of expertise in specific functional areas	19 years of experience in knowledge products and services industry	15 years of experience in knowledge products and services industry
Disclosure of relationships between directors inter-se	Mr. Himanshu Gupta is the son of Ms. Savita Gupta	Mr. Dinesh Kumar Jhunjhnuwala is the father of Mr. Gaurav Kumar Jhunjhnuwala
No. of shares held in the Company	5,876,454 Equity Shares	3,795,229 Equity Shares
Directorships in other Companies (excluding private Companies, Section 8 companies and foreign companies)	1. New Saraswati House (India) Pvt. Ltd. 2. Chhaya Prakashani Pvt. Ltd. 3. DS Digital Pvt. Ltd. 4. Vikas Publishing House Pvt. Ltd. 5. Nirja Publishers & Printers Pvt. Ltd. 6. S Chand Edutech Pvt. Ltd.	1. New Saraswati House (India) Pvt. Ltd. 2. Chhaya Prakashani Pvt. Ltd. 3. DS Digital Pvt. Ltd. 4. Vikas Publishing House Pvt. Ltd. 5. Nirja Publishers & Printers Pvt. Ltd. 6. S Chand Edutech Pvt. Ltd.
Memberships/Chairmanships of Committees of other Companies including S Chand	**S Chand And Company Ltd.** • Stakeholders Relationship Committee-Member • Corporate Social Responsibility Committee-Member • Administrative Committee-Member **Chhaya Prakashani Pvt. Ltd.** • Nomination and Remuneration Committee-Member • Corporate Social Responsibility Committee-Member • Administrative Committee-Member **Vikas Publishing House Pvt. Ltd.** • Corporate Social Responsibility Committee-Member • Administrative Committee-Member **New Saraswati House (India) Pvt. Ltd.** • Corporate Social Responsibility Committee-Member **DS Digital Pvt. Ltd.** • Nomination and Remuneration Committee-Member **Nirja Publishers & Printers Pvt. Ltd.** • Corporate Social Responsibility Committee-Chairman	**Nirja Publishers & Printers Pvt. Ltd.** • Corporate Social Responsibility Committee-Member **Vikas Publishing House Pvt. Ltd.** • Corporate Social Responsibility Committee-Member • Administrative Committee-Member **New Saraswati House (India) Pvt. Ltd.** • Corporate Social Responsibility Committee-Member **DS Digital Private Limited** • Audit Committee-Member **S Chand And Company Ltd.** • Corporate Social Responsibility Committee-Member • Administrative Committee-Member **Chhaya Prakashani Pvt. Ltd.** • Administrative Committee-Member
Terms and Condition of appointment / re-appointment	As per Employment Agreement dated September 15, 2012	As per Employment Agreement dated September 15, 2012
Remuneration to be paid	Rs. 10,28,500/- per month plus perquisites upto 10% of salary and commission upto 1% of net profit for the year (subject to a maximum limit of Rs. 50.00 lakhs)	Rs. 10,28,500/- per month plus perquisites upto 10% of salary and commission upto 1% of net profit for the year (subject to a maximum limit of Rs. 50.00 lakhs)
Remuneration last drawn	Rs. 12.88 millions	Rs. 12.95 millions
Number of Board meeting attended during the year	6 out of 6	6 out of 6

ANNEXURE II TO NOTICE

Instructions for e-voting

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rsbhatiacs@aol.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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S.CHAND GROUP

S Chand And Company Limited

Corporate Identification Number-L22219DL1970PLC005400

Registered Office: A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110044
Tel.: +91 11 4973 1800; Fax: +91 11 4973 1801
Website: www.schandgroup.com

Forty Eighth Annual General Meeting to be held on Thursday, September 19, 2019
at 11:30 A.M. at Executive Club Resort, 439, Village Sahaoorpur,
Post office Fatehpur Beri, New Delhi 110074

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of The Companies Act, 2013 and Rule 19(3) of The Companies (Management and Administration) Rules, 2014]

CIN : L22219DL1970PLC005400
Name of the Company : S Chand And Company Ltd.
Registered office : A-27, Second Floor, Mohan Co-operative Industrial Estate, New Delhi 110044

Name of the Member:	
Registered Address:	
E-mail Id:	
Folio No./Client Id:	
DP Id:	

I/We, being the member(s) of____________________ shares of the above named Company, hereby appoint

1. Name : ____________________ Address : ____________________
   Email id : ____________________ Signature : ____________________, or failing him/her
2. Name : ____________________ Address : ____________________
   Email id : ____________________ Signature : ____________________, or failing him/her
3. Name : ____________________ Address : ____________________
   Email id : ____________________ Signature : ____________________

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, September 19, 2019 at 11:30 A.M. at Executive Club Resort, 439 Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074 and at any adjournment thereof in respect of such resolutions as is indicated below:

S. No.	Resolution	Vote	
		For	**Against**
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements (both standalone and consolidated financial statements) of the Company for the financial year ended March 31, 2019 and the Reports of Directors and Auditors thereon		
2	To appoint a Director in place of Mr. Gaurav Kumar Jhunjhnuwala (DIN: 03518763), who retires by rotation, and being eligible, offers himself for re-appointment		
Special Business			
3	Re-appointment of Mr. Himanshu Gupta as Managing Director of the Company		
4	Re-appointment of Mr. Dinesh Kumar Jhunjhnuwala as Whole-time Director of the Company		
5	Approval for amendments in Memorandum of Association of the Company		
6	Approval for amendments in Articles of Association of the Company		

Signed this ________ day of ___________________ 2019

Signature of Shareholder ______________________________

Signature of Proxy holder(s) ______________________________

Affix Revenue Stamp

Notes:

1. The form should be signed across the stamp as per specimen signature registered with the Company
2. **The Companies Act, 2013 lays down that the instrument appointing a proxy, in order to be effective, shall be deposited at the Registered office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting. A proxy need not be a member of the Company.**
3. A Member may vote 'for' or 'against' each resolution. Please put a ✓ in the Box in the appropriate column either 'for' or 'against' the respective resolutions. If you leave the 'For' or 'Against' column blank in respect of any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

S. CHAND GROUP

S Chand And Company Limited

Corporate Identification Number-L22219DL1970PLC005400

Registered Office: A-27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110044
Tel.: +91 11 4973 1800; Fax: +91 11 4973 1801
Website: www.schandgroup.com

Forty Eighth Annual General Meeting to be held on Thursday, September 19, 2019
at 11:30 A.M. at Executive Club Resort, 439, Village Sahaoorpur,
Post office Fatehpur Beri, New Delhi 110074

Attendance Slip

DPID-CLID/Folio No. : ____________________

Name of Shareholder(s) : ____________________

Address : ____________________

I / We certify that I am / we are Member(s) / Proxy of the Member(s) of the Company holding shares.

I hereby record my presence at the Forty Eighth Annual General Meeting of the Company to be held on Thursday, September 19, 2019 at 11:30 A.M. at Executive Club Resort, 439, Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074.

____

Signature of Member / Proxy

Notes:

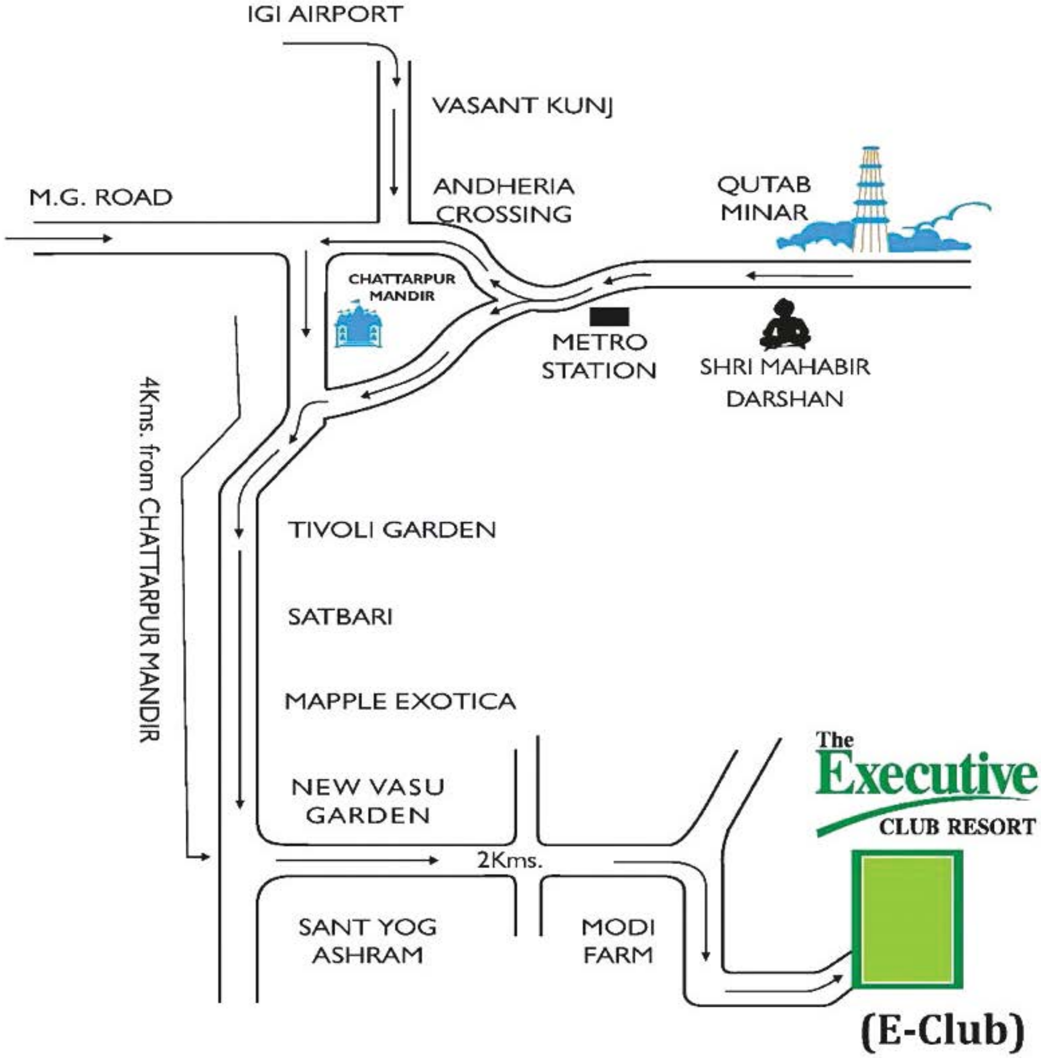
1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Name of the Proxy in Block letters ____________________ (in case the Proxy attends the meeting).
3. Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No.
4. Shareholders/proxy holders desiring to attend the meeting may bring his/her copy of Annual Report for reference at meeting.

Electronic Voting Particulars

Electronic Voting Event No. (EVEN)	User ID	Sequence Number
111382		

Note: Please read the instructions printed under Annexure II to the Notice dated August 10, 2019 of the Forty Eighth Annual General Meeting. The voting period starts from 9.00 a.m. (IST) on September 15, 2019 and ends at 5:00 p.m. (IST) on September 18, 2019. The voting module shall be disabled by NSDL for voting thereafter.

ROUTE MAP FROM QUTAB MINAR TO THE EXECUTIVE CLUB



S. CHAND GROUP

REGISTERED OFFICE

S Chand And Company Limited

A-27, 2nd Floor,
Mohan Co-operative Industrial Estate,
New Delhi 110044

Tel: 91 11 4973 1800

Fax: 91 11 4973 1801

website: www.schandgroup.com

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