S. CHAND GROUP

S Chand And Company Limited

Corporate Office: A-27, 2nd Floor, Mohan Co-Operative Industrial Estate, New Delhi - 110044, India.
Registered Office: Ravindra Mansion, Ram Nagar, New Delhi - 110055, India.
P:+91 11 4973 1800 | **F:**+91 11 4973 1801 | **E:** info@schandgroup.com | **www.schandgroup.com**

Date: September 27, 2018

To Listing Department BSE Limited Phiroze Jeejeebhoy 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-Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report of the Company for the financial year 2017-18 has been approved and adopted in the Annual General Meeting held on September 25, 2018. The same is attached herewith.

Request you to kindly take note of the above.

For S Chand And Company Limited

S Chand And Company Limited New Delhi 110055

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
PUBLISHING

Execute. Accelerate. Innovate.

S CHAND AND COMPANY LIMITED

ANNUAL REPORT 2017-18

Execute. Accelerate. Innovate.

The current world is evolving more rapidly than the capacity of any existing education system. Over the years there have been many changes in the design and delivery of education. But the challenge of learning is getting progressively harder with each new generation. It is critical that a passion be ignited by all stakeholders in the system, and students provided with the tools they need to learn and succeed.

Content providers help identify the education content need and also create relevant content to address consumer need. They provide an important platform for author offerings to be delivered to consumers as they leverage their distribution strength to reach out to consumers, including students, educators and educational institutes. A content providers' role is central in the education industry.

The business strategy for an experienced content provider may be easy to draw up. But however brilliant the strategy, however breakthrough the technology, or epic the product, it is Execution that a company needs to focus on to be successful. Execution of a strategy that can deliver the brand's unique value proposition to its consumers even in a rapidly transforming market. S Chand does that. It has the leadership panache - the acumen for making decisions and creating a guiding coalition that can help employees embrace 'execution excellence' as a way of life.

The fast-changing education marketplace is also demanding. Unless companies accelerate their strategy, they can be left on the sidelines, disintermediated or irrelevant while nimbler competitors eat their lunch. They have to rethink their direction at least every few years as well as constantly adjust to the changing contexts. They have to continually assesses the business, the industry, and the organization, and react with greater agility, creativity and accelerated momentum to cater to market demand. S Chand does that.

Finally, companies need to aggressively Innovate their consumer experience. This means not only adapting to changes in the environment but, delivering better products and services which satisfy the needs and expectations of customers; creating in short, a delightful customer experience. S Chand does that.

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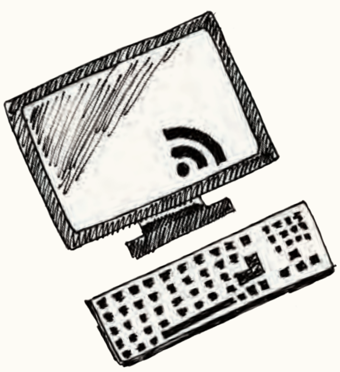

Corporate Information

BOARD OF DIRECTORS
Mr. Desh Raj Dogra – Chairman and Independent Director
Mr. Himanshu Gupta – Managing Director
Mr. Dinesh Kumar Jhunjhnuwala – Whole Time Director
Ms. Archana Capoor – Independent Director
Mr. Sanjay Vijay Bhandarkar – Independent Director
Mr. Rajagopalan Chandrashekar – Independent Director
Mr. Deep Mishra – Non-Executive Director
Ms. Savita Gupta – Non-Executive Director
Mr. Gaurav Kumar Jhunjhnuwala – Non-Executive Director

CHIEF FINANCIAL OFFICER
Mr. Saurabh Mittal

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. Jagdeep Singh

KEY MANAGEMENT TEAM
Mr. Samir Khurana – Group Head-Strategy & Investments
Mr. K M Thomas – Business Head-S Chand
Mr. Sumit Biswas – CEO & Director-Chhaya
Mr. Naveen Rajlani – Business Head-Madhubun
Mr. Vinay Sharma – Business Head-Digital
Mr. Shammi Manik – Business Head-Saraswati
Mr. Ashish Gupta – Group Head-New Initiatives

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Mohan Co-operative Industrial Estate,
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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)

SECRETARIAL AUDITOR
Mr. R. S. Bhatia – Company Secretary in Practice

REGISTRAR AND TRANSFER AGENT
Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Near PVR Naraina, Phase-I
Naraina Industrial Area,
New Delhi - 110028
Tel – +91 11 4141 0592, 93, 94
Fax – +91 11 4141 0591

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
DCB Bank

Execute

Over the last several years the transition of households from a lower income to the higher income bracket has resulted in a significant increase in the per capita spend on education, particularly in the urban areas. Additionally, with increasing globalisation a larger pool of the population has gained exposure to opportunities in the fields of education and employment. The urge to improve their employability compells the young to seek better learning institutions and cutting-edge learning methodologies, gadgets, and infrastructure. Disposable incomes have also risen in tandem with the growing urbanisation and together they are driving a urgent need for global standards in teaching and learning tools.

Superior content is therefore a compelling in the education sector as it is one of the main differentiators in the learning process. S Chand is nationally recognized as a leading Indian education content company. With over 70 years of operating history combined with strong author relationships, we have garnered high brand equity across multiple brands.

We have maintained our leadership in our core business in which we deliver content, services and solutions across the education continuum from early learning to higher education. We own a dominant share of the K-12 market and are present in CBSE, ICSE, and State Board affiliated schools across India. Several of our publications reside on the best seller list. Our pan India sales and distribution network facilitates deep market reach from which we are able to get informed insights about customer needs, popular trends, and product success.

Portfolio of brands focused on print content

MADHUBUN

VIKAS

NEW SARASWATI HOUSE

chhaya prakashani pvt. ltd.

Accelerate

While it is very difficult to keep pace with the speed of change, the stakes-financial and corporate, can rise and disintermediate a business which is not nimble enough. At S Chand, we are actively rethinking our direction every few years—as well as constantly adjusting to changing contexts—and quickly making much needed and significant strategic changes. We identify the most important threats and opportunities early, and then formulate and implement suitable strategic solutions. We have evolved a system capable of continually assessing the business, the industry, and the organization, and responding with greater agility, speed, and creativity to provide such solutions.

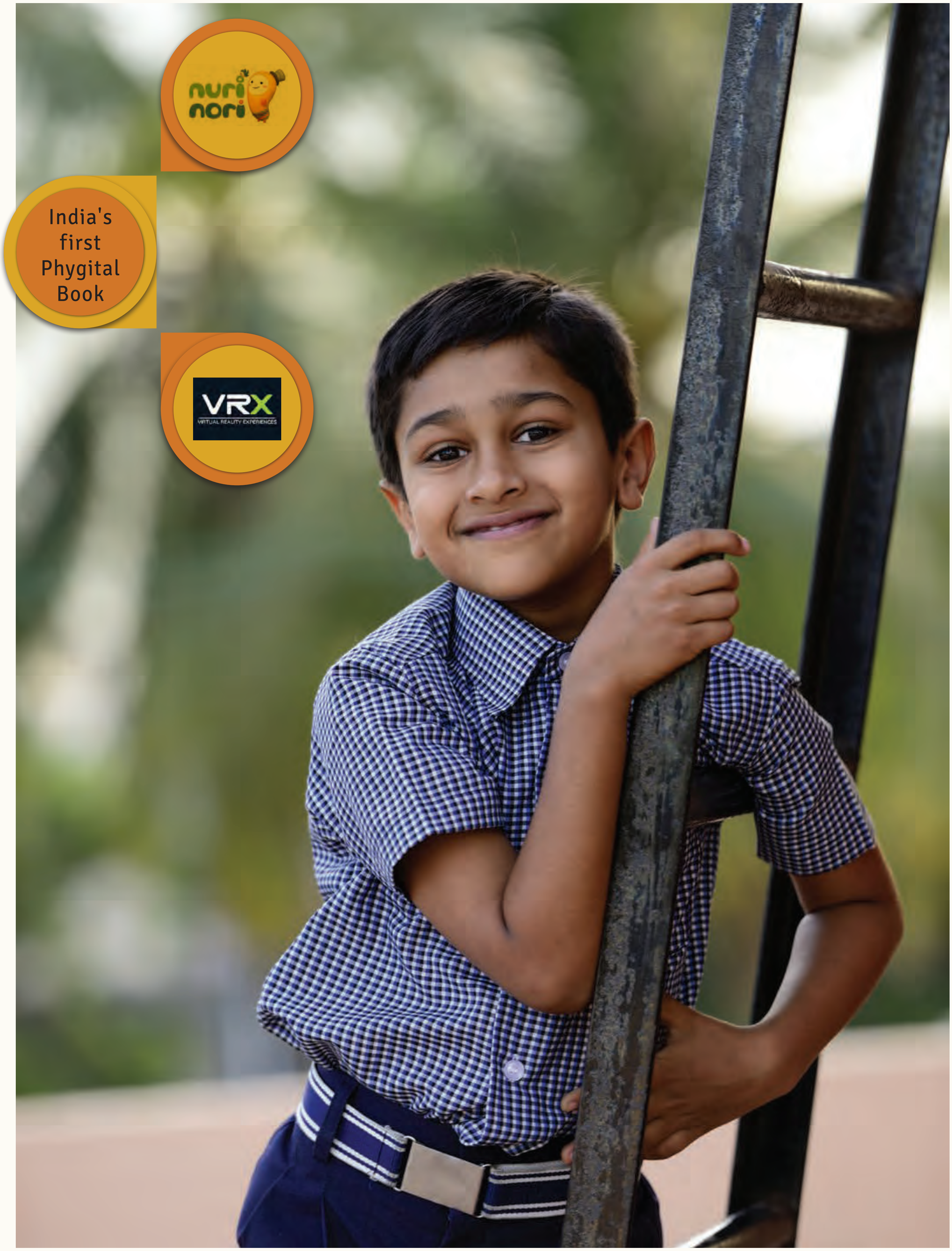
This proactive response to market changes has accelerated our digital business. We can leverage synergies in our core offerings and complement those with digital resources in new geographies, ably supporting the transformation we are witnessing in the education sector. Given our deep experience in this space, the excellent author relationships we nurture, and the superior quality of our content, we believe we are suitably positioned to grow the digital business and benefit significantly from it.

Digital education offerings include device based learning, mobile learning applications, online test platforms, and online market places that connect students with tutors. The K-12 market across the world has witnessed a significant increase in the usage of digital classroom solutions, tablets, and virtual simulators, leading to an increased dependency on technology in teaching methods.

Innovate

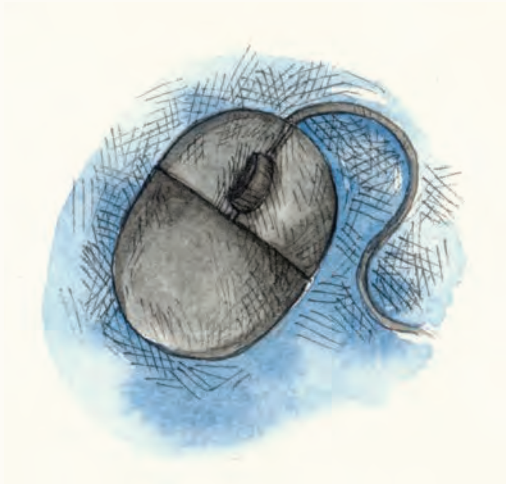
Innovation often results because of a company's desire to satisfy a market need and heighten consumer experience. We are operating in an innovation led economy. Education has to necessarily ignite a passion for learning and provide students with the tools they need to succeed in such an environment. Our student generation has to be taught to think creatively and innovate solutions for existing problems. That is an awesome responsibility. The content providers, the bedrock of the education system, have to innovate suitable tools and devise apt methodologies to make the student future ready. Innovation of learning tools and ways to increase reach, has to mimic global trends in learning.

Government spending on education is projected to rise in India in tandem with urbanization, offering exciting opportunities for publishers in the education market. And we are ready. We will invest our energy and capitalize on our core synergies to innovate for the mobile generation and accelerate product adoption in that demographic. We will turn board room strategy into commercial success.


India's first Phygital Book

Leveraging Technology

S Chand is revolutionising education by introducing Virtual Reality to students through VRX



S Chand has worked extensively to develop VRX headsets based on the Google cardboard concept and has already reached out to more than 400,000 students in India. We are building a library of VR content which is very closely linked to the class curriculum – thereby, simply extending the learning experience of the student.

We launched our Virtual Reality content library offering, VRX, initially for Classes 9 and 10. The overwhelming response encouraged us to extend the experience in Science to Classes 6, 7 and 8. VRX includes lesson plans and worksheets which integrate seamlessly with the S Chand classroom books, delivering a seamless learning experience for the students.

Our goal is to continue expanding the VR library by extending it to a wide range of classrooms. We are also customising the content in the vernacular so as to expand into regional boards as well.

S Chand is at the forefront of the future of education and is committed to investing in technologies which will make learning more enjoyable and engaging for the students.

VR can transform the way educational content is delivered; it works on the premise of creating a virtual world — real or imagined — and allows users to interact with it. Immersing oneself in the learning is highly motivational and requires less cognitive load to process the information.

Major advantages of a VR system

Better sense of place

With VR, students can experience from what they are learning without being limited to word descriptions or book illustrations; they can explore the topic and see how things are put together.

Scale learning experiences

Technologies such as science labs are amazing — they allow students to understand how things work based on practical experience. But, such technologies are expensive and almost impossible to scale. VR gives us the power to scale and make learning more dynamic and engaging. A relatively small VR device can even act as a whole science lab.

Learn by doing

It's a well-known fact that people learn best by doing. VR provides an experience which anchors the instruction. Learners are inspired to discover for themselves.

Visual learning

VR helps people who are visual learners. Instead of reading about things, students can actually see the things they're learning about. They are able to comprehend faster by visualizing complex functions or mechanisms.

Virtual fields trips

VR technology can be used to engage students in topics related to geography, history, or literature by offering a deeply immersive sense of place and time. Simply imagine geography lessons where you can visit any place on the globe — this type of experience is much more enriching than merely reading about it.

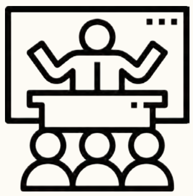
Business Snapshot

S Chand is a leader in content creation, delivery, services, and solutions, across the education continuum with a pan India reach

Delivering content, services and solutions.

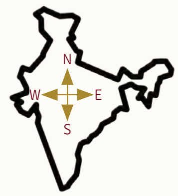
Offerings span entire education spectrum

- Early Learning
- K-12
- Higher Education



Deep market reach

- Pan-India sales and distribution network



Present across India

- CBSE
- ICSE
- State Board

Strong content.
Multiple best-sellers.

S Chand provides a key layer between the authors and the consumers to create and distribute education content. We identify consumer need and help create a relevant content to address it.

- Long operating history of over seven decades
- High brand equity across multiple brands
- Strong author relationships
- Keeping pace with time – transition from print into digital content and services

S. CHAND PUBLISHING

10,000+

Active book titles[(1)]

53 Mn

Books sold in FY2018[(2)]

~2,443

Author relationships[(3)]

90 TPD

Print capacity in MT per day

We provide an important platform for author offerings to be delivered to the consumer and create brands for these offerings by providing them reach and scale.

(1) Includes early learning, K-12 & higher education active titles.
(2) Denotes gross number of copies of all titles sold during the year.
(3) Author relationships as on March 31, 2018.

Comprehensive Lifecycle Focused Approach

At S Chand, we are focused on consumers – both the 'Learners' and the 'Educators' – through content, innovations, empaneling leading authors, best practice, and editorial processes. We address all stages of the education lifecycle – Early learning, K-12, and Higher Education.

Generating recurring revenue throughout students' lives

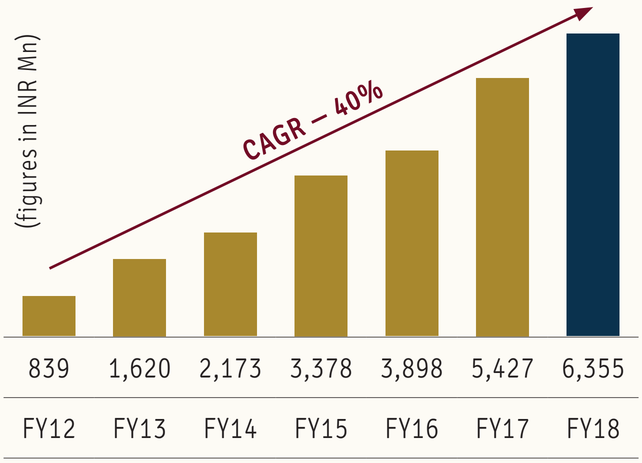
Key Benefits of Lifecycle Presence

- Large addressable market
- Enhanced brand recall
- Long student lifetime value
- Lower customer acquisition cost due to high brand equity
- Strong consumer connection
- High revenue visibility

Highlights of our Business Segments

	Early Learning	K-12	Higher Education
Revenue Contribution	2% of FY2018 revenues	80% of FY2018 revenues 40% revenue CAGR (2012-2018)	18% of FY2018 revenues 9% revenue CAGR (2012-2018)
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 6 pre-schools under 'RiseKids' brand	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) and digital / hybrid content and solutions	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
Digital / Hybrid Contribution		Around 33% revenue contribution from hybrid offerings and ~5% revenue contribution from pure digital offerings in FY2018	
Brands	Smartivity	S.CHAND, chhaya prakashani, IGNITOR	S.CHAND, IGNITOR, testbook

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



- Best selling titles in core subjects (mathematics, science, English, Hindi)
- Hybrid offerings provide more value per unit to student compared to pure print content

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

Growth in digital / services platform, and innovative education delivery medium, will supplement existing strength in K-12 and Test Prep domains

	Intellitab	Destination Success	mystudygear	mylestone
In-house Digital / Service Platforms				
Hybrid offerings (CD, e-books)	Device based learning	Multi-media based learning platform	Mobile learning application	End to end curriculum solution for schools

	Ignitor	testbook	flipClass	OnlineTyari	Smartivity
Digital Investments (Inorganic)	Device based learning and content provider	Online test prep platform	Marketplace that connects students with tutors	Online test prep platform	Activity based learning for young children

S. Chand's key differentiator

Learning material combined with digital support helps S.Chand differentiate its offerings vis-à-vis smaller unorganized publishers and increases customer stickiness and loyalty.

- Short Multi-media / videos to better illustrate difficult topic to students

- Test preparation and simulated papers for learners to test their understanding
- Students can gauge their performance and better prepare for exams

- Extensive support to teachers for better understanding of particular topics
- Teacher can seek support from S Chand

- More content in form of animations/ videos through digital media/ device apps
- Online digital library accessible to students

S. Chand has a pan India presence with an effective distribution network and sales team

~6,600

Distributors

>950

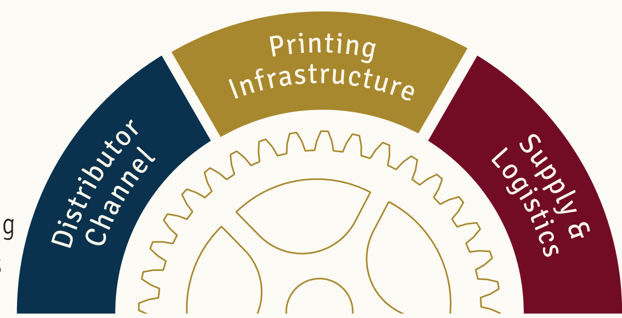
Sales & marketing team

Robust Infrastructure to Cater to Growing Demand

We have acquired industrial land in the vicinity of the existing printing press in Sahibabad (UP) where we are consolidating our printing facilities. We manage nearly three-quarters of our printing requirements in-house.

- Two printing facilities at Sahibabad (UP) and Rudrapur (Uttaranchal)
- Around 70% of printing requirement is managed in-house
- Annual paper contracts at group level enable pricing power & assured supply

- Extensive network of 6,600 channel partners with pan India presence
- S Chand brand ensures strong pricing power among various stakeholders



- In-house logistic and warehousing to support growing demand
- Warehouse located near key markets capable of timely delivery of books

Performance Indicators

Consolidated Performance

+18% YOY

Revenue Growth (FY 2017-18)

+21% YOY

EBIDTA Growth (FY 2017-18)

+73% YOY

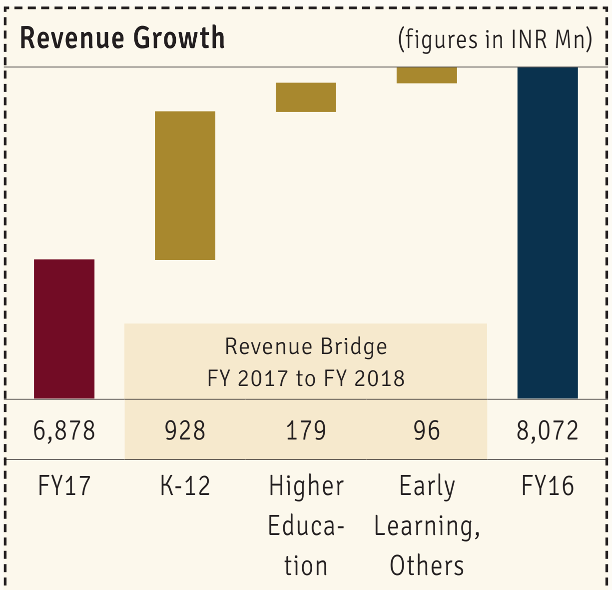
PAT Growth (FY 2017-18)

INR 31.1

Earnings Per Share (FY 2017-18)

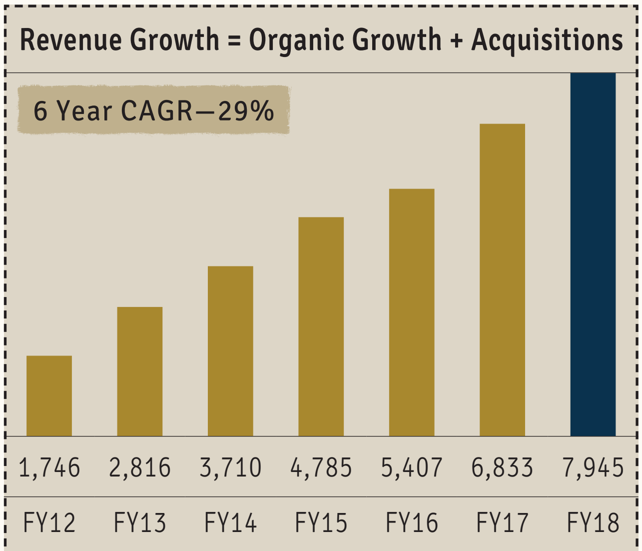
Key Highlights

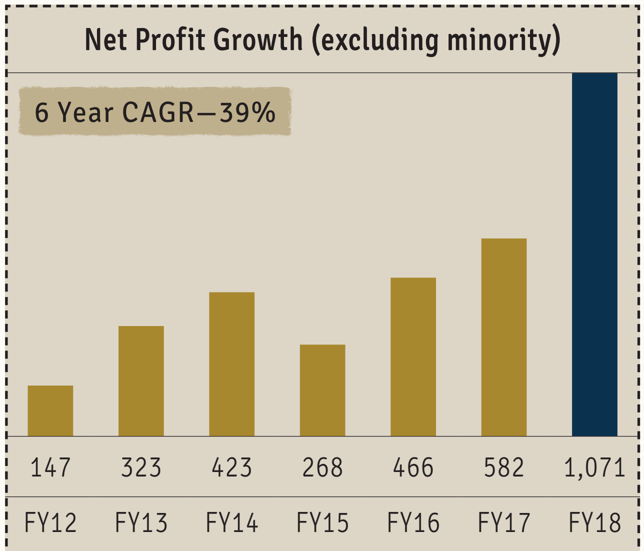
- Mylestone (curriculum solutions) business growth at 300% YOY to INR 95 Mn
- Revenue from operations increased by 18%* YOY to INR 8,072 Mn
  - K-12 revenues higher by 17% (volume growth of 10%)
  - Higher Education revenues higher by 15% (volume growth of 13%)
  - Other income at INR 128 Mn, including interest income of INR 38 Mn
- Profit after taxation increased by 73% YOY to INR 1,071 Mn

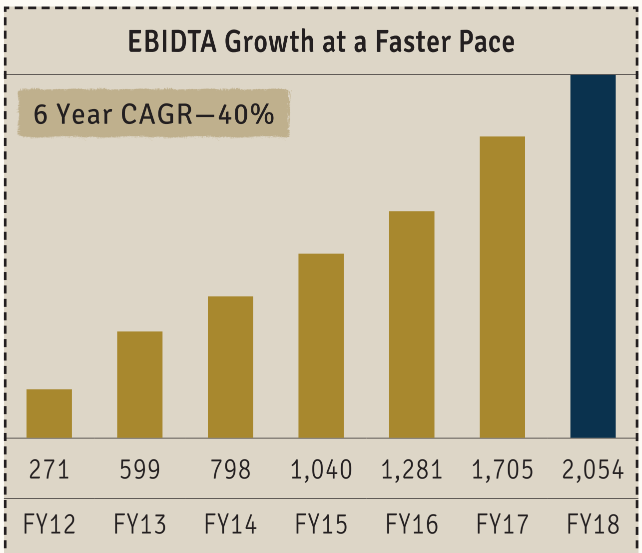


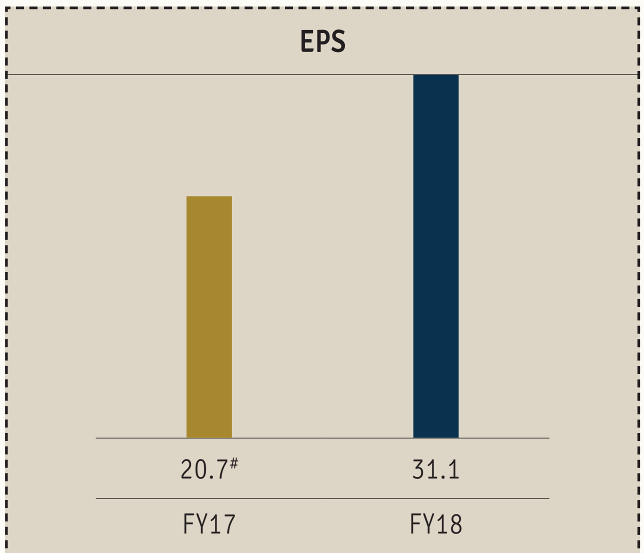
* FY 2016-17 revenues adjusted to include full year revenues of Chhaya. YOY growth has been computed on the adjusted revenues.

Financial Highlights









Note: All figures are in INR Mn. Figures for FY 2017 & FY 2018 are as per IND-AS. Prior year figures are as per Indian GAAP and may be fully comparable.

2017 Proforma includes consolidation of operational performance of Chhaya for the full year.

Strategy for Growth

LEVERAGE REACH & EXPAND

- Expand into regional markets through strategic alliances/ acquisitions
- "Phygital" to broaden reach and improve outcome
- Expand digital & service offerings to new geographies and segments

MAINTAIN LEADERSHIP

- Continue to dominate share of K-12 content market (CBSE/ ICSE/WBB)
- Improve share of wallet & student reach
- Cover 100,000 schools by FY 2023 from current reach of 40,000+ schools

BE FUTURE READY

- Smart books for the mobile generation
- Education streaming for learners
- Activity based learning tools (STEM)

The Journey to Tomorrow

Early Learning (Ages: 3+, 4+)

- Revolutionize early learning by providing "**Pre School in a Box**"—an integrated program with material, digital content and activities

smartK

- NCERT Based Early Learning Curriculum

Nuri Nori

- International digital and activity based early learning program
- World class educational digital content - animated and real
- Teacher training and resources, curriculum and lesson plans
- Physical activities—group, individual and SMART books for students
- Mobile application for communication and sharing between parents and schools

K-12

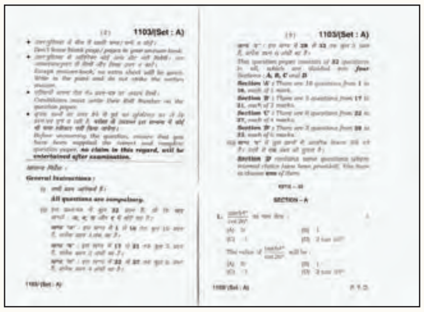
Virtual Reality, India's first integrated content consumption platform, creates opportunities for publishers to differentiate content. For example, it is possible for simulations to use technology to give students a "virtual lab" experience.

India's leading Virtual Reality content provider linked to curriculum

We are in the process of launching the next gen digital solution, which is a unique and differentiated proposition. It has the potential to disrupt the market. It is an app which can be accessed by a student on any device. It is a single learning destination aligned to the school curriculum. It provides subscription based access to unlimited content including ebooks, an extensive library of videos, and study tools.

Competition Exams

Goal – To launch India's first Phygital book – physical book with the power of a smartphone



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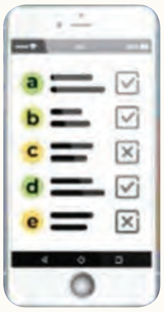


Real Time Analysis

Detailed Explanation

Instant Score & All India Rank

Chairman's Message

It is my pleasure to present to you your Company's Annual Report for 2017-18. I am extremely delighted to tell you that in FY18, your Company's Revenue has grown 18% YOY and we have crossed the Rs. 100 Crore milestone in Profit After Tax. Our volume has grown about 10% and in this first full year after acquisition, Chhaya's revenue has grown 16.6%. We are confident that we will solidify this performance as we move forward.

We continue to dominate and maintain leadership in the K-12 content and solutions segment – our core strength which contributed to around 80% of FY18 revenues. Our position as a market leader is due to our persistent efforts and sustained emphasis on product quality and continuous product improvement. We have 70+ years-experience in this segment over which we have nurtured enviable author and network relationships. The resultant brand equity and consumer trust we have acquired is invaluable. We will continue to leverage this strength and deepen our reach in this segment through all learning mediums - be it print, digital or a combination of the two.

We are however not resting on our laurels. We are looking towards the future – a future that we believe will be very exciting as the liaison between man and technology continues to evolve, presenting us stimulating opportunities to innovate learning solutions for a whole new gamut of career prospects.

India has the world's largest population in the education age bracket, comprising students aged 5-24. Further, the country's working population is expected to increase consistently over the next several years, even as the world's working population ages and shrinks. It is safe to predict that India will potentially soon become a supplier of workforce to the entire world. To reap this demographic dividend, the Indian education system needs to be capable of producing a globally competitive workforce. This is where our strength in innovation and future readiness can play a role. It can help shape India's growing young population.

We are keenly aware of the changing demands of the education sector and are making strategic decisions which will force multiply our strength and capitalize on these emergent opportunities. We are going to augment the foundation of our successful core business by leveraging investments we have made and offer fulfilment to our consumers through a breadth of products and services. We are focused on building a sustainable business through innovation. Technology is creating a level playing field between countries around the globe. This is a tremendous opportunity for us to build technology-based learning solutions that will put India's young workforce on par with the world's best. We are set on that path firmly.

You will all agree that a company's success rests entirely on its people. At S Chand, we have a committed and engaged team with us – a sharp and nimble set of people who are connected with the market in an on-going fashion; who understand changing trends, emerging needs, and the psyche of the consumer. This coupled with the fact that we have experienced industry best authors who thoroughly understand and cater to the needs of the consumer, gives us unparalleled advantage to benefit from the market opportunities. I would like to take this opportunity to thank our people and our authors for their dedication and staunch commitment in helping us achieve our goals.

Last but not least, I would like to thank the Board and all our shareholders for their unstinted support and the trust they have vested in us. This is the single biggest motivation for us as we discipline ourselves to relentlessly scale new heights, while remaining confident that we will succeed.

D R Dogra
Chairman

MD's Message

Dear Shareholders,

At the outset, on behalf of the management and staff of S Chand, I wish to pay homage to late Smt. Nirmala Gupta, our former Chairperson and Managing Director, who passed away on May 12th 2018. She inspired us with her vision and steered the Group to new heights for over last two decades. Her legacy will serve as an example for us to relentlessly persist in our efforts in the pursuit of progress. We remember her very fondly and miss her very much.

I wish to begin by telling you how much I value the trust you have reposed in me and the support you have shown this last financial year. We are moving forward into the threshold of what I believe is going to be a rousing future for your Company in particular, and for the education sector as a whole.

The education market is poised for an exciting growth phase in the near term. By 2020, the education age bracket, comprising students aged 5-24, is expected to grow to more than 534 million and the size of the Indian education industry, to US$ 188 bn. India's working demographic in the 25 to 59 age group, presently at about 520 mn people, is also slated to increase consistently over the next several years. Against the backdrop of a rapidly ageing and shrinking world working population, this can potentially foist India as a leading workforce supplier to the rest of the world. The single most important factor that can persuade such a demand, is a globally competitive talent pool that is on par with peers across the world. This is where the education system can play an important and instrumental role, challenging educational institutions, teachers, authors, content developers, and learning solutions providers to move away from comfort zones and innovate outstanding content and learning methodologies that will ignite a passion for education in India's youth.

Growth in urbanization, rising disposable incomes and spending power have together resulted in increased spends on education. More and more, consumers prefer to send their kids to affordable private schools as compared to government schools due to better infrastructure and a more conducive environment for learning. Government initiatives on promoting primary education and policy support, send a positive signal to serious players in the field of K-12 education like your Company.

In this and other segments as well, digital education offerings are increasingly being seen as an important medium to supplement existing education content for both the formal and the informal education segments. Digital education offerings include device-based learning, mobile learning applications, online test platforms and online marketplaces that connect students with tutors. The digital education market in India has witnessed rapid growth in the last few years and educational services are increasingly being consumed digitally. Several factors are responsible for this phenomenon – rise in ownership of mobile phones and electronic gadgets, especially among the young age group, increased parent spending on child's education, governmental efforts, growing preference for practical and hands on learning and an enabling ecosystem with ever decreasing prices of both hardware and internet.

This has especially fuelled a significant turnaround in recent years in the teaching methodology of the K-12 market across the world. Usage of digital classroom solutions, tablets and virtual simulators has risen tremendously in schools leading to an increased dependency on technology in teaching methods.

The emergence of the "learning on the go" culture has driven the demand for device-based learning. With competitive exams going online in the recent years, students have started preferring online and blended coaching as well as test preparation models. These factors have called for a revamp of the current education system along with an integration of digital technology into the overall learning process.

At S Chand, we are prepared to delve head-on into that future. We have successfully launched the Virtual Reality (VRX) content for the K-12 segment. We plan to release more modules and cover more classes this financial year. We want to also expand our digital offerings in newer geographies and segments. In the Early Learning segment, we have signed an exclusive long term agreement with Nuri Nori – South Korea's leading pre-school curriculum and are eager to reap that benefit.

I am extremely pleased to tell you that we once again had a very successful year of operations in FY 2017-18. Your Company crossed the Rs. 100-crore milestone in Profit After Tax, up 73% YOY from the previous year's total of Rs. 61.9 crores. Our consolidated total revenues for the full year grew 18% and stood at Rs. 807 crores, as compared to Rs. 685 crores in the previous financial year. Our stronghold, K-12 delivered 17% YOY (organic) growth and revenue from that segment stood at Rs. 635 crores. EBITDA grew by 21% year on year, to Rs. 205 crores, up from Rs. 170 crores in FY17. The Earnings Per Share stood at Rs. 31.1 end of FY 2017-18. Based on this performance, your Board has approved a dividend payout of Rs. 1.50 per share.

On an on-going basis, we have been engaged in various ways to deepen our brand awareness. The trust and brand equity that S Chand enjoys, reflects the experience, the ability to understand the consumer, and the deep commitment of our people. A culture S Chand has nurtured over 75 + long years. I thank my colleagues for their dedication, passion and superior work ethics.

With best wishes and seeking your on-going support this year,

Himanshu Gupta
Managing Director

Board Members

Mr. Himanshu Gupta - Managing Director

Mr. Himanshu Gupta, aged 39 years, is the Managing Director of our Company. He holds a Bachelor's degree in Commerce from the University of Delhi and has over 16 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 58 years, is an Executive Director of our Company. He has been associated with our Company since 2004 and has over 12 years of experience in the knowledge products and services industry.

Mr. Desh Raj Dogra - Independent Director and Chairman

Mr. Desh Raj Dogra, aged 63 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 39 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 59 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 35 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 40 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 15 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 50 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 27 years of experience in the financial sector and is a Senior Advisor at Rothschild India.

Mr. Deep Mishra - Non-Executive and Nominee Director

Mr. Deep Mishra, aged 46 years, is a Non-Executive and nominee Director of our Company. He holds a degree in Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology, Kanpur, as well as a Post-graduate Diploma in Management from the Indian Institute of Management, Calcutta. He has 21 years of experience in the financial sector and is currently the Managing Director (Private Equity) at Everstone Capital Advisors Private Limited.

Mr. Gaurav Kumar Jhunjhnuwala - Non-Executive Director

Mr. Gaurav Kumar Jhunjhnuwala, aged 31 years, is a Non-Executive Director of our Company. He has over 6 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 68 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.

Respectful Homage

Late Smt. Nirmala Gupta
03/12/1940-12/05/2018

We fondly remember Late Smt. Nirmala Gupta (w/o Late Shri Rajendra Kumar Gupta) who passed away on May 12th, 2018. Also known as 'Badi Madam', she was the Chairperson of S Chand & Co over the last two decades and steered the Group to new heights. Her legacy will stand as an example to all of us to persist in our pursuit of progress.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present 47th Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2018.

1. FINANCIAL PERFORMANCE

Figures in Rs. Crores

Abridged Profit And Loss Statement	Consolidated		Standalone	
	FY Ended 31st March 2018	FY Ended 31st March 2017	FY Ended 31st March 2018	FY Ended 31st March 2017
Revenue from operations	794.45	659.22	343.99	292.60
Other income	8.49	1.60	6.68	1.17
Total Revenue	**802.93**	**660.82**	**350.67**	**293.78**
Profit before interest, tax, depreciation and amortization (EBIDTA)	**201.18**	**167.37**	**71.70**	**57.02**
Depreciation and amortization expenses	(19.28)	(26.43)	(3.35)	(6.51)
Finance cost	(23.97)	(35.36)	(9.72)	(14.91)
Interest income	4.24	1.34	20.34	8.18
Profit before tax, minority interest and share of associate company	**162.17**	**106.92**	**78.97**	**43.77**
Exceptional items	-	-	-	-
Tax expense	(53.86)	(43.39)	(28.21)	(16.55)
Profit after tax and before minority interest and share of associate company	**108.31**	**63.53**	**50.76**	**27.22**
Share in loss of associate company	(1.23)	(2.27)	-	-
Profit for the year	**107.08**	**61.26**	**50.76**	**27.22**
Other Comprehensive income	0.14	0.19	0.20	0.03
Total Comprehensive Income for the year	**107.22**	**61.45**	**50.96**	**27.25**
Profit for the year attributable to				
- Owners of the parent	107.21	55.81	50.96	27.25
- Minority interest	0.01	5.64	-	-
Balance of profit brought forward from previous years	231.44	188.94	135.34	109.31
Net surplus in the statement of profit and loss account	107.07	55.62	50.76	27.22
Other Comprehensive income	0.14	0.19	0.20	0.03
Appropriations:				
Equity dividend	(4.36)	(1.01)	(4.36)	(1.01)
Tax on Equity dividend	(0.89)	(0.21)	(0.89)	(0.21)
Adjustments relating to subsidiary companies	(0.02)	0.91	-	-
Transfer to Debenture redemption reserve	-	(13.00)	-	-
Balance Carried to Balance Sheet	**333.38**	**231.44**	**181.06**	**135.34**

2. OPERATIONS

For the year under review, the Company on a consolidated basis reported revenues of Rs. 803 Crores with a growth of 21.00% over previous year. The consolidated EBITDA for the year is Rs. 201 Crores as compared to Rs. 167 Crores of previous year. Net profit increased by 74.50% year-on-year basis to Rs. 107 Crores. The two segments viz. school and higher education performed very well during the year under review with volume growth of over 10.00%. This is the highest volume growth recorded by the Company on a consolidated basis in the last five years. K-12 content revenues during the year increased by 17.00% year-on-year basis to touch Rs. 636 Crores. The Group's K12 business has grown at a CAGR of 40% over the last six years. Higher education business revenues crossed Rs. 140 Crores up by around 15.00% from previous year. The curriculum business Mylestone completed its second sales cycle and the solution is now adopted by 173 schools as compared to 67 schools previous year and poised to grow manifold from here.

During the year, the Company was listed on May 09, 2017, after the initial public offering was oversubscribed by almost 60 times. The Company raised Rs. 325 Crores, which are largely used to deleverage for repayment of loans of Rs. 255 Crores, largely taken for funding acquisitions and setting up of the printing press.

The Company also successfully integrated the operations of Chhaya Prakashani Private Limited which recorded a growth of 16.00% during the previous year. The Company also initiated a partnership with Sigong Media, Korea for the Nuri Nori curriculum for the early learning segment under S. Chand Edutech Private Limited. Other initiatives include follow on investments in Smartivity Labs Private Limited, an associate into Augmented Reality and DIY STEM Kits. The Company also launched VRX (Virtual Reality) in school books and strengthened the visibility of the education App mystudygear.

3. DIVIDEND

During the year, your Board declared a final dividend of Rs. 1.25 per share on 34,839,172 equity shares of face value of Rs. 5.00/- each (ranking pari-passu to all the members) for the financial year 2016-17. The said final dividend was declared out of the accumulated profits of the Company. The said final dividend was payable to the members whose name were appearing in the Company's beneficiary list as on September 18, 2017.

Your Directors have recommended a final dividend of Rs. 1.50/- per share on 34,975,287 equity shares of face value of Rs. 5.00/- each (ranking pari-passu to all the members) for the financial year 2017-18. Total outflow towards dividend on equity shares for the year, if approved and declared by the members at the ensuing Annual General Meeting (**"AGM"**), would be Rs. 6.32 Crores (including dividend distribution tax).

The dividend, if approved at the ensuing AGM, will be paid to those members whose names appear on the register of members of the Company as on September 18, 2018.

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

The following material changes have occurred from the end of financial year which affects the financial position of the Company:

(i) purchased an industrial land situated at 40/2A, Site IV, Industrial Area, Sahibabad, Ghaziabad, Uttar Pradesh (near to existing printing facilities of subsidiary of the Company) admeasuring 5179 sq. yards at a price of Rs.10.30 crores (Rupees Ten Crores and Thirty Lakhs Only);

(ii) enhancement of working capital facilities from Rs. 15.00 crores (Rupees Fifteen Crores Only) to Rs. 25.00 crores (Rupees Twenty Five Crores Only) from DBS Bank Ltd.;

(iii) approved investment in Chetana Publications (India) LLP ("Chetana") for an amount of Rs. 58.50 crores (Rupees Fifty Eight Crores and Fifty Lakhs Only). Chetana is engaged in the business of publishing, printing, distribution and selling of educational books and content as per the curriculum of Maharastra State Board, CBSE, ICSE and other State Boards in India;

(iv) approved term loan of Rs. 25.00 crores (Rupees Twenty Five Crores Only) from Axis Finance Limited for making investment in Chetana Publications (India) LLP;

(v) investment in S. Chand Edutech Pvt. Ltd. (a wholly owned subsidiary of the Company) upto an amount of Rs. 10.00 crores (Rupees Ten Crores Only)

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 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 12 (twelve) subsidiaries as on March 31, 2018. During the year, the Board of Directors reviewed the affairs of its subsidiaries. The Consolidated Financial Statements of your Company for the financial year 2017-18 are prepared in compliance with the applicable provisions of the Companies Act, 2013, IndAs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") which shall be placed before the members in their ensuing AGM.

Subsidiaries:

a) Blackie & Son (Calcutta) Private Limited

Blackie & Son (Calcutta) Private Limited reported total revenue from operations of Rs. 18.70 lakhs in the financial year 2017-18 as compared to the total revenue from operation of Rs. 26.67 lakhs in the previous financial year and reported net profit (after tax) of Rs. 16.71 lakhs in financial year 2017-18 as compared to a net profit (after tax) of Rs. 11.33 lakhs in the previous financial year.

b) BPI (India) Private Limited

BPI (India) Private Limited reported total revenue from operations of Rs. 11.46 crores in the financial year 2017-18 as compared to total revenue from operation of Rs. 13.99 crores in the previous financial year and reported a net profit (after tax) of Rs. 0.44 lakhs in financial year 2017-18 as compared to a net profit (after tax) of Rs. 11.34 lakhs in the previous financial year.

c) Chhaya Prakashani Private Limited *

Chhaya Prakashani Private Limited reported total revenue from operations of Rs. 116.20 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 99.63 crores in the previous financial year and reported a net profit (after tax) of Rs. 25.88 crores in financial year 2017-18 as compared to a net profit (after tax) of Rs. 21.48 crores in the previous financial year.

d) DS Digital Private Limited

DS Digital Private Limited reported total revenue from operations of Rs. 21.83 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 29.03 crores in the previous financial year and reported a net loss (after tax) of Rs. 2.94 crores in financial year 2017-18 as compared to a net loss (after tax) of Rs 7.38 crores in the previous financial year.

e) Eurasia Publishing House Private Limited

Eurasia Publishing House Private Limited reported total revenue from operations of Rs. 2.05 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 1.60 crores in the previous financial year and reported a net loss (after tax) of Rs. 2.22 crores in financial year 2017-18 as compared to a net loss (after tax) of Rs. 0.92 crores in the previous financial year.

f) Publishing Services Private Limited *

Publishing Services Private Limited reported total revenue from operations of Rs. 1.54 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 2.06 crores in the previous financial year and reported a net loss (after tax) of Rs. 6.87 lakhs in financial year 2017-18 as compared to a net profit (after tax) of Rs. 16.14 lakhs in the previous financial year.

g) Indian Progressive Publishing Co Private Limited

Indian Progressive Publishing Co Private Limited reported total revenue from operations of Rs. 1.48 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 1.06 crores in the previous financial year and reported a net profit (after tax) of Rs. 37.39 lakhs in financial year 2017-18 as compared to a net loss (after tax) of Rs. 10.81 lakhs in the previous financial year.

h) New Saraswati House (India) Private Limited

New Saraswati House (India) Private Limited reported total revenue from operations of Rs. 157.71 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 134.74 crores in the previous financial year and reported a net profit (after tax) of Rs.9.83 crores in financial year 2017-18 as compared to a net profit (after tax) of Rs. 8.33 crores in the previous financial year.

i) Nirja Publishers & Printers Private Limited

Nirja Publishers & Printers Private Limited reported total revenue from operations of Rs. 15.12 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 25.40 crores in the previous financial year and reported a net profit (after tax) of Rs. 3.29 crores in 2017-18 as compared to a net profit (after tax) of Rs. 3.90 crores in the previous financial year.

j) S. Chand Edutech Private Limited

S. Chand Edutech Private Limited reported total revenue from operations of Rs. 5.50 lakhs in the financial year 2017-18 as compared to total revenue from operations of Rs. 12.99 lakhs in the previous financial year and reported a net loss (after tax) of Rs. 11.60 lakhs in financial year 2017-18 as compared to a net loss (after tax) of Rs. 3.00 lakhs in the previous financial year.

k) Safari Digital Education Initiative Private Limited

Safari Digital Education Initiative Private Limited reported total revenue from operations of Rs. 12.76 crores in the financial year 2017-18 as compared to total revenue from operations of Rs.5.96 crores in the previous financial year and reported a net loss (after tax) of Rs. 1.50 crores in financial year 2017-18 as compared to a net loss (after tax) of Rs. 3.25 crores in the previous financial year.

l) Vikas Publishing House Private Limited

Vikas Publishing House Private Limited reported total revenue from operations of Rs. 204.51 crores in the financial year 2017-18 as compared to total revenue from operations of Rs. 240.11 crores in the previous financial year and reported a net profit (after tax) of Rs. 24.62 crores in financial year 2017-18 as compared to a net profit (after tax) of Rs. 16.67 crores in the previous financial year.

* Publishing Services Pvt. Ltd. (a wholly owned subsidiary of Chayya Prakashani Pvt. Ltd.) has been amalgamated with Chhaya Prakashani Pvt. Ltd. vide order of Regional Director, Kolkata dated August 07, 2018.

Associate:

a) Smartivity Labs Private Limited

Smartivity Labs Private Limited reported total revenues from operations of Rs. 9.88 crores in the financial year 2017-18 as compared to total revenues from operations of Rs. 4.03 crores in the previous financial year and reported a net loss (after tax) of Rs. 2.26 crores in financial year 2017-18 as compared to a net loss (after tax) of Rs. 1.28 crores in the previous financial year.

In accordance with section 129 (3) a statement containing salient features of financial statements of each of the subsidiary and associate in the prescribed Form AOC-1 is annexed to this report as **Annexure-A**. In accordance with Section 136 of the Companies Act, 2013, 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 Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

10. AUDITORS

Statutory Auditor

M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Reg. No. 101049W) were appointed as Statutory Auditors of your Company at the AGM held on September 25, 2017 for a term of 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, 2018 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their report. 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 appointed M/s KPMG, as Internal Auditors of the Company with effect from July 01, 2017 for a period of one year. The Board of Directors based on the recommendation of Audit Committee has further re-appointed them as Internal Auditors in its Board meeting held on August 08, 2018 for another term of one year.

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 2017-18 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. CHANGES IN SHARE CAPITAL

During the year under review, there has been no change in the authorised share capital of the Company. The employees of the Company and its subsidiaries have exercised their stock options and the Company has allotted the following equity shares to the employees during the year:

S. No.	No. of ESOPs	Date of allotment
1.	143,930	25.07.2017
2.	110,889	17.11.2017
3.	25,226	30.01.2018
Total	**280,045**	

Thus, the paid up share capital has been increased pursuant to the aforesaid allotments and as on March 31, 2018 the paid up share capital is Rs. 174,876,435 divided into 34,975,287 equity shares of face value of Rs. 5/- each.

12. 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 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure-C** which forms part of this report.

13. 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 Companies Act, 2013 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. 33,281,501/-

ii) Foreign Exchange outgo: Rs. 27,433,922/-

14. 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, 2018, 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 3 (three) are Independent Directors (including one Woman Director). The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and the relevant provisions of the Companies Act, 2013. All the Directors possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Appointment

Pursuant to Section 2(47), 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations and based on the recommendations of the Nomination and Remuneration Committee 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 subject to regularization by the members in the ensuing AGM. The Company has received a notice in writing from a member proposing his candidature for the office of Director. In view of the same, your Directors recommend the regularization of appointment of Mr. Rajagopalan Chandrashekar as an Independent Director for a term of 5 (five) consecutive years which forms part of the Notice of the ensuing AGM of the Company. The Nomination and Remuneration Committee also confirmed that Mr. Rajagopalan Chandrashekar is not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

Retirement by rotation

In terms of section 152 of the Companies Act, 2013 Mr. Dinesh 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, provides that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Companies Act, 2013 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 Companies Act, 2013.

Board Evaluation

In compliance with the Companies Act, 2013 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 to 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 at the Board and Committee meetings. The evaluation involves self-evaluation by the Board Members and subsequent assessment by the Board of Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Board Meetings

During the year under review, the Board of Directors met 7 (seven) 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 Companies Act, 2013 and the Listing Regulations.

15. SCHEME OF ARRANGEMENT

Pursuant to the provisions of section 230-232 and other applicable provisions of the Companies Act, 2013 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 in its meeting held on November 17, 2017, the Company has filed a Composite Scheme of Arrangement amongst Blackie & Sons (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.

16. DETAILS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 5F, 49, 5A and 5B and respectively to the standalone financial statements.

17. RELATED PARTY TRANSACTIONS

The Company has formulated a policy on related party transactions which is also available on Company's website at www.schandgroup.com. This policy deals with the review and approval of related party transactions.

During the year under review, all related party transactions entered by the Company were in ordinary course of the business and on arm's length basis. No material related party transactions were entered during the financial year by the Company.

Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company.

18. INFORMATION REGARDING EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Companies Act, 2013 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-D**.

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 employees for part of the year and in receipt of Rs. 8.50 lakhs or more per month is attached as **Annexure-E** of this report.

Managerial Remuneration

During the year under review, the Board of Directors in its meeting held on August 09, 2017 and members in the AGM held on September 25, 2017 have approved the revision in the remuneration of Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company. The details of which are given in the notes to financial statements of the Company forming part of this report.

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.

During the year under review, pursuant to exercise of stock options, the employees of the Company and its subsidiaries have been allotted **280,045** equity shares of the Company. Relevant disclosures pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 and the Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits), Regulation 2014 is given as **Annexure-F.**

ESOP Plan 2018

The Board of Directors at its meeting held on August 08, 2018 has approved the a new Employee Stock Option Plan 2018 with 190,000 (One Lakh Ninety Thousand Only) equity shares of face value of Rs. 5/- each. The exercise price under the new plan will be Rs. 355 per option. The said plan will be placed before the members at the ensuing AGM for their approval. The formulated plan will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee.

19. 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 evaluate 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 to ensure implementation of appropriate risk management framework for the Company.

20. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Companies Act, 2013 the Company has a Corporate Social Responsibility Committee ("**CSR Committee**"), which comprises Mr. Desh Raj Dogra-Chairman and Independent Director, Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director and Mr. Deep Mishra, Non-Executive Director. The terms of references of the CSR Committee is provided in the Corporate Governance Report which forms part of this report.

The Company has formulated a Corporate Social Responsibility Policy which is available on the website of the Company at www.schandgroup.com. The Annual Report on the CSR activities is attached as **Annexure-G** and forms part of this report.

During the year under review, the Company has contributed an amount of Rs. 1.82 millions as compared to the recommended amount of Rs. 5.34 millions by the CSR Committee. Thus, there is an unspent amount of Rs. 3.52 millions. The contributed amount is less than the aggregate of 2% average net profits of the Company in the preceding three years. The Company has made CSR initiatives through registered trusts/societies in the following programmes/projects:

i) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; and

ii) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

21. 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 also provides for adequate safeguards against victimization of employees who avail of the mechanism 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.

22. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest 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-H** and forms an integral part of the report.

23. 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.

24. AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and one Non-Executive Director namely Mr. Desh Raj Dogra (Chairman-Non-Executive, Independent Director), Ms. Archana Capoor (Member- Non-Executive, Independent Director) and Mr. Deep Mishra (Member-Non-Executive, Non-Independent Director). The details of the Audit Committee are included in the Corporate Governance Report.

25. 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 and their remuneration thereof.

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

The Company is not required to maintain cost record as per Section 148(1) of the Companies Act, 2013.

27. 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.

28. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 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.

29. ACKNOWLEDGMENTS

Your Directors wish to express their thanks to 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/-
Place: New Delhi	**Himanshu Gupta**	**Dinesh Kumar Jhunjhnuwala**
Date: August 08, 2018	Managing Director	Whole-time Director
	DIN: 00054015	DIN: 00282988

ANNEXURE-A

Form AOC-1

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

Part "A": Subsidiaries

(Amount in Rs.)

Sl. No.	Particulars			
1	Sl. No.	1	2	3
2	Name of the subsidiary	S. Chand Edutech Pvt. Ltd.	Safari Digital Education Initiatives Pvt. Ltd.	DS Digital Pvt. Ltd.
3	The date since when subsidiary was acquired	30/03/2011	07/02/2011	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	212,700	443,692,680	568,993,200
7	Reserves & surplus	(29,674,337)	(79,250,063)	(203,620,977)
8	Total assets	33,814,812	876,704,451	547,596,507
9	Total Liabilities	33,814,812	876,704,451	547,596,507
10	Investments	Nil	485,915,834	Nil
11	Turnover	550,000	127,583,781	218,268,817
12	Profit before taxation	(1,160,243)	(41,191,156)	(59,052,861)
13	Provision for taxation	Nil	(26,231,430)	(29,679,709)
14	Profit after taxation	(1,160,243)	(14,959,725)	(29,373,152)
15	Proposed Dividend	Nil	Nil	Nil
16	Extent of shareholding (in percentage)	100.00% is held by Safari Digital Education Initiatives Pvt. Ltd. (a wholly owned subsidiary of the Company)	40.08% is held by Nirja Publishers & Printers Pvt. Ltd. (a wholly owned subsidiary of the Company) and the Company holds 59.92%	40.79% is held by Safari Digital Education Initiatives Pvt. Ltd. (a wholly owned subsidiary of the Company) and the Company holds 59.20%

Sl. No.	Particulars			
1	Sl. No.	4	5	6
2	Name of the subsidiary	Nirja Publishers & Printers Pvt. Ltd.	Eurasia Publishing House Pvt. Ltd.	Blackie & Son (Calcutta) Pvt. Ltd.
3	The date since when subsidiary was acquired	30/03/2010	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	120,000	106,000	149,000
7	Reserves & Surplus	718,365,126	142,430,829	69,318,815

Sl. No.	Particulars			
8	Total assets	839,850,996	835,024,200	70,454,587
9	Total Liabilities	839,850,996	835,024,200	70,454,587
10	Investments	206,718,435	1,392,569	195,432
11	Turnover	151,232,608	20,500,686	1,870,457
12	Profit Before Taxation	41,261,541	(33,682,277)	2,488,567
13	Provision for taxation	8,323,755	(11,441,301)	817,347
14	Profit after taxation	32,937,786	(22,240,976)	1,671,220
15	Proposed Dividend	N.A.	N.A.	N.A.
16	Extent of Shareholding (in percentage)	100%	100%	100%

Sl. No.	Particulars			
1.	Sl.No.	7	8	9
2.	Name of the subsidiary	BPI (India) Pvt. Ltd.	Chhaya Prakashani Pvt. Ltd.	New Saraswati House (India) Private Limited
3.	The date since when subsidiary was acquired	25/09/2012	05/12/2016	17/05/2014
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	13,497,190	14,828,400	205,000
7.	Reserves & surplus	67,166,552	6,308,00,000	654,860,000
8.	Total assets	285,532,715	825,090,000	232,470,000
9.	Total Liabilities	285,532,715	825,090,000	232,470,000
10	Investments	NIL	3,400,000	NIL
11	Turnover	114,566,945	1,162,020,000	1,577,050,000
12	Profit before taxation	516,586	399,960,000	151,440,000
13	Provision for taxation	472,771	141,200,000	53,120,000
14	Profit after taxation	43,815	258,760,000	98,320,000
15	Proposed Dividend	NIL	NIL	NIL
16	Extent of shareholding (in percentage)	51% is held by Blackie & Son (Calcutta) Pvt. Ltd. (a wholly owned subsidiary of the Company)	30.47% is held by Eurasia Publishing House Pvt. Ltd. (a wholly owned subsidiary of the Company) and the Company holds 43.53%	23.90% is held by Vikas Publishing House Pvt. Ltd. (a wholly owned subsidiary of the Company) and the Company holds 76.10%

Sl. No.	Particulars			
1.	Sl.No.	10	11	12
2.	Name of the subsidiary	Vikas Publishing House Pvt. Ltd.	Publishing Services Pvt. Ltd.	Indian Progressive Publishing Co Pvt. Ltd.
3.	The date since when subsidiary was acquired	10/10/2012	05/12/2016	05/12/2016
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	4,014,000	500,000	117,100
7.	Reserves & surplus	1,440,510,000	1,630,126	4,204,914

Sl. No.	Particulars			
8.	Total assets	3,076,920,000	6,081,993	7,149,587
9.	Total Liabilities	3,076,920,000	6,081,993	7,149,587
10	Investments	70,000,000	NIL	NIL
11	Turnover	2,045,110,000	15,370,079	14,756,708
12	Profit before taxation	364,460,000	(725,741)	5,332,571
13	Provision for taxation	118,310,000	(38,564)	1,593,806
14	Profit after taxation	246,150,000	(687,177)	3,738,765
15	Proposed Dividend	NIL	NIL	NIL
16	Extent of shareholding (in percentage)	2% is held by Nirja Publishers & Printers Pvt. Ltd. (a wholly owned subsidiary of the Company) and the Company holds 98%	100% is held by Chhaya Prakashani Pvt. Ltd. (subsidiary of the Company)	100% is held by Chhaya Prakashani Pvt. Ltd. (subsidiary of the Company)

Part "B": Associates and Joint Ventures

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

Name of Associates~~/Joint Ventures~~	Smartivity Labs Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2018
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 5,264 compulsorily convertible cumulative preference shares
4. Amount of Investment in Associates~~/Joint Venture~~	Rs. 1.86 crores
5. Extend of Holding%	24.12%
6. Description of how there is significant influence	S Chand And Company Ltd. holds more than 20% of total voting power in Smartivity Labs Pvt. Ltd.
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. 0.75 Crores
9. Profit/Loss for the year	
i) Considered in Consolidation	Rs. (0.54) Crores
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 08, 2018

Sd/-
Saurabh Mittal
Chief Financial Officer

Sd/-
Jagdeep Singh
Company Secretary

ANNEXURE-B

Secretarial Audit Report
For the Financial Year ended 31st March, 2018

[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
CIN No.: L22219DL1970PLC005400

I have conducted the Secretarial Audit in respect of compliance with specific applicable statutory provisions and adherence to good corporate practices by "S Chand And Company Limited" formerly known as "S Chand And Company Private Limited" (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct /statutory compliance and expressing my 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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018 according to the provisions of:

(i) The Companies Act, 1956 and Companies Act, 2013 ("the Acts') and the rules made thereunder, as applicable;

(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;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;

  (f) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

  (h) Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review.

(vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:

  (a) The Legal Metrology Act, 2009 & Rules

  (b) The Child Labour (Prohibition and Regulation Act), 1986

I have also examined compliance with the applicable clauses of the following:

(i) 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, 2018** complied with the aforesaid laws.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes took place in the composition of the Board of Directors during the financial year under review.

Adequate notice was given to all the Directors regarding holding of the Board Meetings. Agenda was sent in advance before the meeting. There exists a system for Directors to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

Decisions at the Board Meetings were taken unanimously and recorded as part of the Minutes of the Meetings;

In my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and applicable general laws like labour laws, environmental laws and competition laws etc.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Managing Director, Company Secretary and Chief Financial Officer taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines as mentioned in this report and applicable general laws like labour laws, competition laws, environmental laws, etc.

I further report that:

(a) The Company had filed the Updated Draft Red Herring Prospectus with SEBI on April 03, 2017, Red Herring Prospectus on April 13, 2017 and Prospectus on May 02, 2017 for issuance of equity shares to public by way of an Initial Public Offer;

(b) The equity shares of the Company got listed on BSE Limited and The National Stock Exchange of India Limited on May 09, 2017;

(c) A final dividend of Rs. 1.25 per share on 34,839,172 equity shares of face value of Rs. 5/- each (ranking pari-passu to all the members) for the financial year 2016-17 was paid to the members of the Company whose name were appearing on the Register of Members as on September 18, 2017;

(d) The Company has allotted 280,045 equity shares against the employee stock options exercised by the employees of the Company and its subsidiaries;

(e) The Company has made investment in the compulsorily convertible cumulative preference shares of Smartivity Labs Pvt. Ltd. (associate of the Company) for an amount of Rs. 24.90 lakhs;

(f) The Company has invested in 6916 optionally convertible debentures of face value of Rs. 100,000/- each of Eurasia Publishing House Pvt. Ltd. (a wholly owned subsidiary of the Company);

(g) The Company has revised the remuneration of Mr. Himanshu Gupta, Managing Director and Mr. Dinesh Kumar Jhunjhnuwala, Whole-time Director of the Company as approved by the shareholders in the Annual General Meeting held on September 25, 2017;

(h) The Company has amended its ESOP Scheme 2012 in line with the SEBI, Listing Regulations;

(i) The Company has amended its Articles of Association;

(j) 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 the stock exchanges for their approval;

(k) The Company has granted optionally convertible loan for an amount of Rs. 684,493,450/- to 5 (five) of its subsidiaries at a rate of interest of 10.75% p.a.; and

(l) Based on the opinion received by the Company and response of the respective banks, the Company has not filed any charge with the Registrar of Companies for the corporate guarantee given in favour of the bank against the loan sanctioned to its subsidiaries.

Sd/-
R. S. Bhatia

Place: New Delhi
Dated: August 07, 2018

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

Our 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. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whether required, we have obtained the management's representation about the compliance of laws, rules and 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. We 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: August 07, 2018

Practicing Company Secretary
CP No: 2514

ANNEXURE-C

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and 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, Non-Government Company
v)	Address of the registered office and contact details	:	Ravindra Mansion, Ram Nagar, New Delhi-110055 Tel. +91 11 6667 2000 Fax: +91 11 2367 7446 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 44, Community Centre, 2nd Floor, Near PVR Naraina, Phase-I Naraina Industrial Area, New Delhi - 110028. Phone: +91 11 4141 0592, 93,94 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	% to Total Turnover of the Company
1.	Publishing of educational books	5811	92.72%

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 110 055	U22190WB1979PTC032281	Subsidiary	100.00	2(87)(ii)
2.	BPI (India) Pvt. Ltd., First Floor, Plot No. B-1/ A-26, Mohan Co-operative Industrial Estate, New Delhi 110 044	U22190DL1999PTC288852	Subsidiary	51.00	2(87)(ii)
3.	Chhaya Prakashani Pvt. Ltd. 1, Bidhan Sarani, Collage Street, Kolkata 700 073, West Bengal	U22122WB2006PTC111821	Subsidiary	74.00	2(87)(ii)
4.	DS Digital Pvt. Ltd., 7361, Ravindra Mansion, Ram Nagar, New Delhi 110 055	U72200DL2008PTC173250	Subsidiary	99.99	2(87)(ii)
5.	Eurasia Publishing House Pvt. Ltd. 7361, Ram, Nagar, Qutab Road, New Delhi 110 055	U74899DL1961PTC003552	Subsidiary	100.00	2(87)(ii)
6.	Indian Progressive Publishing Co Pvt. Ltd., 1, Rajendra Dev Road, Kolkata, West Bengal 700 007	U22219WB1961PTC025317	Subsidiary	100.00	2(87)(ii)

S.No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7.	New Saraswati House (India) Pvt. Ltd., A - 27, 2nd Floor, Mohan Co-operative Industrial Estate, New Delhi 110 044	U22110DL2013PTC262320	Subsidiary	100.00	2(87)(ii)
8.	Nirja Publishers & Printers Pvt. Ltd. 7361 Ram Nagar, Qutab Road, New Delhi 110 055	U74899DL1971PTC005776	Subsidiary	100.00	2(87)(ii)
9.	Publishing Services Pvt. Ltd., BF – 90, Salt Lake City, Sector – 1, Kolkata, West Bengal 700 064	U22222WB2004PTC099639	Subsidiary	100.00	2(87)(ii)
10.	S. Chand Edutech Pvt. Ltd., 7361, Ram Nagar, Paharganj, New Delhi 110 055	U80302DL2010PTC206251	Subsidiary	100.00	2(87)(ii)
11.	Safari Digital Education Initiatives Pvt. Ltd., 7361, Ravindra Mansion, Ram Nagar, New Delhi 110 055	U80904DL2010PTC204512	Subsidiary	100.00	2(87)(ii)
12.	Vikas Publishing House Pvt. Ltd., 7361, Ravindra Mansion, Ram Nagar, New Delhi, 110 055	U74899DL1971PTC005766	Subsidiary	100.00	2(87)(ii)
13.	Smartivity Labs Pvt. Ltd. 258, 1st Floor, Kuldeep House, Lane No. 3, Westend Marg, Saidulajab, New Delhi, 100 030	U74140DL2015PTC277272	Associate	24.12	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 (as on 1.4.2017)				No of shares held at the end of the year (as on 31.3.2018)				% of change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	17,409,240		17,409,240	58.33	16,300,740	-	16,300,740	46.61	(11.72)
b) Central Govt.	-	--	-	-					-
c) State Govt(s)	-	-	-	-					-
d) Bodies Corporate	-	-	-	-					-
e) Banks/ FI	-	-	-	-					-
f) Any Other	-	-	-	-					-
Sub-total (A)(1):-	**17,409,240**	**-**	**17,409,240**	**58.33**	**16,300,740**	**-**	**16,300,740**	**46.61**	**(11.72)**
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individuals	-	-	-	-					-
c) Bodies Corporate	-	-	-	-					-
d) Banks/ FI	-	-	-	-					-
e) Any Other	-	-	-	-					-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**					**-**
Total shareholding of Promoter	**17,409,240**	**-**	**17,409,240**	**58.33**	**16,300,740**	**-**	**16,300,740**	**46.61**	**(11.72)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	4,253,144	-	4,253,144	12.16	12.16
b) Banks/FI	-	-	-	-	85,739	-	85,739	0.25	0.25
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
g) FIIs	-	-	-	-	1,562,958	-	1,562,958	4.47	4.47
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
i) International Finance Corporation	2,805,784		2,805,784	9.40	-	-	-	-	(9.40)
ii) Alternate Investment Funds	-	-	-	-	1,397,937	_	1,397,937	3.99	3.99
Sub-total (B)(1):-	**2,805,784**	**-**	**2,805,784**	**9.40**	**7,299,778**	**-**	**7,299,778**	**20.87**	**11.47**

Category of Share Holders	No of Shares held at the beginning of the Year (as on 1.4.2017)				No of shares held at the end of the year (as on 31.3.2018)				% of change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	9,629,472	-	9,629,472	32.27	-	-	-	-	(32.27)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs.1lakh	-	-	-	-	2,603,158	-	2,603,158	7.44	7.44
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	-	-	-	-	269,661	-	269,661	0.77	0.77
c) Others (specify)									
i) Hindu Undivided Family	-	-	-	-	681,341	-	681,341	1.95	1.95
ii) Foreign Companies									
• Everstone Capital Partners II LLC	-	-	-	-	3,323,229	-	3,323,229	9.50	9.50
• International Finance Corporation	-	-	-	-	2,805,784	-	2,805,784	8.02	8.02
iii) Non Resident Indians (Non Repat)	-	-	-	-	22,756	-	22,756	0.07	0.07
iv) Non Resident Indians (Repat)	-	-	-	-	62,971	-	62,971	0.18	0.18
v) Clearing Member	-	-	-	-	223,799	-	223,799	0.64	0.64
vi) Bodies Corporate	-	-	-	-	1,382,070	-	1,382,070	3.95	3.95
Sub-total (B)(2):-	**9,629,472**	**-**	**9,629,472**	**32.27**	**11,374,769**	**-**	**11,374,769**	**32.52**	**0.25**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**12,435,256**	**-**	**12,435,256**	**41.67**	**18,674,547**	**-**	**18,674,547**	**53.39**	**11.72**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**29,844,496**	**-**	**29,844,496**	**100**	**34,975,287**	**-**	**34,975,287**	**100**	**-**

B) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2017)			Shareholding at the end of the year (as on March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Himanshu Gupta	6,167,752	20.67	-	5,777,454	16.52	-	(2.48)
2.	Mr. Dinesh Kumar Jhunjhnuwala	4,064,820	13.62	-	3,790,229	10.84	-	(1.98)
3.	Ms. Neerja Jhunjhnuwala	3,553,036	11.90	-	3,363,018	9.47	-	(2.43)

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	6,167,752	20.67	6,167,752	20.67
	Offer for Sale (05.05.2017)	(440,298)	1.26	5,727,454	16.37
	Bought during the year (26.09.2017 & 27.09.2017)	50,000	0.14	5,777,454	16.52
	At the end of the year	5,777,454	16.52	5,777,454	16.52
2.	**Mr. Dinesh Kumar Jhunjhnuwala**				
	At the beginning of the year	4,064,820	13.62	4,064,820	13.62
	Offer for Sale (05.05.2017)	(274,591)	0.78	3,790,229	10.84
	At the end of the year	3,790,229	10.84	3,790,229	10.84
3.	**Ms. Neerja Jhunjhnuwala**				
	At the beginning of the year	3,553,036	11.90	3,553,036	11.90
	Offer for Sale (05.05.2017)	(240,018)	0.69	3,313,018	9.47
	Bought during the year (26.09.2017 & 27.09.2017)	50,000	0.14	-	-
	At the end of the year	3,363,018	9.61	3,363,018	9.61

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	9,629,472	32.27	9,629,472	32.27
	Pre-IPO (21.04.2017)	(1,491,507)	4.26	8,137,965	23.27
	Offer for Sale (05.05.2017)	(4,814,736)	13.77	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	9.40	2,805,784	9.40
	At the end of the year	2,805,784	8.02	2,805,784	8.02
3.	**HDFC Trustee Company Limited**				
	At the beginning of the year	-	-	-	-
	Purchase (12.05.2017)	1,305,810	3.73	1,305,810	3.73
	Sold (19.05.2017)	(29,002)	0.08	1,276,808	3.65
	Purchase (26.05.2017)	24,000	0.07	1,300,808	3.72
	Sold (23.06.2017)	(80,930)	0.23	1,219,878	3.49
	Sold (30.06.2017)	(15,870)	0.04	1,204,008	3.44
	Purchase (27.10.2017)	1,066,970	3.05	2,270,978	6.49
	Purchase (19.01.2018)	2,00,000	0.57	2,470,978	7.06
	Purchase (02.02.2018)	73,000	0.21	2,543,978	7.27
	At the end of the year	2,543,978	7.27	2,543,978	7.27
4.	**VOLRADO VENTURE PARTNERS FUND II**				
	At the beginning of the Year	-	-	-	-
	Purchase (12.05.2017)	9,25,124	2.65	9,25,124	2.65
	At the end of the year	9,25,124	2.65	9,25,124	2.65
5.	**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND**				
	At the beginning of the year	-	-	-	-
	Purchase (12.05.2017)	2,23,894	0.64	2,23,894	0.64
	Purchase (08.09.2017)	76,000	0.22	2,99,894	0.86
	Purchase (03.11.2017)	106	(Negligible)	3,00,000	0.86
	Purchase (08.12.2017)	32,772	0.09	3,32,772	0.95
	Purchase (15.12.2017)	4,64,058	1.33	7,96,830	2.28
	Purchase (22.12.2017)	31,170	0.09	8,28,000	2.37
	Purchase (16.02.2018)	3,150	(Negligible)	8,31,150	2.38
	Purchase (31.03.2018)	1,200	(Negligible)	8,32,350	2.38
	At end of the year	8,32,350	2.38	8,32,350	2.38
6.	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VI**				
	At the beginning of the year	-	-	-	-
	Purchase (12.05.2017)	2,33,587	0.67	2,33,587	0.67
	Purchase (19.05.2017)	23,981	0.07	2,57,568	0.74
	Purchase (26.05.2017)	20,000	0.06	2,77,568	0.79
	Purchase (02.06.2017)	25,000	0.07	3,02,568	0.87
	Purchase (09.06.2017)	63,887	0.18	3,66,455	1.05
	Purchase (16.06.2017)	17,405	0.05	3,83,860	1.10
	Purchase (23.06.2017)	45,113	0.13	4,28,973	1.23
	Purchase (30.06.2017)	11,000	0.03	4,39,973	1.26
	Purchase (07.07.2017)	10,000	0.03	4,49,973	1.29
	Purchase (14.07.2017)	2,000	(Negligible)	4,51,973	1.29
	Purchase (21.07.2017)	9,090	0.03	4,61,063	1.32
	Purchase(11.08.2017)	3,928	0.01	4,64,991	1.33
	Purchase(18.08.2017)	22,000	0.06	4,86,991	1.39
	Purchase(25.08.2017)	21,089	0.06	5,08,080	1.45

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
	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VI (Continued)				
	Purchase(01.09.2017)	2,383	(Negligible)	5,10,463	1.46
	Purchase(08.09.2017)	6,039	0.02	5,16,502	1.48
	Purchase(22.09.2017)	5,000	0.01	5,21,502	1.49
	Purchase(29.09.2017)	15,000	0.04	5,36,502	1.53
	Purchase(06.10.2017)	10,082	0.03	5,46,584	1.56
	Purchase (29.12.2017)	27,739	0.08	5,74,323	1.64
	Purchase(05.01.2018)	20,000	0.06	5,94,323	1.70
	Purchase(12.01.2018)	2,159	(Negligible)	5,96,482	1.71
	Sold(26.01.2018)	(1,50,000)	0.43	4,46,482	1.28
	Purchase(02.02.2018)	69,678	0.20	5,16,160	1.48
	At the end of the year	5,16,160	1.48	5,16,160	1.48
7.	**INDUS INDIA FUND (SV) LIMITED**				
	At the beginning of the year	-	-	-	-
	Purchase (12.05.2017)	78,556	0.22	78,556	0.22
	Purchase(02.06.2017)	81,430	0.23	1,59,986	0.46
	Purchase(09.06.2017)	18,041	0.05	1,78,027	0.51
	Purchase(16.06.2017)	1,99,880	0.57	3,77,907	1.08
	Purchase(04.08.2017)	31,039	0.09	4,08,946	1.17
	Purchase (18.08.2017)	8,018	0.02	4,16,964	1.19
	Purchase (27.10.2017)	71,260	0.20	4,88,224	1.40
	Purchase (03.11.2017)	27,677	0.08	5,15,901	1.48
	At the end of the year	5,15,901	1.48	5,15,901	1.48
8.	**BNP PARIBAS ARBITRAGE**				
	At the beginning of the year	-	-	-	-
	Purchase(12.05.2017)	2,63,564	0.75	2,63,564	0.75
	Sold(19.05.2017	(30,000)	0.08	2,33,564	0.67
	Sold(16.06.2017)	(3,300)	0.009	2,30,264	0.66
	Sold(23.06.2017)	(59,933)	0.17	1,70,331	0.49
	Sold(30.06.2017)	(18,403)	0.05	1,51,928	0.43
	Sold(07.07.2017)	(17,452)	0.05	1,34,476	0.38
	Purchase(18.08.2017)	1,16,200	0.33	2,50,676	0.72
	Purchase(03.11.2017)	42,800	0.12	2,93,476	0.84
	Sold(08.12.2017)	(14,310)	0.04	2,79,166	0.80
	Sold(15.12.2017)	(1,20,000)	0.34	1,59,166	0.46
	Purchase(09.03.2018)	2,39,918	0.68	3,99,084	1.14
	At the end of the year	3,99,084	1.14	3,99,084	1.14
9.	**RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND**				
	At the beginning of the year	-	-	-	-
	Purchase (12.05.2017)	2,23,894	0.64	2,23,894	0.64
	Purchase(15.09.2017)	42,709	0.12	2,66,603	0.76
	Purchase(05.01.2018)	76,000	0.22	3,42,603	0.98
	Purchase(02.02.2018)	41,000	0.12	3,83,603	1.10
	Sold(09.03.2018)	(22,445)	0.06	3,61,158	1.03
	Sold(16.03.2018)	(502)	(Negligible)	3,60,656	1.03
	At the end of the year	3,60,656	1.03	3,60,656	1.03
10.	**BLUE DAIMOND PROPERTIES PVT. LTD.**				
	At the beginning of the year	-	-	-	-
	Purchase(23.03.2018)	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	6,167,752	20.67	6,167,752	20.67
	Offer for Sale (05.05.2017)	(440,298)	1.26	5,727,454	16.37
	Bought during the year (26.09.2017 & 27.09.2017)	50,000	0.14	5,777,454	16.52
	At the end of the year	5,777,454	16.52	5,777,454	16.52
2.	**Mr. Dinesh Kumar Jhunjhnuwala**				
	At the beginning of the year	4,064,820	13.62	4,064,820	13.62
	Offer for Sale (05.05.2017)	(274,591)	0.78	3,790,229	10.84
	At the end of the year	3,790,229	10.84	3,790,229	10.84
3.	**Ms. Savita Gupta**				
	At the beginning of the year	1,312,316	4.40	1,312,316	4.40
	Offer for Sale (05.05.2017)	(93,682)	0.27	1,218,634	3.48
	At the end of the year	1,218,634	3.48	1,218,634	3.48
4.	**Mr. Gaurav Kumar Jhunjhnuwala**				
	At the beginning of the year	606,800	2.03	606,800	2.03
	Offer for Sale (05.05.2017)	(14,800)	0.04	592,000	1.69
	At the end of the year	592,000	1.69	592,000	1.69
5.	**Mr. Saurabh Mittal**				
	At the beginning of the year	-	-	-	-
	ESOP Allotment (25.07.2017)	38,924	0.11	38,924	0.11
	Sold during the year				
	28.09.2017	2000		36,924	0.11
	04.10.2017	100		36,824	0.11
	06.10.2017	200		36,624	0.10
	10.10.2017	200	Negligible	36,424	0.10
	13.10.2017	200		36,224	0.10
	24.10.2017	400		35,824	0.10
	01.11.2017	400		35,424	0.10
	30.11.2017	500		34,924	0.10
	ESOP Allotment (13.12.2017)	46694	0.13	81,618	0.23
	Sold during the year				
	04.01.2018	500		81,118	0.23
	16.01.2018	500	Negligible	80,618	0.23
	17.01.2018	500		80,118	0.23
	At the end of the year	80,118	0.23	80,118	0.23
6.	**Mr. Jagdeep Singh**				
	At the beginning of the year	-	-	-	-
	ESOP Allotment (25.07.2017)	1,924	0.01	1,924	0.01
	Sold during the year				
	28.09.2017	200		1,724	
	06.10.2017	200		1,524	
	16.10.2017	200		1,324	
	27.10.2017	300	Negligible	1,024	Negligible
	30.10.2017	100		924	
	01.11.2017	200		724	
	06.12.2017	200		524	
	ESOP Allotment (13.12.2017)	2,664	0.01	3,188	0.01
	Sold during the year				
	20.12.2017	100		3,088	0.01
	03.01.2018	200	Negligible	2,888	0.01
	05.01.2018	200		2,688	0.01
	At the end of the year	2,688	0.01	2,688	0.01

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	2,109,177,480	-	19,620,000	**2,128,797,480**
ii) Interest due but not paid	-	-	284,752	**284,752**
iii) Interest accrued but not due	83,664	-	-	**83,664**
Total (i)+(ii)+(iii)	**2,109,261,144**	**-**	**19,904,752**	**2,129,165,896**
Change in indebtedness during the Financial year				
Addition	11,119,932	-	760,729	**11,880,661**
Reduction	-1,602,753,752	-	-11,250,000	**-1,614,003,752**
Net Change	**-1,591,633,820**	**-**	**-10,489,271**	**-1,602,123,091**
Indebtedness at the end of the financial year				
i) Principal Amount	517,541,297	-	8,370,000	**525,911,297**
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)	**517,627,324**	**-**	**9,415,481**	**527,042,805**

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	12,566,400	12,566,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 incl. stock options	-	-
	(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	3,852,335	3,852,335
	- others, specify	-	-
5.	Others	-	-
	Total	**16,418,735**	**16,418,735**

Ceiling as per the Act @ 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013-Rs. 77,376,716/-

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	
1.	Independent Directors				
	• Fee for attending Board / Committee Meeting	425,000	350,000	450,000	1,225,000
	• Commission	-	-	-	-
	• Others, Please Specify	-	-	-	-

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Total (1)	**425,000**	**350,000**	**450,000**	**1,225,000**
2.	Other Non-Executive Directors				
	• Fee for attending Board / Committee Meeting				
	• Commission				
	• Others, Please Specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = 1 + 2	425,000	350,000	450,000	1,225,000
	Total Managerial Remuneration	**425,000**	**350,000**	**450,000**	**1,225,000**
	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	-

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	5,429,851	12,593,068	18,022,919
	(b) Value of perquisites u/s 17(2)Income-tax Act,1961	58,808	168,687	227,495
	(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...	-	-	-
5.	Others, please specify	-	-	-
	Total	**5,488,659**	**12,761,755**	**18,250,414**

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 08, 2018

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

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

ANNEXURE-D

Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 and 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 2017-18 :

Name of the Director	Designation	Ratio to median remuneration of the employees
Mr. Himanshu Gupta	Managing Director	31.45
Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	31.45

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 2017-18:

Name of the Employee	Designation	% increase in remuneration
Mr. Himanshu Gupta	Managing Director	61%
Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	61%
Mr. Saurabh Mittal	Chief Financial Officer	35%
Mr. Jagdeep Singh	Company Secretary	-26%

3. The percentage increase in median remuneration of employees in financial year 2017-18:

   10.20%

4. The number of permanent employees on the rolls of Company:

   810

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 29.62% Average increase in the managerial remuneration of managerial personnel is 33.00%.

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 08, 2018

ANNEXURE-E

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)	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	16.42	Permanent	B.Com, DU	18	April 21, 2000	40	16.52	Son of Ms. Savita Gupta	NA
2.	Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	16.42	Permanent	Intermediate	14	December 11, 2004	58	10.84	Father of Mr. Gaurav Kumar Jhunjhnuwala	MD, Hind Group, Hong Kong
3.	Mr. Saurabh Mittal	Group CFO	12.76	Permanent	B.Com (Hons), DU and CA	20	May 01, 2006	45	0.23	No	General Manager Accounts at Milkfood Limited, Delhi
4.	Mr. Samir Khurana	Head- Strategy and M & A	12.73	Permanent	B.Com(H) from Delhi University & CA from Institute of Chartered Accountants	15	August 01, 2015	39	0.31	No	Partner, Coralbay Advisors
5.	Mr. K Mammen Thomas	Group Business Head (School & Higher Education)	10.28	Permanent	B.Com (Hons) , St. Xaviers College Calcutta	38	August 01, 2014	58	NIL	No	Encyclopedia Britannica India Pvt. Ltd
6.	Mr. Ashish Gupta	Head- Business Development & New Initiatives	7.49	Permanent	PG in Management, MDI Gurgaon	17	August 16, 2016	43	0.03	No	Hewlett Packard India
7.	Mr. Jagdeep Singh	Head-Legal & Compliance	5.49	Permanent	B. Com, LL.B., C.S.	16	December 20, 2013	42	0.01	No	Irene Healthcare Pvt. Ltd.
8.	Ms. Meenu Aggarwal	Vice President - Finance	5.21	Permanent	CA	17	April 07, 2014	42	Negligible	No	Compass India Support Services Pvt. Ltd. (Compass Group Plc UK Subsidiary)
9.	Mr. Sanjay Chawla	Senior Vice President – (North 1 & 2)	5.20	Permanent	PG Diploma in Sales & Marketing	31	August 06, 2014	54	NIL	No	MBD Group
10.	Mr. Naval Shukla	EVP - Higher Education	5.13	Permanent	B.Com	22	August 01, 2016	43	NIL	No	Macmillan Publishers India Ltd.

B) Employees drawing salary of Rs. 1.02 crores or above per annum

(Rs. in million)

Sl. No.	Name of Employee	Designation	Remuneration drawn (per annum)	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 employees	Relative of any Director or Manager	Last employment
1.	Mr. Himanshu Gupta	Managing Director	16.42	Permanent	B.Com, DU	18	April 21, 2000	40	16.52	Son of Ms. Savita Gupta	NA
2.	Mr. Dinesh Kumar Jhunjhnuwala	Executive Director	16.42	Permanent	Intermediate	14	December 11, 2004	58	10.84	Father of Mr. Gaurav Kumar Jhunjhnuwala	MD, Hind Group, Hong Kong
3.	Mr. Saurabh Mittal	Group CFO	12.76	Permanent	B.Com (Hons), DU and CA	20	May 01, 2006	45	0.23	No	General Manager Accounts at Milkfood Limited, Delhi
4.	Mr. Samir Khurana	Head- Strategy and M & A	12.73	Permanent	B.Com(H) from Delhi University & CA from Institute of Chartered Accountants	15	August 01, 2015	39	0.31	No	Partner, Coralbay Advisors
5.	Mr. K Mammen Thomas	Group Business Head (School & Higher Education)	10.28	Permanent	B.Com (Hons) , St. Xaviers College Calcutta	38	August 01, 2014	58	NIL	No	Encyclopedia Britannica India Pvt. Ltd

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

Place: New Delhi
Date: August 08, 2018

Sd/-
Himanshu Gupta
Managing Director
DIN: 00054015

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

ANNEXURE-F

Statement as at March 31, 2018 pursuant to Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 and the Regulations 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:

The position of the existing scheme is summarized as under-

S. No.	Particulars	Remarks
I.	**Details of ESOP 2012**	
1.	Date of Shareholder's Approval	30-June-2012
2.	Total number of options approved under ESOP 2012	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 from the date of grant.
6.	Source of shares	Primary
7.	Variation in terms of ESOP Scheme	The ESOP Scheme was amended in line with the provisions of Companies Act, 2013 and SEBI ESOP Regulations.

II. Option Movement during the year ended Mar 2018

Sr. No	Particulars	No. of Options	Weighted Average Exercise Price (Rs.)
1	No. of Options Outstanding at the beginning of the year	367,928	259.86
2	Options Granted during the year	-	-
3	Options Forfeited / Surrendered during the year	3,103	392.00
4	Options Exercised during the year	280,045	242.99
5	Total number of shares arising as a result of exercise of options	280,045	242.99
6	Money realised by exercise of options (Rs.)	-	680,48,551
7	Number of options Outstanding at the end of the year	84,780	310.74
8	Number of Options exercisable at the end of the year	13,960	315.08

Option Movement during the year ended Mar 2017

Sr. No	Particulars	No. of Options	Weighted average Exercise Price (Rs.)
1	No. of Options Outstanding at the beginning of the year	223,480	223.72
2	Options Granted during the year	156,954	311.06
3	Options Forfeited / Surrendered during the year	12,506	256.60
4	Options Exercised during the year	Nil	N.A
5	Total number of shares arising as a result of exercise of options	Nil	N.A
6	Money realised by exercise of options (Rs.)	Nil	N.A
7	Number of options Outstanding at the end of the year	367,928	259.86
8	Number of Options exercisable at the end of the year	133,718	204.80

III. Weighted Average remaining contractual life

As on 31 Mar 2018

Range of Exercise Prices	Weighted average contractual life (years)
Range of Exercise prices is Rs.62 to Rs.392	The weighted avg. remaining contractual life for options outstanding is 1.95 years.

As on 31 Mar 2017

Range of Exercise Price	Weighted average contractual life (years)
Range of Exercise prices is Rs.62 to Rs.392	The weighted avg. remaining contractual life for options outstanding is 2.91 years.

IV	**Weighted average Fair Value of Options granted during the year ended Mar 2018 whose**	
(a)	Exercise price equals market price	
(b)	Exercise price is greater than market price	N.A
(c)	Exercise price is less than market price	
	Weighted average Fair Value of Options granted during the year ended Mar 2017 whose	
(a)	Exercise price equals market price	Rs.37
(b)	Exercise price is greater than market price	Rs.134
(c)	Exercise price is less than market price	Rs.37

V	The weighted average market price of options exercised during the year ended Mar 2018	454.50
	The weighted average market price of options exercised during the year ended Mar 2017	N.A

VI	**Employee wise details of options granted during the financial year 2017-18 to:**	
(i)	**Senior managerial personnel**	
	Name of employee	**No. of Options granted**
	---------- NA --------------	---------- NA --------------
(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**
	---------- NA --------------	---------- NA --------------
(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**
	---------- NA --------------	

VII	**Method and Assumptions used to estimate the fair value of options granted during the year ended Mar 2018 :**	
	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	N.A
	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.)	
	Method and Assumptions used to estimate the fair value of options granted during the year ended Mar 2017:	
	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	6.69%
	2. Expected Life(in years)	2.20
	3. Expected Volatility	0%
	4. Dividend Yield	0%
	5. Exercise Price	311
	6. Price of the underlying share in market at the time of the option grant.(Rs.)	376

Assumptions:-

a) Fair Market Value: The fair market value considered is based on an independent valuation received from an Independent professional;

b) Volatility: Since the Company was unlisted as on the date of grant, the volatility has been considered to be zero;

c) Risk-free rate of return: Zero coupon yield curve as on the date of the grant has been used to calculate the risk-free rate. The risk-free rate for the period equal to the expected life has been considered; and

d) Dividend yield: Since the Company was a private limited company and the average market price data was not available, the dividend yield has been considered to be zero.

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

	Sd/-	Sd/
Place: New Delhi	**Himanshu Gupta**	**Dinesh Kumar Jhunjhnuwala**
Date: August 08, 2018	Managing Director	Whole-time Director
	DIN: 00054015	DIN: 00282988

ANNEXURE-G

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 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

(iii) Mr. Dinesh Kumar Jhunjhnuwala, Member

(iv) Mr. Deep Mishra, Member

3. Average net profit of the Company for last three financial years: Rs. 267,000,000/-

4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above): Rs. 5,340,000/-

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year; Rs. 5,340,000/- through a registered trust or society.

(b) Amount unspent, if any; Rs. 3,520,000/-

(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 employment enhancement vocational skill specially among children and students	Promoting Education	-	5,340,000	1,820,000	1,820,000	Indirect
	Total			**5,340,000**	**1,820,000**	**1,820,000**	

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/-	Sd/-
Desh Raj Dogra	**Himanshu Gupta**
Chairman of CSR Committee	Managing Director
	Member of CSR Committee

ANNEXURE-H

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.

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, 2018, 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 3 (three) 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**") and the relevant provisions of the Companies Act, 2013.

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 subject to approval by the members in the ensuing Annual General Meeting ("**AGM**").

b) Attendance of Directors:

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

Name of the Director	Category	Relationship with other directors	No. of Board meetings held during the financial year 2017-18	No. of Board Meeting entitled to attend during the financial year 2017-18	No. of Board Meetings attended during the financial year 2017-18	Attendance of each director at last AGM	Shareholding of Directors as on March 31, 2018
Mr. Desh Raj Dogra (DIN:00226775)	Chairman-Non-Executive, Independent Director	NA	7	7	5	Yes	NIL
Mr. Himanshu Gupta (DIN: 00054015)	Promoter & Managing Director	Son of Ms. Savita Gupta	7	7	6	Yes	5,777,454
Mr. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Promoter & Whole-time Director	Father of Mr. Gaurav Kumar Jhunjhnuwala	7	7	6	Yes	3,790,229
Ms. Archana Capoor (DIN: 01204170)	Non-Executive, Independent Director	NA	7	7	6	No	NIL
Mr. Sanjay Vijay Bhandarkar (DIN: 01260274)	Non-Executive, Independent Director	NA	7	7	7	Yes	NIL
#Mr. Deep Mishra (DIN: 02249582)	Non-Executive, Nominee Director	NA	7	7	3	No	NIL
Ms. Savita Gupta (DIN: 00053988)	Non-Executive, Non-Independent Director	Mother of Mr. Himanshu Gupta	7	7	2	Yes	1,218,634
Mr. Gaurav Kumar Jhunjhnuwala (DIN: 03518763)	Non-Executive, Non-Independent Director	Son of Mr. Dinesh Kumar Jhunjhnuwala	7	7	5	No	592,000
## Mr. Rajagopalan Chandrashekar	Non-Executive, Independent Director	NA	NA	NA	NA	NA	NIL

Mr. Deep Mishra is a nominee of our equity investor Everstone Capital Partners II LLC.
Mr. Rajagopalan Chandrashekar was appointed as an Independent Director with effect from July 23, 2018.

c) Directorship / committee position held in other Companies as on March 31, 2018:

S. No.	Name of the Director	No. of Directorships*	No. of Committee positions held**	No. of Committees Chaired**
1.	Mr. Desh Raj Dogra	12	5	2
2.	Mr. Himanshu Gupta	11	0	0
3.	Mr. Dinesh Kumar Jhunjhnuwala	9	2	0
4.	Ms. Archana Capoor	13	4	1
5.	Mr. Sanjay Vijay Bhandarkar	5	5	2
6.	Mr. Deep Mishra	8	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 2017-18, 7 (seven) board meetings were held on April 13, 2017, May 02, 2017, June 12, 2017, August 09, 2017, August 21, 2017, November 17, 2017 and February 09, 2018. 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 Companies Act, 2013 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 Companies Act, 2013 and Regulation 25 of the Listing Regulations was issued to Mr. Rajagopalan Chandrashekar.

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 access the quality, quantity and timeliness of flow of information between the Company 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, donations, 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 Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the Board, in accordance with evaluation framework laid down by the Nomination and Remuneration Committee, 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 performance evaluation of the Board was carried out by the Independent Directors. 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; and
(g) Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information provided by the Company and its representatives.

h) Maximum tenure of Independent Directors:

The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 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, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the minutes of the Committee Meetings are placed before the Board for their noting.

a) Audit Committee

Constitution and composition:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 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 2017-18 on June 12, 2017, August 09, 2017, August 21, 2017, November 17, 2017 and February 09, 2018. 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
Mr. Desh Raj Dogra **(Chairman of Audit Committee)**	Non-Executive, Independent Director	5
Ms. Archana Capoor	Non-Executive, Independent Director	5
Mr. Deep Mishra	Non-Executive, Non-Independent Director	2

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.

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.

b) Nomination and Remuneration Committee

Constitution and composition:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 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 once during the financial 2017-18 on August 08, 2017. 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	1
Mr. Desh Raj Dogra	Non-Executive, Independent Director	1
Mr. Deep Mishra	Non-Executive, Non-Independent Director	1

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 the 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 administer and superintend the employee stock option scheme or employees benefit schemes as approved by Board of Directors of the Company; and

(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.

c) Stakeholders Relationship Committee

Constitution and composition:

Pursuant to the Companies Act, 2013 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 2017-18 on July 03, 2017, October 03, 2017, December 18, 2017 and January 03, 2018. 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. Deep Mishra	Non-Executive, Non-Independent Director	0

Investor Grievances/Complaints:

The details of investor complaints received and resolved during the financial year 2017-18 are as follows:

Complaints received	Complaints resolved	Complaints pending
432	432	0

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.

d) Corporate Social Responsibility Committee

Constitution and composition:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee ("**CSR Committee**") comprising of four 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 2017-18 on August 08, 2017. 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. Deep Mishra	Non-Executive, Non-Independent Director	1
Mr. Himanshu Gupta	Managing Director	1
Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	1

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 to the Companies Act, 2013;

(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 2017-18. 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. Deep Mishra	Non-Executive, Non-Independent Director
Mr. Himanshu Gupta	Managing Director
Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director

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 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.

Other Functional Committees

Apart from the above statutory Committees, the Board of Directors has constituted the following functional committee to raise the level of 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 noting.

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 the Note No. 35 to financial statements for the year ended March 31, 2018 forming part of the Annual Report.

b) Criteria for making payment 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.

c) The details of remuneration and sitting fees paid to each Director during the financial year 2017-18 are as under:

S. No.	Name of the Director	Category	Salary (in Rs.)	Other Benefits (in Rs.)	Commission (in Rs.)	Stock Options	Sitting Fees (in Rs.)	Total (in Rs.)
1.	Mr. Himanshu Gupta	Managing Director	12,566,400	-	3,852,335	-	-	**16,418,735**
2.	Mr. Dinesh Kumar Jhunjhnuwala	Whole-time Director	12,566,400	-	3,852,335	-	-	**16,418,735**
3.	Ms. Savita Gupta	Non-Executive, Non-Independent Director	-	-	-	-	-	**-**
4.	Mr. Gaurav Kumar Jhunjhnuwala	Non-Executive, Non-Independent Director	-	-	-	-	-	**-**
5.	Mr. Deep Mishra	Non-Executive, Nominee Director	-	-	-	-	-	**-**
6.	Mr. Desh Raj Dogra	Non-Executive, Independent Director	-	-	-	-	425,000	**425,000**
7.	Ms. Archana Capoor	Non-Executive, Independent Director				-	450,000	**450,000**
8.	Mr. Sanjay Vijay Bhandarkar	Non-Executive, Independent Director				-	350,000	**350,000**

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.

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
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 Ratification of Article 40 giving right to appoint director on the Board and Subsidiaries and Joint Venture Governance Committee of the Company; and
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
44th/2014-15	Wednesday, September 30, 2015	5:00 P.M.	576, Masjid Road, New Delhi-110014	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 2017-18.

6. MEANS OF COMMUNICATION

The Company publishes its audited quarterly financial results and audited financial results for the entire Financial Year in '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 after submission to the stock exchanges where the shares of the Company are listed. The Company also hosts any presentation shared/ made to analysts/ investors on website of the Company at www.schandgroup.com. The said presentation is also submitted to the stock exchanges where the shares of the Company are listed.

7. GENERAL SHAREHOLDER INFORMATION

a) 47th AGM:

1.	Date	September 25, 2018
2.	Day	Tuesday
3.	Time	4:00 P.M.
4.	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 of Rs. 1.25 per share of Rs. 5/- each out of the accumulated profits of the Company approved in its Board Meeting held on June 12, 2017. The said dividend has been paid to the shareholders whose name appear in the Company's beneficiary list as on September 18, 2017.

The Board of Directors at its meeting held on May 30, 2018 recommended a final dividend of Rs. 1.50/- per equity share for the financial year 2017-18. The dividend recommended, if approved by the members at the AGM shall be paid within 30 days from the date of AGM to those members whose names appear in Company's beneficiary list as on September 18, 2018.

d) Financial Calendar for financial 2018-19:

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

(ii) Annual Audited Results for the financial year ending March 31, 2019: within 60 days of close of the financial year or such extended time as maybe applicable to the Company; and

(iii) AGM for the financial year ending March 31, 2019: within 180 days of close of financial year

e) Dates of Book Closures:

The register of Members and share transfer books of the Company shall remain closed from Wednesday, September 19, 2018 to Tuesday, September 25, 2018 (both days inclusive).

f) Listing of Shares and Stock Code:

S. No.	Name of the Stock Exchange	Address	Stock Code
1	BSE Limited	Phiroze Jheejeebhoy Towers, Dalal Street, Mumbai – 400 001	540497
2	National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.	SCHAND

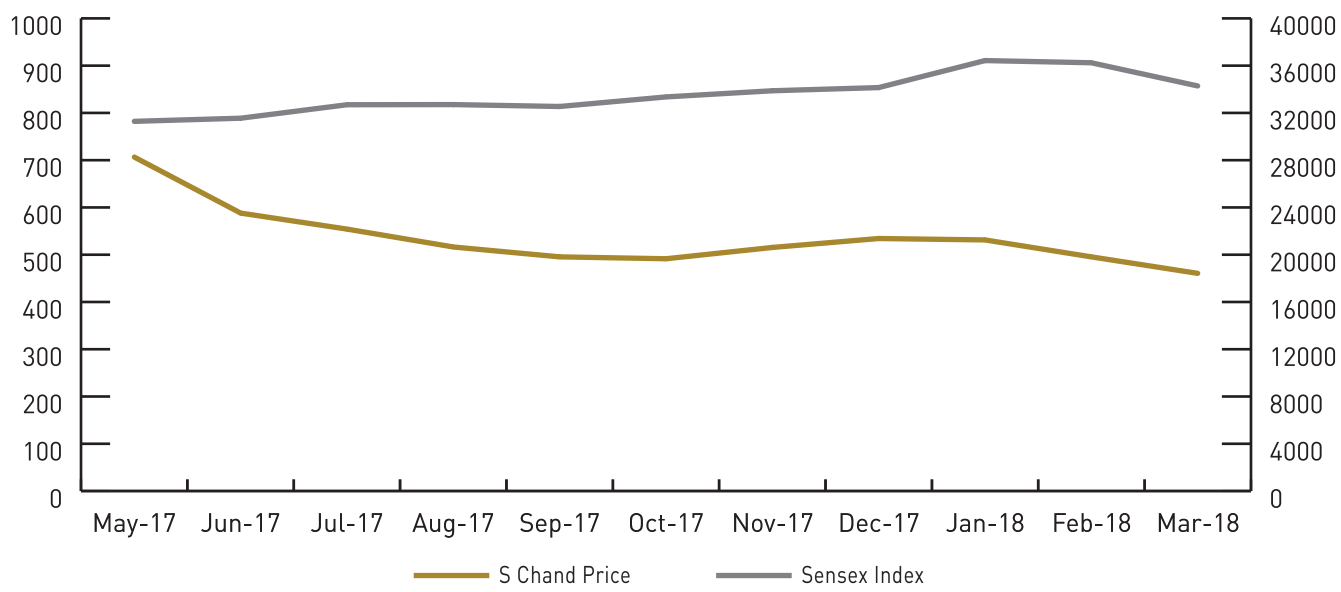
The Listing Fees for the financial year 2018-19 has been paid to NSE and BSE.

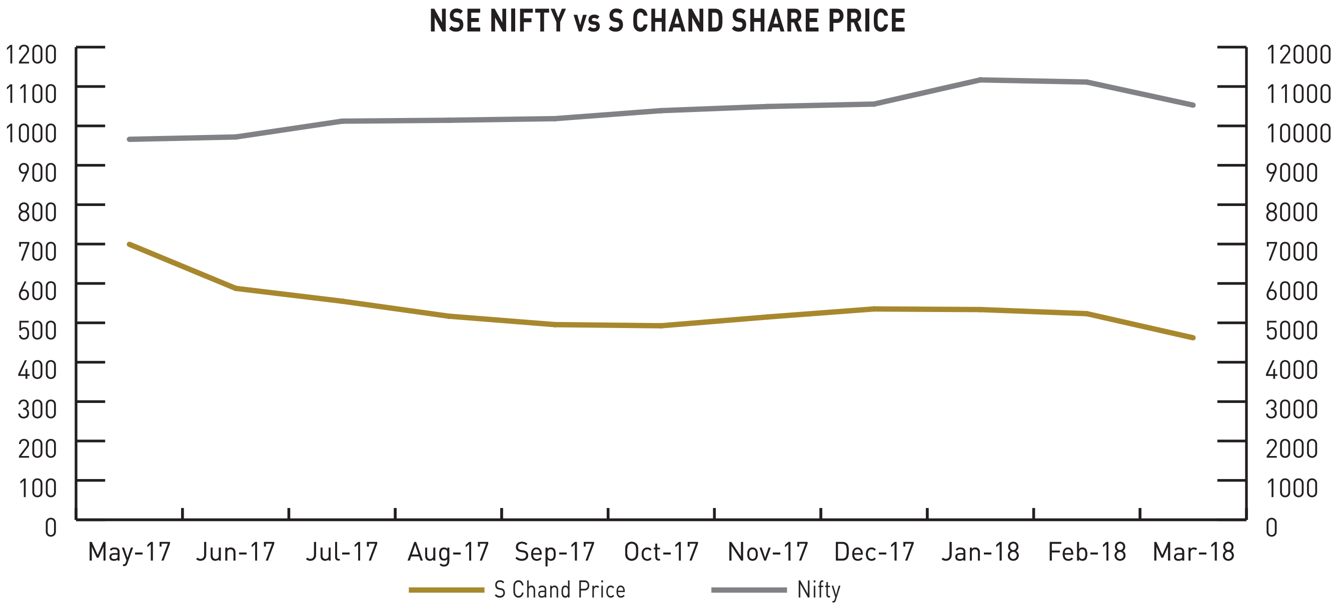
g) Volume of shares traded and Stock Price Movement on a month to month basis:

The monthly high and low prices and volume of shares of the Company at BSE Limited and National Stock Exchange of India Limited (NSE) for the year ended March 31, 2018 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
May-17	707	523	4305227	700	522.2	19420495
Jun-17	587.9	468.15	1152069	587.5	467.9	3288953
Jul-17	554	470.05	793670	554.8	470	3043954
Aug-17	516.4	425	437386	516.6	425.45	1210524
Sep-17	495.45	428	170132	495	428.5	1114297
Oct-17	490.9	454.05	668859	492.1	453.5	1778864
Nov-17	515	450	387787	514.5	449.95	819548
Dec-17	533.8	466.15	553571	535	466.5	1719855
Jan-18	531.25	468	268203	533.4	466.55	960177
Feb-18	495	428.7	55405	523	429	280047
Mar-18	460	377.6	615708	461.4	318.6	808585

BSE SENSEX vs S CHAND SHARE PRICE





h) Registrar and Share Transfer Agents:

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.
44, Community Centre, 2nd Floor,
Near PVR Naraina, Phase-I
Naraina Industrial Area,
New Delhi - 110028.
Phone: +91 11 4141 0592, 93, 94
Fax: +91 11 4141 0591
E-mail: delhi@intime.co.in
Website: www.linkintime.co.in

i) 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.

j) Distribution of shareholding as on March 31, 2018:

SR.NO.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1 to 500	54081	98.4311	1775651	5.0769
2	501 to 1000	396	0.7207	305410	0.8732
3	1001 to 2000	214	0.3895	320743	0.9171
4	2001 to 3000	64	0.1165	158582	0.4534
5	3001 to 4000	31	0.0564	112303	0.3211
6	4001 to 5000	20	0.0364	93965	0.2687
7	5001 to 10000	37	0.0673	265168	0.7582
8	10001 and above	100	0.1820	31943465	91.3315
	Total	**54943**	**100.0000**	**34975287**	**100.0000**

k) Dematerialization of shares and liquidity:

As on March 31, 2018 all the equity shares of the Company are in compulsory dematerialization segment and are available for 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, 2018 is as under:

Particulars	No. of shares	% of total share capital
CDSL	1,721,865	4.93
NSDL	33,253,422	95.07

l) Outstanding GDRs/ ADRs/Warrants:

NIL

m) 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.

n) 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.

o) Address for correspondence:

Registered Office:
Ravindra Mansion, Ram Nagar,
New Delhi-110044
Tel: +91 11 6667 2000
Fax: +91 11 2367 7446
Email: investors@schandgroup.com

p) 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 Companies Act, 2013 during the financial year 2017-18 were in the ordinary course of business and on arm's length basis. There were no materially significant transactions which were in conflict with the interest of the Company. The said policy is put on website of the Company 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 equity shares of the Company got listed on the stock exchanges on May 09, 2017. No penalty, strictures related to capital markets were imposed on the Company by the stock exchanges, SEBI or any other statutory authority during the financial year 2017-18.

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 Chairman 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, 2018:

S. No.	Particulars	Remarks
1.	Non-Executive Chairman's Officer	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 www.schandgroup.com.
3.	Audit Qualifications	The financial statements of the Company for the financial year 2017-18 does not contain any qualification
4.	Separate Post of Chairman and Chief Executive Officer	The Company has separate post for Chairman and Chief Executive Officer (Managing Director)
5.	Reporting of Internal Auditor	The Internal Auditor submits its report to the Audit Committee on quarterly basis

e) Policy for determining material subsidiary:

The policy for determining material subsidiary has been disclosed on the website of the Company 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 guideline as applicable and complied the corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2)(i) for the Financial Year ended 31st March, 2018.

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

	Sd/-	**Sd/**
Place: New Delhi	**Himanshu Gupta**	**Dinesh Kumar Jhunjhnuwala**
Date: August 08, 2018	Managing Director	Whole-time Director
	DIN: 00054015	DIN: 00282988

To

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

I have examined the compliance of conditions of Corporate Governance by **S Chand And Company Limited ("the Company")** for the year ended 31st March, 2018, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D, E and F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the working of the Company. I have examined the Statutory Records and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

In my opinion, and to the best of our information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-
CS R S Bhatia
Company Secretary in Practice
C P No. 2514

Place: New Delhi
Dated: August 08, 2018

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 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 in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2018.

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 08, 2018

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, 2018 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 08, 2018	Managing Director	Chief Financial Officer

MANAGEMENT AND DISCUSSION ANALYSIS

Indian Economy - 2018

With the implementation of key economic initiatives during 2017, the Indian economy seems to be on the rebound with a Q4 headline growth of 7.7% (the highest in the last 7 quarters). Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook, while India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking. It is ranked 100 among 190 countries in the 2018 edition of the report. Also as per the World Economic Forum, India's rank in the Global Competitiveness Index is 40 out of 137 countries in 2017-18, an improvement over 71 out of 144 countries in 2015 and 55 out of 140 countries in 2016.

In the World Economic Outlook issued by the IMF in April 2018, India's economy is expected to grow by 7.4% and 7.8% in 2018 and 2019 respectively on account of strong private consumption, fading transitory effects of the currency exchange initiative and implementation of the national goods and services tax. As per the IMF, over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivize private investment.

The latest World Bank estimates put India as the Sixth largest economy in the world edging out France; however, concerns remain with rising oil prices, corporate debt overhang and continuation of regulatory reforms.

Industry Overview

The education sector in the country is going through a revolution. The industry offers prospects and challenges for all key stakeholders. The traditional education sector is going through its own 'breakout phase' as the end users are in the lookout for ease of access, quality, suitability and affordability. Despite the large size of the industry, poor standards and lower budgetary allocation by the government in the past have created a market for new age start-ups and leading private education providers.

Government schools have traditionally dominated student enrolments. However, recent trends suggest that private unaided schools are growing rapidly. There has been a conscious effort from authorities to set the standard in terms of policy implementation to improve enrolment ratios across the education categories going forward. The government's imperative is to get as many non-schooling children to be a part of the formal education system, shrink dropout rates and execute goals of the RTE act.

Source: Technopak K-12 Outlook, Kaizen Education Report

Education Landscape in India

India has the third largest education system in the world in terms of enrolments after the USA and China. In terms of the number of educational institutes, it is one of the largest in the world. The system is divided into formal and informal segments. The formal segment comprises of the school system (K-12) governed by State /ICSE /CBSE /International Boards, and higher education like Graduation, Post-Graduation, Diploma etc. The informal education segment consists of coaching classes, preparatory classes and skill development centres.

The formal education sector has a high level of government participation in all aspects ranging from curriculum design, the building and running of educational institutions, the admission process, and the awarding of degree / diploma / certificates. In the formal education segment, the government dominates the school system (K-12 segment) while the private sector dominates the higher education segment. However, private spending on education is growing at a faster rate, partly due to a less effective public education system and an emerging middle class that desires for better quality education offered by the private sector. Government presence in the informal education sector is minimal.

The size of the education sector in India is projected to be at US$ 91.7 billion in 2018 and is likely to reach US$ 101.1 billion in 2019. Relative to China, the Indian education sector still lags in terms of size and overall growth opportunity. China's K-12 market doubled in the last 5 years with the private education market at US$ 260billion. This is expected to touch US$ 330 billion by 2020. India with its young population is likely to follow the same trajectory.

The K-12 segment is the largest market segment in India accounting for more than half of the education market. As per industry research, roughly 28.1% of India's total population is in the 0-14 year age group, a positive indicator for the future of the K-12 segment in the education industry. Apart from the population demographic, the key growth drivers in the Indian education sector include rising urbanization and consequent affordability, increase in awareness and aspirations, and higher demand in the marketplace for skilled employees. In addition, rising internet penetration is enabling the growth of digital learning platforms in India, which in turn is steadily driving penetration in the overall Indian education infrastructure.

Private Education - Growth Levers for Ed-tech

Government schools face numerous obstacles such as poor infrastructure, absent and unskilled teaching staff and vernacular medium of teaching. These features have led to a shift in students preferring private schools over government schools. The number of students attending affordable private schools has gone up to around 40% of the total school network, and the student growth rate is around 4% on an annualized basis. The private education space is at an inflection point and it offers a bright future for Ed-tech. Some of the potential opportunities are:

- Affordable Private schools (APS) have a higher discretion in spends and are more proactive in terms of implementing new age technologies.
- APS have a collaborative approach and strive towards implementing the best digital practices on the basis of feedback from key stakeholders which include teaching staff and parents.
- Typically, APS have a greater drive to outsize their budgets to bring about revolutionary technological changes that improve learning effectiveness.

Source: Dun & Bradstreet Sectoral Risk Outlook Report - August 2017, India Ratings and Research Report - March 2018, IBEF Report, Unitus Seed Fund - India Edtech Report 2017

Company Section

S Chand is a leading education player in India delivering content, services and solutions across the education spectrum. The Company focuses on early learning, K-12 and higher education segments. The Company has pan India sales and distribution network with deep end market connect. Presence is spread across CBSE, ICSE and State Board affiliated schools across the nation. The Company has a rich operating history of over seven decades. The Company's growth trajectory has been anchored by leadership in the K-12 segment. The Company is an established leader in CBSE/ICSE schools as a preferred content provider. The Company also has a diversified presence across large regional markets and state board schools.

K-12

The K-12 continues to lead the growth story contributing almost 80% of S Chand's consolidated operating revenue, amounting to ₹635.7crores. From fiscal 2012 to 2018, the Company's K-12 consolidated revenue grew at a CAGR of 40%. The current year represents a full year of organic revenues post acquisition of Chhaya Prakashani in 2017. This growth has been driven by higher volumes and increased penetration of Digitally Enabled Books (DEBs) which account for almost a 42 % of the segment revenue. The Company conducts business predominantly with CBSE/ICSE affiliated schools and regionally State Board schools of West Bengal, it isalso working on strengthening its position with unaffiliated and state board schools in other states.

Our Strategy

In addition to strengthening the core brand, through strategic acquisitions of key brands like Madhubun, Vikas, New Saraswati, Chhaya Prakashani, S Chand has an expansive product range and strong brand equity across multiple subject offerings, allowing the Company to cross-sell content to schools, thereby increasing the share of content used by CBSE/ICSE schools.

Apart from focusing on market share, the Company also has a target to reach out to 100,000 schools by 2023, more than double its current reach of 40,000+ schools.

In addition, in order to reach a larger number of schools and students, S Chand also plans to increase its presence in the state board K-12 market by acquiring leading regional content houses in strategic markets.

S Chand's business strategy also includes Digitally Enabled Books wherein the physical book is aided by supporting digital content, which enable a user (student and teacher) to access digital content through multiple digital platforms i.e web, mobile apps, tablets. As at March 2018, almost 42% of the physical books have one form or other of Digital Enablement. The Company is targeting 100% coverage in the near future. Digital Enablement has helped the S Chand distinguish itself in the market on content access and has also improved its realizations.

Higher Education

The Higher Education segment for S Chand primarily comprises test preparations books as well as university, technical & professional coursework books. This segment contributed 17.7% of the consolidated operating revenue, amounting to ₹140.3 crores. From Fiscal Years 2012 to 2018 this segment registered a revenue CAGR of 9%.

Experiencing lower seasonality in the higher education segment than in the K-12 segment, the Company sells its content directly to the end consumer through a combination of distributors, retailers and online sales platforms. The share of online sales have increased substantially over the last year and is expected to grow faster.

Our Strategy

With the increase in jobs in the formal sector and the opening of significant vacancies (and consequent entrance exams / tests) in the public sector, the segment is expected to continue its growth in the current fiscal as well. In addition to industry wide standard physical test preparation books, S Chand hopes to capture this market by offering online content and online assessment options. Through its investee education technology companies, and pairing their innovative technology with the Company's content and industry experience, S Chand hopes to gain an edge in this sector.

Brand Connect -Reinforcing Goodwill

The S Chand Group has over seven decades of presence in the education content industry. The Company has established an imposing brand connect with learners and educators though various programmes.

Some of the key activities through Brand Connect have been with:

- Learners: Through live tour demonstration of book-making at printing facilities, digital connect through 'mystudygear' app, presence across social media platforms, etc.
- Educators: Through Teacher Conclave Awards, 2000 plus workshops and magazine publications, global education tours, etc.

The Company also maintains a robust connect with channel partners through dealer meets, events and awards and the monthly mailer "Sampark".

Digital Initiatives

With advances in technology, the use of digital learning tools is becoming highly popular in and outside classrooms. Digital education offerings are increasingly being seen as an important supplement to education content in the formal and informal education segments. Digital presence includes device based learnings, learning management systems, online test platforms, and online marketplaces connecting students with tutors.

In Fiscal 2018, S Chand's hybrid offering contributed 42% of its consolidated operating revenue from the K-12 segment, and purely digital offerings contributed 4.7%.

Our Strategy

S Chand has coupled its print content with digital and interactive methods of learning, increasing the flexibility with which students are able to access and use its products. The Company's aim is to deliver end-to-end content solutions through existing and innovative digital technology, persuading their customers to consider S Chand as their single source for education content.

To this effect the Company aims to digitally enable all its education content of K-12 in the current fiscal. In addition, the Company intends to launch a hybrid test preparation utility which combines a physical test preparation book along with digital mock test tool, facilitating real time assessment for students appearing in the competitive exams.

In addition, the Company continues to focus on its standalone pure play digital and services businesses-Mylestone, Destination Success etc. for growth. In the current fiscal, pure play digital and services business recorded a revenue of ₹30 crores.

In addition, S Chand has invested in early stage education companies and education related technology, hoping to leverage their strong tech platforms and offerings with their content offering, as these new technology driven offerings start to capture market share.

The Company has also tied up with Sigong Media of South Korea to offer Nuri Nori early learning education content to pre-schools exclusively in India. Nuri Nori is an international digital and activity based early learning program offered for children 3+ and 4+ and is based on a combination of on-line and off-line learning tools.

Summary

In this financial year, the curriculum business Mylestone (digital services) completed its second sales cycle and the product is now adopted by 173 schools as compared to 67 schools last year. The business has immense potential and is geared up to sign similar number of schools in the next cycle. Also the Company successfully integrated operations of Chhaya Prakashini (acquired 74% stake in 2016) facilitating exposure to the State Board vernacular markets.

With the growth of aspirations and income, the Indian education industry is poised for long term growth and offers a significant pie of the overall market opportunity. S Chand is well poised with its market positioning to leverage the opportunities on offer. The Company is focused on fortifying its strong foundation as a preferred partner to learners, educators and other stakeholders.

Financial Performance

For the year under review, S Chand reported consolidated revenues of ₹ 807.2 Crores as against ₹ 662.2 crores in the comparable period of the previous year, registering a growth of 22%. Revenue from K-12 segment increased from ₹ 543.2 crores in FY 2016-17 to ₹ 635.7 crores in FY 2017-18, a year on year growth of 17%. The K-12 segment is the largest revenue contributor - around 80% of consolidated revenues. Organically, the K-12 segment reported a year on year revenue growth of 17%.. Revenue from the Higher Education segment increased 15% year on year to ₹ 140.3 crores in FY 2017-18. Consolidated EBIDTA for FY 2017-18 stood at ₹ 205.4 crores as compared to ₹ 168.7 crores in the comparable period of previous year. The Company reported a consolidated post tax profit (net of minority interest and share of loss in associate companies) of ₹ 107.2 crores compared to an amount of ₹ 55.81 crores in the comparable period of previous year. This growth can be attributed to the increase in the number of students attending central curriculum (CBSE/ ICSE) schools, as well as strategic expansion of the group into new geographies and markets.

Human Resources

S Chand continues to attract and train new talent with maximum retention. To facilitate growth, the Company has hired experienced employees across all sectors of its business. As of March 2018, S Chand has 2,266 employees, including a sales and marketing team of 950 employees, and an editorial team of 282 employees. At S Chand, significant resources are devoted to training employees. A continuous learning program helps the Company's employees to meet the ever-growing demands of the education industry. It believes that the human resources and compensation practices proactively address the factors that impact retention. A Rewards and Recognition program and adequate growth opportunities help to ensure that employees are motivated and performance oriented. For example, pursuant to the Employee Stock Option Scheme, certain of the employees are eligible for options convertible into equity shares of the Company, which vest based on continued employment and/or the individual's job performance. Additionally, 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. Under this program, it has created a health and safety committee, which comprises of both management and non-management employees, who meet quarterly to discuss problems related to these aspects. The Company has also implemented a system to conduct paid medical examinations of all employees, including contract employees. 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-fatalare reportable to health and safety authorities. Employees are also encouraged to report on "near miss" accidents. To ensure the reduction of energy consumption, the Company has implemented an energy efficiency program. Under this program, the lighting systems, electrical systems, power quality and consistency, HVAC, and water consumption are all kept in check. Training programs for all employees encourage greater awareness of the energy efficiency program and the importance of periodical monitoring of the Company's energy consumption habits.

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 the Company's operating revenue, margins and cash flows on a quarterly basis. There are several underlying strategies undertaken to mitigate this risk. The Company is also focusing on growing its higher education business, which experiences limited seasonality. With the help of retailers and an online sales platform, sales in this sector is relatively steady. The Company has also introduced certain products for schools and students that make it more relevant throughout the school year. 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 helps authors advance their careers while remaining a part of the strong 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", which is a strategic assertion of S Chand's presence in the online education content space and is aiming digital enablement of almost 100% of its content in physical form. S Chand maintains a sustainable and pro-active strategy toward the digital distribution and access of its content.

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 company. 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 invested in the IPR module and GST Upgradation of SAP and the other ERPs used.
- An SAP disaster recovery on the cloud (third party).
- A CRM system has been deployed across group companies.
- Ordering mobile and web-application SCOT for customers.
- Outsourcing the payroll processing, as well as using a third party human resources application for employee claims and reimbursements.

Our group website is: www.schandgroup.com

SAP ECC 6.0 is deployed across all major group companies, while a couple of companies are on Busy and Tally ERP (upgraded for GST). 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:

- Policies are formulated, circulated, approved and reviewed annually, in addition to being published online.
- The Authorization Matrix is clearly defined.
- Internal Control Testing is conducted by Internal Auditors, KPMG , BGJC and others , with low failures under the Risk Control Matrix process.
- An Internal Audit Department independently audits for Branches for processes, etc.
- An Internal Audit is conducted by KPMG , BGJC and others for the material subsidiaries throughout the year, with External Software from Compliance Mantra 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 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, FY2018.

S Chand and Company Limited (CIN: L22219DL1970PLC005400)
Unconsolidated financial statements for the year ended 31 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand & Company Limited (Formerly S Chand and Company Private Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of S Chand and Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, 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 a summary of significant accounting policies and other explanatory information

Management's Responsibility 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 Companies Act, 2013 ("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 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by 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 31 March 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 purpose 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, 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 written representations received from the directors as on 31 March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) 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, 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 litigation on its financial position in its standalone financial statement. Refer 49 note to the financial statement;

(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: 30 May 2018

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

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

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/fixed assets of the Company and accordingly the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of accounts.

(iii) (a) The Company has granted loan 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 loan are not prejudicial to the Company's interest.

(b) In respect of loan granted to Company covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount and receipt of interest is as stipulated.

(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 outstanding 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 entities in which directors are interested and in respect of loans and advances given, investments made and guarantees given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

(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 products/services of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax/goods and service tax, value added tax, cess and other material statutory dues applicable to it, though there has been a slight delay in few cases of income tax. The provisions relating duty of excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund, employees' state insurance, sales–tax, service tax/goods and service tax, value added tax, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount (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
Income Tax Act, 1961	Income tax	4,459,354	A.Y 2005-06	Delhi High Court
Income Tax Act, 1961	Income tax	1,456,060	A.Y 2006-07	Delhi High Court
Income Tax Act, 1961	Income tax	3,424,588	A.Y 2007-08	Delhi High Court
Income Tax Act, 1961	Income tax	15,198,906	A.Y 2007-08	ITAT
Income Tax Act, 1961	Income tax	4,163,128	A.Y 2008-09	Delhi High Court
Income Tax Act, 1961	Income tax	5,338,597	AY 2009-10	Delhi High Court
Income Tax Act, 1961	Income tax	6,628,820	AY 2010-11	ITAT
Income Tax Act 1961	Income tax	8,184,960	AY 2011-12	ITAT
Income Tax Act 1961	Income tax	9,997,850	AY 2012-13	ITAT
Income Tax Act 1961	Income tax	3,339,530	AY 2013-14	CIT (A)
Income Tax Act 1961	Income tax	3,093,320	AY 2014-15	CIT (A)
Income Tax Act 1961	Income Tax	4,443,190	AY 2015-16	CIT (A)

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

(ix) In our opinion and according to 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.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to information and explanations given by the management, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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

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

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

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

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

per Yogesh Midha
Partner
Membership No.: 094941

Place: New Delhi
Date: 30 May 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF S Chand & Company Limited (Formerly S Chand and Company Private Limited)

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

We have audited the internal financial controls over financial reporting of S Chand & Company Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based onthe 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 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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: 30 May 2018

S Chand and Company Limited
Balance sheet as at 31 March 2018

(₹ in millions)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	91.27	111.70	140.32
Intangible assets	4	167.63	145.73	115.94
Capital work-in-progress		0.47	-	0.10
Financial assets				
- Investments	5A	6,066.96	4,704.06	3,531.57
- Loans	5F	652.31	153.07	18.36
- Other financial assets	5E	8.58	4.76	4.78
Other non-current assets	7	40.91	27.44	59.28
Deferred tax assets (net)	8	51.00	69.11	62.26
Total non-current assets		**7,079.13**	**5,215.87**	**3,932.61**
Current assets				
Inventories	6	526.00	577.09	620.59
Financial assets				
- Investments	5B	176.42	1.94	122.01
- Loans	5F	79.93	26.68	162.11
- Trade receivables	5C	3,026.87	2,128.58	1,781.33
- Cash and cash equivalents	5D	389.30	143.85	93.76
- Other financial assets	5E	8.95	4.61	7.21
Other current assets	7	63.21	135.00	37.35
Total current assets		**4,270.68**	**3,017.75**	**2,824.36**
Total assets		**11,349.81**	**8,233.62**	**6,756.97**
Equity and liabilities				
Equity				
Equity share capital	9	174.88	149.22	2.02
Other equity				
- Retained earnings	10	1,810.60	1,353.41	1,093.05
- Other reserves	10	6,614.76	3,517.34	3,647.01
Total equity		**8,600.24**	**5,019.97**	**4,742.08**
Non-current liabilities				
Financial liabilities				
- Borrowings	12A	4.86	8.05	308.36
Net employee defined benefit liabilities	16	8.90	8.46	7.68
Other non-current liabilities	15	6.04	4.92	2.56
Total non-current liabilities		**19.80**	**21.43**	**318.60**
Current liabilities				
Financial liabilities				
- Borrowings	12B	507.62	798.83	496.82
- Trade payables	13	1,303.00	900.56	1,073.37
- Other financial liabilities	14	685.11	1,322.31	25.69
Other current liabilities	15	100.81	60.29	51.22
Other provisions	17	133.23	110.23	49.19
Total current liabilities		**2,729.77**	**3,192.22**	**1,696.29**
Total equity and liabilities		**11,349.81**	**8,233.62**	**6,756.97**

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

Himanshu Gupta
Director, DIN:00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

per Yogesh Midha
Partner, Membership No.: 94941

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Statement of Profit and Loss for the year ended 31 March 2018

(₹ in millions)

		Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I	Revenue from operations	18	3,439.90	2,926.02
II	Other income	19	270.23	93.49
III	**Total Income (I)**		**3,710.13**	**3,019.51**
IV	**Expenses**			
	Cost of published goods/material consumed	20	1,251.01	1,013.41
	Purchase of traded goods	21	16.03	52.52
	(Increase)/decrease in inventories of finished goods and work in progress	22	66.71	23.28
	Publication expense	23	380.37	317.00
	Selling and distribution expense	24	233.57	206.39
	Employee benefits expense	25	543.83	481.27
	Finance costs	28	97.22	149.05
	Depreciation and amortization expense	26	33.50	65.13
	Other expenses	27	298.19	273.74
	Total expenses (II)		**2,920.43**	**2,581.79**
V	**Profit before tax**		**789.70**	**437.72**
VI	**Tax expense:**			
	Current tax	29	268.02	171.00
	Income tax adjustment related to earlier years		(2.93)	1.50
	Deferred tax (credit)/ charge		17.02	(6.99)
	Total tax expense		**282.11**	**165.51**
VII	**Profit for the year (V-VI)**		**507.59**	**272.21**
VIII	**Other Comprehensive Income**	**30**		
	- Items that will not be reclassified to profit or loss			
	Re-measurement (gains)/losses on defined benefit plans		(3.10)	(0.42)
	Income tax effect		1.07	0.15
XI	**Total Comprehensive Income for the year (VII + VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**509.62**	**272.48**
XII	**Earnings per equity share:**			
	(1) Basic		14.76	9.12
	(2) Diluted		14.72	9.10
	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

Himanshu Gupta
Director, DIN: 00054015

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Director, DIN: 00282988

per Yogesh Midha
Partner, Membership No.: 94941

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Cash flow statement for the year ended 31 March 2018

(₹ in millions)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flow from operating activities			
Profit before tax		**789.70**	**437.72**
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense		33.50	65.13
(Profit)/loss on sale of fixed assets (net)		2.04	(1.66)
Interest income		(195.43)	(78.25)
Interest income on securities mearsured at amortised cost		(6.34)	(2.24)
Dividend income on current investments		(0.00)	(0.02)
Reversal of provision for diminution in value of investments		(41.00)	(0.39)
Fair value gain on financial instruments at fair value through profit or loss		(23.57)	(0.07)
Net gain on sale of current investments		-	(5.75)
Provision for doubtful receivables		12.23	25.00
Employee stock option expense		9.48	15.09
Interest expense		88.64	136.16
Operating profit before working capital changes		**669.25**	**590.72**
Movement in working capital:			
Decrease/(increase) in inventories		51.09	43.50
Increase in trade receivables		(910.52)	(372.25)
Increase in loans and advances		45.66	(91.90)
Increase in other financial assets		(7.61)	3.26
Increase/(decrease) in provisions		0.47	0.78
Decrease in trade payables		402.44	(172.82)
Increase/(decrease) in current liabilities		30.35	30.46
Cash generated from operations		**281.13**	**31.75**
Direct taxes paid (net of refunds)		(230.92)	(94.77)
Net cash from operating activities	(A)	**50.21**	**(63.02)**
B. Cash flows from investing activities			
Purchase of fixed assets including capital advances, capital creditors and capital work-in-progress		(89.12)	(66.68)
Purchase of non-current investments		(695.41)	(1,170.05)
Purchase of current investments		(107.17)	-
Proceeds from sale of current investments		-	126.29
Proceeds from sale of fixed assets		25.88	11.57
Dividend received		0.00	0.02
Interest received		194.87	77.61
Loans to related party		(518.49)	3.33
Net cash used in investing activities	(B)	**(1,189.44)**	**(1,017.91)**
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		(43.56)	(10.08)
Tax on equity dividend paid		(8.87)	(2.05)

S Chand and Company Limited
Cash flow statement for the year ended 31 March 2018 *(Continued)*

(₹ in millions)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest paid on borrowings		(82.09)	(136.05)
Repayment of long term borrowings		(1,300.44)	977.19
Proceed from borrowings		(291.22)	302.01
Net cash used in financing activities	(C)	**1,384.68**	**1,131.02**
Net increase in cash and cash equivalents	(A+B+C)	**245.45**	**50.09**
Effects of exchange differences on cash and cash equivalents held in foreign currency		-	-
Cash and cash equivalents at the beginning of the year		143.85	93.76
Cash and cash equivalents at the end of the year		**389.30**	**143.85**
Components of cash and cash equivalents			
Cash on hand		0.93	3.50
Cheques on hand		174.22	
Balances with banks:			
- on current accounts		73.39	134.95
- deposits with original maturity of less than three months		140.76	5.40
Total cash and cash equivalents (note 18)		**389.30**	**143.85**
Non-cash investing and financing transaction			
Acquisition of property, plant and equipment by means of a finance lease		**12.70**	**19.42**

(₹ in millions)

Particulars	As at March 31, 2017	Cash Flows	Non cash changes	As at 31 March 2018
Long term borrowings (including current maturity)	1,310.34	(1,300.44)		9.90
Short term borrowings	798.83	(291.22)	-	507.61
	2,109.17	**(1,591.66)**	**-**	**517.51**

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

Himanshu Gupta
Director, DIN: 00054015

Saurabh Mittal
Chief Financial Officer

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Statement of changes in equity for the year ended 31 March 2018

A Equity share capital:

Issued, subscribed and fully paid up	No. of shares	₹ in millions
As at 1 April 2016	**201,652**	**2.02**
Issued during the period – Share split	201,652	-
Issued during the period – Bonus issue	29,441,192	147.20
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 March 31, 2018	**34,975,287**	**174.88**

B Other equity (₹ in millions)

	Reserve & Surplus				Total
	Retained earnings	Capital reserve	Security premium account	ESOP outstandings	
As at April 1, 2016	**1,093.05**	**0.51**	**3,638.93**	**7.57**	**4,740.06**
Profit for the year	272.21	-	-		272.21
Other comprehensive income for the year	0.27	-	-		0.27
Total Comprehensive Income for the year	**272.48**	**-**	**-**	**-**	**272.48**
Share based payments	-	-	-	17.53	17.53
Issue of share capital	-	-	(147.20)	-	(147.20)
Interim equity dividend	(10.07)	-	-	-	(10.07)
Dividend distribution tax	(2.05)	-	-	-	(2.05)
As at 31 March 2017	**1,353.41**	**0.51**	**3,491.73**	**25.10**	**4,870.75**
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	-	-	3292.39	-	3292.39
Exercise of share options	-	-	29.42	(29.42)	-
Transaction costs	-	-	(207.19)	-	(207.19)
Interim equity dividend	(43.56)	-	-	-	(43.56)
Dividend distribution tax	(8.87)	-	-	-	(8.87)
As at 31 March 2018	**1,810.60**	**0.51**	**6,606.35**	**7.90**	**8,425.36**

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

Himanshu Gupta
Director, DIN: 00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

per Yogesh Midha
Partner, Membership No.: 94941

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018

(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, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Reconciliation and description of transition to Ind AS has been summarised in Note 51.

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 for the year ended 31 March 2018 *(Continued)*

(Amount in Indian Rupees, unless otherwise stated)

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

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

External valuers are involved for valuation of significant assets, unquoted financial assets, and significant liabilities, such as valuation of unquoted investments 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.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

(Amount in Indian Rupees, unless otherwise stated)

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 32)

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

(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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred i.e. at the time of handing over goods to the carrier for transportation. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of sales returns, turnover discounts and cash discounts.

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

Interest income

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.

Rental income

Rental Income arising from operating leases of computers is accounted for on a straight line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

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 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 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.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

(Amount in Indian Rupees, unless otherwise stated)

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.

2.7 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

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

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

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

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

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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.

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 expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

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

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

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

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

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Computer software	Finite (5 -10 years)	Amortized on straight line basis over the period of useful lives	Acquired
Goodwill on business combination	Idefinite	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

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 or 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

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the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

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

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

2.13 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset

Subsequent measurement

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

- 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.

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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 group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

Financial assets at FVTPL

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

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

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

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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 group continues to recognise the transferred asset to the extent of the Company'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 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

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- 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.

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	0.04%	0.58%	26.08%	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.

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Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

Financial guarantee contracts

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

De-recognition

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

Re-classification of Financial Assets

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

Offsetting of Financial Instruments

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

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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.

Compensated absences

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

2.15 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.

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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 for the year attributable to equity holders of the Company 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 Company (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.

2.19 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 Standards issued but not yet effective

(a). Ind AS 115 – Revenue from contracts with customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

(Amount in Indian Rupees, unless otherwise stated)

(b). Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

(c). Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Changes in accounting policies and disclosures
New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

3. Property, plant and equipment

(₹ in millions)

	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold improvement	Computers	Total
Cost*							
As at 1 April 2016	24.80	11.81	17.98	41.75	7.81	36.17	140.32
Additions	0.41	1.86	0.46	19.42	0.76	1.02	23.93
Disposals	-	(0.02)	-	(9.66)	-	(1.97)	(11.65)
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**
Accumulated depreciation							
As at 1 April 2016	-	-	-	-	-	-	-
Charge for the year	3.27	5.34	4.95	13.86	1.47	14.15	43.04
Disposals	-	-	-	(1.43)	-	(0.71)	(2.14)
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**	**3.49**	**5.64**	**42.11**
Net block							
As at 1 April 2016	**24.80**	**11.81**	**17.98**	**41.75**	**7.81**	**36.17**	**140.32**
As at 31 March 2017	**21.94**	**8.31**	**13.49**	**39.08**	**7.10**	**21.78**	**111.70**
As at 31 March 2018	**10.41**	**8.14**	**12.34**	**44.16**	**7.74**	**8.48**	**91.27**

* Cost as at 1 April 2016 is calculated as shown below:

	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Leasehold improvement	Computers	Total
Gross block	58.79	42.21	54.25	100.85	11.70	132.58	400.38
Accumulated depreciation	(33.99)	(30.40)	(36.27)	(59.10)	(3.89)	(96.41)	(260.06)
Deemed cost as at 1 April 2016	**24.80**	**11.81**	**17.98**	**41.75**	**7.81**	**36.17**	**140.32**

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

4. Intangible assets

(₹ in millions)

	Goodwill	Computer software	Copy-right	Content development	Total
Cost**					
As at 1 April 2016	23.83	44.95	20.74	26.42	115.94
Purchase	-	5.97	-	46.18	52.15
Disposals	-	(0.34)	-	-	(0.34)
As at 31 March 2017	**23.83**	**50.58**	**20.74**	**72.60**	**167.75**
Purchase	-	2.29	4.16	34.30	40.75
Disposals	-	-	-	-	-
As at 31 March 2018	**23.83**	**52.87**	**24.90**	**106.90**	**208.50**
Accumulated depreciation					
As at 1 April 2016	**-**	**-**	**-**	**-**	**-**
Amortization for the year	-	15.82	3.61	2.66	22.09
Disposals	-	(0.07)	-	-	(0.07)
As at 31 March 2017	**-**	**15.75**	**3.61**	**2.66**	**22.02**
Amortization for the year	-	7.18	3.82	7.85	18.85
Disposals	-	-	-	-	-
As at 31 March 2018	**-**	**22.93**	**7.43**	**10.51**	**40.87**
Net block					
As at 1 April 2016	**23.83**	**44.95**	**20.74**	**26.42**	**115.94**
As at 31 March 2017	**23.83**	**34.83**	**17.13**	**69.94**	**145.73**
As at 31 March 2018	**23.83**	**29.94**	**17.47**	**96.39**	**167.63**

** Cost as at 1 April 2016 is calculated as shown below:

	Goodwill	Computer software	Copy-right	Content development	Total
Gross block	74.89	58.07	21.71	29.36	184.03
Accumulated depreciation	(51.06)	(13.12)	(0.97)	(2.94)	(68.09)
Deemed Cost as at 1 April 2016	**23.83**	**44.95**	**20.74**	**26.42**	**115.94**

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
Depreciation as per straight line method	15
Profit for current year increased by	**15**

** The carrying value of vehicles held under finance leases contracts at 31 March 2018 was ₹ 21.54 millions (31 March 2017: ₹ 11.97 millions and 1 April 2016: ₹ 9.55 millions). Additions during the year include ₹ 10.92 millions (31 March 2017: ₹ 6.14 millions) under finance leases contracts. Leased assets are pledged as security for the related finance leases.

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 2018 *(Continued)*

5. Financial assets

5A. Non-current investments

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments valued at cost			
Investment in unquoted equity shares			
Investment in subsidiaries			
149 (31 March 2017: 149 and 1 April 2016: 149) shares of ₹ 1,000 each fully paid up in M/s Blackie & Son (Calcutta) Private Limited	62.29	60.79	60.79
12,000 (31 March 2017: 12,000 and 1 April 2016: 12,000) shares of ₹ 10 each fully paid up in M/s Nirja Publishers & Printers Private Limited	17.04	15.60	15.60
26,584,168 (31 March 2017: 26,584,168 and 1 April 2016: 26,584,168) shares of ₹ 10 each fully paid up in M/s Safari Digital Education Initiatives Private Limited	267.08	266.97	266.30
106 (31 March 2017: 106 and 1 April 2016: 106) shares of ₹ 1,000 each fully paid up in M/s Eurasia Publishing House Private Limited	116.05	116.05	116.05
39,339 (31 March 2017: 39,339 and 1 April 2016: 39,339) shares of ₹ 100 each fully paid up in M/s Vikas Publishing House Private Limited	1,507.68	1,504.44	1,503.18
15,600 (31 March 2017: 15,600 and 1 April 2016: 15,600) shares of ₹ 10 each fully paid up in M/s New Saraswati House (India) Private Limited	905.70	901.50	901.00
17,686,750 (31 March 2017: 17,686,750 and 1 April 2016: 17,686,750) shares of ₹ 10 each fully paid up in M/s DS Digital Private Limited	142.51	142.51	142.51
64,548 (31 March 2017: 64,548 and 1 April 2016: Nil) shares of ₹ 100 each fully paid up in M/s Chhaya Prakashani Private Limited (*)	1,657.04	1,000.04	-
	4,675.39	**4,007.90**	**3,005.43**
Investment in associate			
50 (31 March 2017: 50 and 1 April 2016: 1) share of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	0.52	0.52	0.00
	0.52	**0.52**	**0.00**
Investment in unquoted preference shares			
Investment in subsidiaries			
16,000,000 (31 March 2017: 16,000,000 and 1 April 2016: Nil) shares of ₹ 10 each fully paid up in M/s DS Digital Private Limited	160.00	160.00	-
1,600 (31 March 2017: 1,600 and 1 April 2016: 1,600) shares of ₹ 37.14 each fully paid up in M/s Essar Gujrat Limited	-	-	-
4,200 (31 March 2017: 4,200 and 1 April 2016: 4,200) 6% shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	-	-	-
	160.00	**160.00**	**-**
Investment in associate			
5,264 (31 March 2017: 5,064 and 1 April 2016: 4,164) 0.001% compulsorily convertible cumulative shares of ₹ 10 each fully paid up in M/s Smartivity Labs Private Limited	18.13	15.64	6.14
	18.13	**15.64**	**6.14**
Investment in debentures			
Investment in subsidiaries			

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

5A. Non-current investments *(Continued)*

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5,200 (31 March 2017: 5,200 and 1 April 2016: 5,200) 10.75% optionally convertible redeemable of ₹ 100,000 each fully paid up in New Saraswati House (India) Private Limited	520.00	520.00	520.00
6,916 (31 March 2017: Nil and 1 April 2016: Nil) 2% optionally convertible redeemable of ₹ 100,000 each fully paid up in Eurasia Publishing House Private Limited*	692.92	-	-
	1,212.92	**520.00**	**520.00**
Investments at fair value through profit and loss			
Investment in debentures			
Investment in others			
100 (31 March 2017: 100 and 1 April 2016: 100) redeemable non-convertible of ₹ 60 each fully paid up in Motor and General Finance Limited	-	-	-
	-	-	-
Total	**6,066.96**	**4,704.06**	**3,531.57**
Aggregate value of unquoted investments	**6,066.96**	**4,704.06**	**3,531.57**
Aggregate value of impairment in value of investments	**0.07**	**0.07**	**0.07**

Note: Investment in Subsidiaries include deemed investments of ₹ 10.49 millions (31 March 2017: ₹ 2.43 millions 1 April 2016: ₹ 1.17 millions) due to ESOP granted to employees of subsidiary companies and corporate guarantee given by Holding Company on behalf of subsidiary companies.

* Investment in Chhaya Prakashani Private Limited includes ₹ 657 millions as deemed investment for 38,554 shares presently held by minority shareholders (refer note 14B)

5B. Current investments

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment at fair value through profit and loss			
Investment in equity shares (unquoted)			
15,880 (31 March 2017: 15,880 and 1 April 2016: 15,880) shares of ₹ 10 each fully paid up in M/s Sistema Shyam Teleservices Limited	-	-	-
1,000 (31 March 2017: 1,000 and 1 April 2016: 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 2017: 1,000 and 1 April 2016: 1,000) shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited	0.14	0.10	0.09
42,564 (31 March 2017: 42,564 and 1 April 2016: 42,564) shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited	0.56	0.72	0.46
10,457 (31 March 2017: 10,457 and 1 April 2016: 10,457) shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited	0.01	0.01	0.01
2,000 (31 March 2017: 2,000 and 1 April 2016: 2,000) shares of ₹ 10 each fully paid up in M/s Vardhman Concrete Limited	0.01	0.02	0.03
100 (31 March 2017: 100 and 1 April 2016: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.06	0.05	0.04

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

5B. Current investments *(Continued)*

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
100 (31 March 2017: 100 and 1 April 2016: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.06	0.05	0.04
	0.84	**0.95**	**0.67**
Investment valued at amortised cost model			
Investment in preference shares (unquoted)			
512,500 (31 March 2017: 512,500 and 1 April 2016: 512,500) redeemable shares of ₹ 10 each fully paid up in M/s Walldorf Integration Solutions Limited (refer note no 47)	64.06	41.00	41.00
Less : Impairment of investment	-	(41.00)	(41.00)
	64.06	**-**	**-**
Investment valued at fair value through profit and loss			
Investment in mutual funds (quoted)			
89,039 (31 March 2017: 83,834 and 1 April 2016: 82,212) units in Principal Monthly Income Plan - Dividend Reinvestment	1.05	0.99	0.89
32,987 (31 March 2017: Nil and 1 April 2016: 40,359) units in HDFC Liquid Fund - Regular Plan Growth option	110.47	-	120.45
	111.52	**0.99**	**121.34**
Total	**176.42**	**1.94**	**122.01**
Aggregate book value of quoted investments	112.36	1.94	122.01
Aggregate market value of quoted investments	112.36	1.94	122.01
Aggregate value of unquoted investments	64.06	-	-
Aggregate value of impairment in value of investments	-	41.00	41.00

5C. Trade receivables

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables	3,137.09	2,235.93	1,815.49
Receivables from other related parties (refer note 35)	45.43	42.55	97.93
Total trade receivables	**3,182.52**	**2,278.48**	**1,913.42**
Break-up for security details:			
Secured, considered good	-	-	-
Unsecured, considered good	3,026.87	2,128.58	1,781.33
Doubtful	155.65	149.90	132.09
	3,182.52	**2,278.48**	**1,913.42**
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	(155.65)	(149.90)	(132.09)
Total	**3,026.87**	**2,128.58**	**1,781.33**

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

5C. Trade receivables *(Continued)*

The movement in impairment of trade receivables as follow: (₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	149.90	132.09	132.09
Additions	12.23	25.00	-
Write off (net of recovery)	(6.48)	(7.19)	-
Closing balance	**155.65**	**149.90**	**132.09**

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 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks:			
– On current accounts	73.39	134.95	82.22
– Cheques on hand	174.22	-	-
– Deposits with original maturity of less than three months	140.76	5.40	1.90
Cash on hand	0.93	3.50	9.64
Total	**389.30**	**143.85**	**93.76**

5E. Other financial assets

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deposits with original maturity for more than 3 months but less than 12 months	7.37	2.58	5.77
Deposits with original maturity for more than 12 months	7.13	4.35	4.41
Interest accrued but not due on fixed deposits (on short term deposits)	1.55	2.03	1.44
Interest accrued but not due on fixed deposits (on long term deposits)	1.34	0.30	0.26
Restricted cash*	0.03	-	-
Margin money**	0.11	0.11	0.11
Total	**17.53**	**9.37**	**11.99**
Current	**8.95**	**4.61**	**7.21**
Non current	**8.58**	**4.76**	**4.78**

* Restricted cash represent earmarked balance for dividend payouts.

** Margin money deposit with a carrying amount of ₹ 0.11 million (31 March 2017: ₹ 0.11 and 31 March 2016: ₹ 0.11) has been deposited with sales tax department.

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

5F. Loans

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits - non current	20.13	20.34	18.36
Security deposits - current	37.79	3.58	2.95
Loans related parties - non current (refer note 35)	632.18	132.73	-
Loans related parties - current	42.14	23.10	159.16
Total loans	**732.24**	**179.75**	**180.47**
Break-up for security details			
(a) Secured, considered good;	-	-	-
(b) Unsecured, considered good; and	732.24	179.75	180.47
(c) Doubtful.	**-**	**-**	**-**
	732.24	**179.75**	**180.47**
Current	**79.93**	**26.68**	**162.11**
Non current	**652.31**	**153.07**	**18.36**

6. Inventories

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw materials (at cost)	21.90	6.28	2.16
Finished goods (at lower of cost and net realisable value)	500.28	560.97	600.03
Finished goods-traded goods (at lower of cost and net realisable value)	3.82	9.84	18.40
Total	**526.00**	**577.09**	**620.59**

7. Other assets

7A. Capital advances

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good.	25.75	0.01	9.31
Total	**25.75**	**0.01**	**9.31**

7B. Other advances

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good.	41.75	115.67	9.54
Total	**41.75**	**115.67**	**9.54**

7C. Prepaid expenses

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Prepaid expenses - current	18.36	12.94	12.47
Prepaid expenses - non-current	7.48	8.55	11.25
Total	**25.84**	**21.49**	**23.72**

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

7D. Balance with statutory / Government authorities

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	3.10	3.24	2.77
Total	**3.10**	**3.24**	**2.77**

7E. Other assets

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance income-tax (net of provision for taxation)	7.68	18.88	35.57
Ancillary cost of arranging the borrowings -unamortised cost	-	-	3.15
Ancillary cost of arranging the borrowings -unamortised cost	-	3.15	1.57
Shares issue expenses	-	-	11.00
Total	**7.68**	**22.03**	**51.29**
Current	**63.21**	**135.00**	**37.35**
Non current	**40.91**	**27.44**	**59.28**

8. Deferred taxes

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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	3.11	4.22	5.29
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	-	1.49	-
Provision for doubtful debt & advances	54.39	51.88	45.71
Provision for diminution in value of investments	-	13.95	13.95
Total deferred tax assets	**57.50**	**71.54**	**64.95**
Items leading to creation of deferred tax liabilities			
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	6.29	2.43	2.69
Others	0.21	-	-
Total deferred tax liabilities	**6.50**	**2.43**	**2.69**
Net deferred tax assets/(liabilities)	**51.00**	**69.11**	**62.26**

9. Share capital

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
40,000,000 (31 March 2017: 40,000,000 and 1 April 2016: 2,210,000) equity shares of ₹ 5/- each (1 April 2016: equity shares of ₹ 10 each)	200.00	200.00	22.10
Issued, subscribed and fully paid equity capital			
34,975,287 (31 March 2017: 29,844,496 and 1 April 2016: 201,652) equity shares of ₹ 5/- each (1 April 2016: equity shares of ₹ 10 each)	174.88	149.22	2.02
	174.88	**149.22**	**2.02**

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(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 1 April 2016	**2,210,000**	**22.10**
Increase during the year	37,790,000	177.90
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**

Issued equity capital	No. of shares	(₹ in millions)
Equity share of ₹ 5/- each issued, subscribed and fully paid		
As at 1 April 2016	**201,652**	**2.02**
Issued during the year – Share split	201,652	-
Issued during the year – Bonus issue	29,441,192	147.20
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**

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 2017: ₹ 5 per share and 1 April 2016: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share interim dividend recognized as distributions to equity shareholders at record date of 28 April 2016 was ₹ 25 per share (1 April 2016: Nil).

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

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

As at 31 March 2018	No. of shares	% of holding
Mr. Himanshu Gupta	5,777,454	16.52%
Mr. Dinesh Kumar Jhunjhnuwala	3,790,229	10.84%
Mrs. Neerja Jhunjhnuwala	3,313,018	9.47%
Everstone Capital Partners II LLC	3,323,229	9.50%
International Finance Corporation	2,805,784	8.02%
HDFC Trustee Company Limited - HDFC Prudence Fund	2,485,159	7.11%

As at 31 March 2017	No. of shares	% of holding
Mr. Dinesh Kumar Jhunjhnuwala	4,064,820	13.62%
Mr. Himanshu Gupta	6,167,752	20.67%
Mrs. Neerja Jhunjhnuwala	3,553,036	11.91%
Everstone Capital Partners II LLC	9,629,472	32.27%
International Finance Corporation	2,805,784	9.40%

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

9. Share capital *(Continued)*

d. Aggregate number of bonus shares issued during the period of five years immediately preceding the report date:

	31 March 2018 No. of shares	31 March 2017 No. of shares	31 March 2016 No. of shares
Equity shares allotted as fully paid up bonus shares by capitalization of securities premium	-	29,441,192	-

e. 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

10. Other equity

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017
Capital reserve		
Balance at the beginning of reporting period	0.51	0.51
Add: Increase during the year	-	-
Balance at the end of reporting year	**0.51**	**0.51**
Securities premium account		
Balance at the beginning of reporting period	3,491.73	3,638.93
Add: increase because of issue of equity share capital	3,321.81	-
Less: decrease due to transaction cost for issued share capital	(207.19)	-
Less: decrease due to utilization towards issue of fully paid up bonus shares	-	(147.20)
Balance at the end of reporting year	**6,606.35**	**3,491.73**
Employee stock options outstanding		
Balance at the beginning of reporting period	25.10	7.57
Add: compensation option granted during the year- charge for the year	12.22	17.53
Less: transferred to securities premium on exercise of stock options	(29.42)	-
Balance at the end of reporting year	**7.90**	**25.10**
Retained earning		
Balance at the beginning of reporting period	1,353.41	1,093.05
Add: surplus during the year	509.62	272.48
Amount available for appropriation	**1,863.03**	**1,365.53**
Less: Appropriations		
Dividend on equity shares	(43.56)	(10.07)
Tax on equity dividend	(8.87)	(2.05)
Balance at the end of reporting year	**1,810.60**	**1,353.41**

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

11. Distribution made and proposed

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended on 31 March 2018: ₹ Nil per share (31 March 2017: ₹ 25 per share)	-	10.07
DDT on interim dividend	-	2.05
Final dividend on equity shares for the year ended 31 March 2018 : ₹ 1.25 per share	43.56	-
DDT on final dividend	8.87	-
	52.43	**12.12**
Proposed dividends on equity shares:		
Proposed dividend for the year ended on 31 March 2018: ₹ 1.50 per share (31 March 2017: ₹ 1.25 per share)	52.46	43.56
DDT on proposed dividend	10.68	8.87
	63.14	**52.43**

Proposed dividends on equity and preference shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon).

12A Non-current borrowings

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Term Loans			
Indian rupee loan from others (secured) (refer note 'a, b, c, d and e' below)	-	-	297.13
Vehicle loans			
Indian rupee loan from bank (secured) (refer note f and g)	4.70	6.47	11.23
Indian rupee loan from others (secured) (refer note h)	0.16	1.58	-
Total	**4.86**	**8.05**	**308.36**
Secured	**4.86**	**8.05**	**308.36**
Unsecured	**-**	**-**	**-**

Note:-

a. Term loan from Siemens Financial Limited taken during the financial year 2013-14, carries interest @ 13.75%. The loan is repayable in 36 equal monthly instalments beginning from June' 2013 onwards. The instalment amount ranges from ₹ 0.18 millions to of ₹ 0.32 millions. The loan is secured by hypothecation of equipments being purchased, currently valued at ₹ 14.45 million. 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 2016-17.

b. Term loan from Siemens Financial Limited taken during the financial 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 million to of ₹ 0.54 million. The loan is secured by hypothecation of assets being purchased, currently valued at ₹ 14.45 million. 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 current year.

c. 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 ₹ 0.08 million 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 current year.

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

12A Non-current borrowings

(₹ in millions)

d. 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 million to ₹ 48.46 million per quarter. On December 2015, Company had made early repayment of loan facility amounting to ₹ 350 million, 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 million to ₹ 48.46 million 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 current year.

e. 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 million beginning from June 2018. 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) Private Limited 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.

   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.

f. 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 ₹ 4,348 to ₹ 99,400. The loan is secured by hypothecation of respective vehicles.

g. Vehicle loan taken during 2016-17 from Daimler Financial, carry interest @ 9.81% p.a. The loan is repayable in 36 equal monthly instalments of ₹ 0.13 million. The loan is secured by hypothecation of respective vehicle.

h. Vehicle loan taken during the current year from Yes Bank Ltd, carry interest @ 8.90% p.a. The loan is repayable in 60 equal monthly instalments of ₹ 17,740 to ₹ 25,990). The loan is secured by hypothecation of respective vehicle.

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

12B Current borrowings

(₹ in millions)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a.	**Current maturity of loan**			
	Term loans			
	Indian rupee loan from financial institutions (secured) (Refer Note 12A (e)	0.08	1,297.19	4.20
	Vehicle loans			
	Indian rupee loan from bank (secured) (refer Note 12A (f) and (h))	3.55	3.78	20.60
	Indian rupee loan from financial institutions (secured) (refer Note 12A (g))	1.42	1.32	-
	Total current maturity of Indian currency loan	**5.05**	**1,302.29**	**24.80**
b.	**Cash credit from banks (secured)**	**257.62**	**233.83**	**220.00**
c.	**Indian rupee working capital demand loan from banks (secured)**	**250.00**	**565.00**	**276.82**
	Total current borrowings	**512.67**	**2,101.12**	**521.62**
	Less: Amount presented under "other financial liabilities"	(5.05)	(1,302.29)	(24.80)
	Total current borrowings	**507.62**	**798.83**	**496.82**
	Secured	**507.62**	**798.83**	**496.82**
	Unsecured	**-**	**-**	**-**

Note :-

a. Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with DBS , IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company 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 9.50 % p.a. (31 March 2017: 9.25 % to 10.25 % p.a.).

b. Working capital demand loan from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 8.60 % to 11.35% p.a. (31 March 2017: 9.35 % to 11.35% p.a.).

c. Working capital demand loan from Standard Chartered Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 9.15 % p.a. (31 March 2017 9.15% to 10.75% 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) 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 8.45% to 9.25 % p.a (31 March 2017 9.15% to 9.50 %).

e. Working capital demand loan from DCB Bank Limited taken during the year 2016-17, is secured by way of subservient charge on the entire existing and future current assets and movable fixed assets of the Company. This loan carries interest rate of 9.35% p.a. The loan has been repaid in the Financial Year 2017-18.

f. Cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with DBS , Standard Chartered Bank , HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta , Directors of the Company. It carries interest rate ranging from 10% p.a. (31 March 2017: 12.10 % to 12.35% p.a.).

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

12B Current borrowings *(Continued)*

g. Cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 10.85% to 11.05% p.a. (31 March 2017: 11.08% to 11.22% p.a.).

h. Cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 8.60% to 11.15%. (31 March 2017: 10.75% to 11 % p.a.).

i. Cash Credit from HDFC Bank Limited (under Multiple Banking Arrangement with DBS , IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company 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 11.25% p.a. (31 March 2017: 11.25 % to 11.30 % p.a.).

13 Trade payables

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade payables of micro enterprises and small enterprises (refer note 43)	6.57	2.49	1.18
Trade payables of related entities (refer note 35)	361.39	487.30	689.24
Trade payables other than micro enterprises and small enterprises	935.04	410.77	382.95
	1,303.00	**900.56**	**1,073.37**

14 Other financial liabilities

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other financial liabilities at amortised cost			
Interest accrued but not due	0.09	0.08	0.26
Interest accrued and due on security deposits	1.05	0.28	-
Interest accrued and due on bill discounted	5.76	-	-
Current maturity of long term loans (refer note 12B)	5.05	1,302.29	24.80
Security deposits received	8.36	19.65	0.62
Interest accrued on trade payables to micro and small enterprises	0.04	0.01	0.01
Total (A)	**20.35**	**1,322.31**	**25.69**
Other financial liabilities at fair value through profit and loss			
Financial liability*	657.00	-	-
Total (B)	**657.00**	**-**	**-**
Financial guarantee obligation (Refer Note 5A)	7.76	-	-
Total (C)	**7.76**	**-**	**-**
Total (A+B+C)	**685.11**	**1,322.31**	**25.69**
Current	**685.11**	**1,322.31**	**25.69**
Non current	**-**	**-**	**-**

* Financial liability 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.

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

15 Other liabilities

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory dues payable	84.33	43.22	45.80
Rent equalization reserve	6.04	4.92	2.56
Advance from customers	16.48	17.07	5.42
Total	**106.85**	**65.21**	**53.78**
Current	**100.81**	**60.29**	**51.22**
Non current	**6.04**	**4.92**	**2.56**

16 Net employee defined benefit liabilities

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for gratuity (refer note 33)	8.90	8.46	7.68
Total	**8.90**	**8.46**	**7.68**
Current	**-**	**-**	**-**
Non current	**8.90**	**8.46**	**7.68**

17 Other provisions

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for income tax (net of advance tax)	133.20	110.23	49.19
Provision for unclaimed dividend	0.03	-	-
Total other provisions	**133.23**	**110.23**	**49.19**
Current	**133.23**	**110.23**	**49.19**
Non-current	**-**	**-**	**-**

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

18 Revenue from operations

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Finished goods	3,353.11	2,823.40
Traded goods	82.13	83.16
Other operating revenue		
Lease income	0.43	17.16
Scrap sale	4.23	2.30
Total	**3,439.90**	**2,926.02**

19 Other incomes

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
19.1 Finance income		
Interest income on:		
- Bank deposits	24.45	0.89
- Unwinding of discount on security deposits paid	6.34	2.24
- Income tax refund	1.62	1.25
- Others	170.98	77.37
Total finance income (A)	**203.39**	**81.75**
19.2 Other income		
Dividend income on current investments	0.00	0.02
Net gain on sale of current investments (net)	-	5.75
Profit on sale of fixed assets (net)	-	1.66
Foreign exchange fluctuation gain (net)	0.20	-
Fair value gain on financial instruments at fair value through profit or loss	23.57	0.07
Reversal of temporary diminution in value of investments	41.00	0.39
Others	2.07	3.85
Total other income (B)	**66.84**	**11.74**
Grand Total (A+B)	**270.23**	**93.49**

20. Cost of published goods/material consumed

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory at the beginning of the year	6.28	2.16
Add: Purchases of published goods	373.04	998.05
Add: Printing charges	325.05	-
Add: Purchases of paper	555.22	-
Add: Purchases of VRX Sets , CDs and other items	13.32	19.48
	1,272.91	**1,019.69**
Less: Inventory at the end of the year	21.90	6.28
Cost of published goods/material consumed	**1,251.01**	**1,013.41**
Details of raw material purchased		
Paper	555.22	-
Total	**555.22**	**-**

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

21. Purchase of traded goods

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of traded goods sold	16.03	52.52
Total	**16.03**	**52.52**

22. (Increase)/ decrease in inventories of finished goods, work-in-progress

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventory at the end of the year		
Finished goods	504.10	570.81
Inventory at the beginning of the year		
Finished goods	(570.81)	(594.09)
Increase/(decrease) in inventories	**(66.71)**	**(23.28)**
Details of inventory at the end of the year		
Finished goods		
Manufactured goods		
Books	500.28	560.97
Traded goods		
Books	3.82	9.84
	504.10	**570.81**

23. Publication expense

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Royalty	332.77	283.64
Other publication expenses	47.60	33.36
Total	**380.37**	**317.00**

24. Selling and distribution expense

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisement, publicity and exhibition	63.68	60.04
Freight & cartage outward	85.77	66.56
Packing & dispatch expenses	12.22	8.45
Vehicle running & maintenance	16.20	19.01
Travelling & conveyance	54.69	50.51
Leases rent-vehicles	1.01	1.82
Total	**233.57**	**206.39**

25. Employee benefits expense

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, bonus and allowances	465.15	405.14
Contribution to provident and other funds	29.40	26.93
Gratuity expense (refer note 33)	9.10	5.41
Employee stock option expense	9.48	15.09
Staff welfare expenses	30.70	28.70
Total	**543.83**	**481.27**

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

26. Depreciation and amortization expense

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment (refer note 3)	14.65	43.04
Amortisation on intangible fixed assets (refer note 4)	18.85	22.09
Total depreciation and amortisation expenses	**33.50**	**65.13**

27. Other expenses

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	107.87	101.35
Repairs and maintenance		
– Plant and machinery	0.02	0.16
– Building	0.01	0.14
– Others	20.90	14.73
Insurance	4.15	3.88
Rates and taxes	0.76	0.32
Communication cost	16.07	14.52
Printing and stationery	2.41	2.18
Legal and professional fee	26.24	26.55
Donations	0.52	0.01
Payment to auditor (refer details below)	6.60	3.45
Water and electricity charges	11.35	11.01
Provision for doubtful receivables	12.23	25.00
Recruitment expenses	0.76	0.93
Outsourced employee cost	60.13	43.24
Loss on sale of fixed assets (net)	2.04	-
Office expenses	2.78	4.77
Security charges	12.84	12.30
Corporate social responsibility expenses (refer note 41)	1.82	2.72
Director sitting fees	1.72	0.65
Foreign exchange fluctuation gain (net)	-	0.73
Fair value loss on financial instruments at fair value through profit or loss	-	0.10
Miscellaneous expenses	6.97	5.00
Total other expenses	**298.19**	**273.74**

Payment to auditors:

	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor:		
- Audit fee	4.12	3.45
- Limited review	2.12	-
In other capacity		
- Other services (certification fees)	0.06	-
- Reimbursement of expenses	0.30	-
	6.60	**3.45**

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

28. Finance cost

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense		
- On term loan	18.03	78.00
- On others	70.61	58.16
Bank charges	2.84	1.10
Foreclosure charges	0.01	-
Loan processing fee	5.73	11.79
Total	**97.22**	**149.05**

29. Income tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Consolidated statement of profit and loss:

Profit or loss section

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge	268.02	171.00
Adjustments in respect of current income tax of previous year	(2.93)	1.50
Deferred tax:		
Relating to origination and reversal of temporary differences	17.02	(6.99)
Income tax expense reported in the statement of profit or loss	**282.11**	**165.51**
OCI section		
Deferred tax related to items recognised in OCI during in the year:		

	For the year ended 31 March 2018	For the year ended 31 March 2017
Net loss/(gain) on remeasurements of defined benefit plans	(3.10)	(0.42)
Income tax charged to OCI	1.07	0.15

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before tax	789.70	437.72
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	273.30	151.49
Adjustments in respect of current income tax of previous years	(2.93)	1.50
Non deductible expenses	16.28	11.19
Others	(4.54)	1.33
At the effective income tax rate of 35.72% (31 March 2017: 35.96%)	**282.11**	**165.51**
Income tax expense reported in the statement of profit and loss	282.11	165.51

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

30. Components of Other Comprehensive Income (OCI)

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

During the year ended 31 March 2018

(₹ in millions)

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	3.10	3.10
Tax impact on re-measurement gains/(losses) on defined benefit plans	(1.07)	(1.07)
	2.03	**2.03**

During the year ended 31 March 2017

	Retained earnings	Total
Re-measurement gains/(losses) on defined benefit plans	0.42	0.42
Tax impact on re-measurement gains/(losses) on defined benefit plans	(0.15)	(0.15)
	0.27	**0.27**

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 2018	For the year ended 31 March 2017
Profit attributable to equity holders of the company	507.59	272.21
Weighted average number of equity shares used for computing Earning per Share (Basic)	34.39	29.84
Weighted average number of equity shares used for computing Earning per Share (Diluted)	34.47	29.90
Basic EPS	14.76	9.12
Diluted DPS	14.72	9.10

32. 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. Judgements

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.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

32. Significant accounting judgements, estimates and assumptions *(Continued)*

B. Estimates and assumptions

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

Taxes

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

Defined benefit plans (gratuity)

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

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

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

Further details about gratuity obligations are given in Note 33.

Provision for trade receivable

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

Impairment of non-financial assets

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

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

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

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 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.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(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 2018	For the year ended 31 March 2017
Current service cost	6.69	5.30
Past service cost	1.82	-
Interest cost on defined obligation	2.94	2.42
Expected return on plan assets	(2.35)	(2.31)
	9.10	**5.41**

Amount recognised in Other Comprehensive Income:

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gains) / losses on obligation	(3.71)	0.48
Actuarial gains / (losses) on assets	(0.61)	0.90
	(3.10)	**(0.42)**

Balance sheet

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

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening defined benefit obligation	40.38	36.75
Current service cost	6.69	5.30
Past service cost	1.82	-
Interest cost	2.94	2.42
Benefits paid from plan assets	(6.02)	(5.78)
Benefits paid directly by employer	(0.10)	-
Actuarial (gains) / losses on obligation	(3.71)	0.48
Acquistion/ divestiure	-	1.21
Closing defined benefit obligation	**42.00**	**40.38**
Current Portion	**-**	**-**
Non - Current Portion	**42.00**	**40.38**

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

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets	31.92	29.07
Expected return	2.35	2.31
Contributions by employer	5.46	5.42
Benefits paid	(6.02)	(5.78)
Actuarial gain/(loss)	(0.61)	0.90
Closing fair value of plane assets	**33.10**	**31.92**

The Company expects to contribute ₹ 756,610 to gratuity in this year (31 March 2017: ₹ 1,171,225)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

33. Gratuity and other post-employment benefits plan *(Continued)*

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 2018	For the year ended 31 March 2017
Investments with insurer	100%	100%

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.70%	7.35%
Expected rate of return on assets	7.70%	6.00%
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:

	Change in assumptions	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	+ 1%	37.60	36.01
	- 1%	47.23	45.60
Expected rate of salary increase	+ 1%	47.05	45.23
	- 1%	37.69	36.10

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

a. 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 ₹ 107.87 million (31 March 2017: ₹ 101.35 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 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 ₹ 1 million (31 March 2017: ₹ 1.82 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, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	13.30	13.30	13.30
After one year but not more than five years	53.22	53.22	53.22
After five years	3.33	16.63	29.93

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(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
	:	Arch Papier Mache Private Limited (till 8 December 2016)
	:	Vikas Publishing House Private Limited
	:	DS Digital Private Limited
	:	New Saraswati (India) Private Limited
	:	S Chand Edutech Private Limited
	:	Chhaya Prakashani Private Limited (w.e.f 5 December 2016)
	:	Indian Progressive Publishing Co. Private Limited (w.e.f 5 December 2016)
	:	Publishing Services Private Limited (w.e.f 5 December 2016)

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. Nirmala Gupta	:	Chair Person and Managing Director (till 20 May 2016)
Mrs. Savita Gupta	:	Whole-time Director (till 20 May 2016) Director (w.e.f. 20 May 2016)
Mr. Himanshu Gupta	:	Joint Managing Director (till 20 May 2016) Managing Director (w.e.f. 20 May 2016)
Mrs. Ankita Gupta	:	Whole-time Director (till 20 May 2016)
Mr. Dinesh Kumar Jhunjhnuwala	:	Vice Chair Person and Director Finance (till 20 May 2016) Whole-time Director (w.e.f. 20 May 2016)
Mrs. Neerja Jhunjhnuwala	:	Whole time Director (till 20 May 2016)
Mr. Gaurav Jhunjhnuwala	:	Director
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary
Relatives of KMP	:	Mr. Ravindra Kumar Gupta
	:	Mrs. Neerja Jhunjhnuwala (w.e.f. 20 May 2016)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/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 2018	116.94	-	-	116.94
	31 March 2017	(206.30)	-	-	(206.30)
Vikas Publishing House Private Limited (books)	31 March 2018	246.37	-	-	246.37
	31 March 2017	(824.45)	-	-	(824.45)
BPI (India) Private Limited (books)	31 March 2018	0.33	-	-	0.33
	31 March 2017	(4.65)	-	-	(4.65)
New Saraswati (India) Private Limited (books)	31 March 2018	0.00	-	-	0.00
	31 March 2017	-	-	-	-
Smartivity Labs Private Limited (sets)	31 March 2018	-	0.25	-	0.25
	31 March 2017	-	-	-	-
Smartivity Labs Private Limited (VRX Sets)	31 March 2018	-	11.29	-	11.29
	31 March 2017	-	(0.38)	-	(0.38)
Printing charges		-	-	-	
Nirja Publishers & Printers Private Limited	31 March 2018	28.29	-	-	28.29
	31 March 2017	-	-	-	-
Vikas Publishing House Private Limited	31 March 2018	261.76	-	-	261.76
	31 March 2017	-	-	-	-
Royalty expense		-	-	-	
Eurasia Publishing House Private Limited	31 March 2018	23.01	-	-	23.01
	31 March 2017	(18.42)	-	-	(18.42)
Blackie & Son (Calcutta) Private Limited	31 March 2018	2.09	-	-	2.09
	31 March 2017	(2.67)	-	-	(2.67)
BPI (India) Private Limited	31 March 2018	0.55	-	-	0.55
	31 March 2017	(0.59)	-	-	(0.59)
Purchase- (Other) from		-	-	-	
SC Hotel Tourist Deluxe Private Limited	31 March 2018	-	1.17	-	1.17
	31 March 2017	-	(1.19)	-	(1.19)
Hotel Tourist	31 March 2018	-	3.39	-	3.39
	31 March 2017	-	(4.16)	-	(4.16)
Vikas Publishing House Private Limited	31 March 2018	0.07	-	-	0.07
	31 March 2017	(1.83)	-	-	(1.83)
S Chand Hotels Private Limited	31 March 2018	-	0.13	-	0.13
	31 March 2017	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2018	7.23	-	-	7.23
	31 March 2017	(0.67)	-	-	(0.67)
Purchase of fixed asset and paper		-	-	-	
DS Digital Private Limited (fixed assets)	31 March 2018	3.95	-	-	3.95
	31 March 2017	-	-	-	-
Vikas Publishing House Private Limited (paper)	31 March 2018	12.12	-	-	12.12
	31 March 2017	-	-	-	-

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Sales of books, fixed assets and paper		-	-	-	
BPI (India) Private Limited (books)	31 March 2018	-	-	-	-
	31 March 2017	(0.00)	-	-	(0.00)
New Saraswati House Private Limited (books)	31 March 2018	0.05	-	-	0.05
	31 March 2017	(0.08)	-	-	(0.08)
DS Digital Private Limited (fixed assets)	31 March 2018	10.19	-	-	10.19
	31 March 2017	(0.07)	-	-	(0.07)
Safari Digital Education Initiatives Private Limited (E books)	31 March 2018	2.29	-	-	2.29
	31 March 2017	(2.38)	-	-	(2.38)
Vikas Publishing House Private Limited (fixed assets)	31 March 2018	11.91	-	-	11.91
	31 March 2017	-	-	-	-
Other expenses paid (reimbursement)		-	-	-	
Eurasia Publishing House Private Limited	31 March 2018	-	-	-	-
	31 March 2017	(0.51)	-	-	(0.51)
Nirja Publishers & Printers Private Limited	31 March 2018	-	-	-	-
	31 March 2017	(0.90)	-	-	(0.90)
S Chand Edutech Private Limited	31 March 2018	8.49	-	-	8.49
	31 March 2017	(4.47)	-	-	(4.47)
BPI (India) Private Limited	31 March 2018	0.09	-	-	0.09
	31 March 2017	(0.16)	-	-	(0.16)
Vikas Publishing House Private Limited	31 March 2018	0.17	-	-	0.17
	31 March 2017	(1.10)	-	-	(1.10)
Safari Digital Education Initiatives Private Limited	31 March 2018	0.59	-	-	0.59
	31 March 2017	(0.67)	-	-	(0.67)
DS Digital Private Limited	31 March 2018	0.09	-	-	0.09
	31 March 2017	(0.22)	-	-	(0.22)
Shyam Lal Charitable Trust	31 March 2018	-	-	-	-
	31 March 2017	-	(0.02)	-	(0.02)
New Saraswati House Private Limited	31 March 2018	0.66	-	-	0.66
	31 March 2017	(0.48)	-	-	(0.48)
Rentals paid		-	-	-	
Arch Papier Mache Private Limited	31 March 2018	-	-	-	-
	31 March 2017	(14.42)	-	-	(14.42)
Safari Digital Education Initiatives Private Limited	31 March 2018	12.53	-	-	12.53
	31 March 2017	(11.03)	-	-	(11.03)
S Chand Properties Private Limited	31 March 2018	-	29.42	-	29.42
	31 March 2017	-	(28.84)	-	(28.84)
Mrs.Savita Gupta	31 March 2018	-	-	3.25	3.25
	31 March 2017	-	-	(3.14)	(3.14)
Mrs.Neerja Jhunjhnuwala	31 March 2018	-	-	2.51	2.51
	31 March 2017	-	-	(2.28)	(2.28)
Ravindra Kumar Gupta	31 March 2018	-	-	1.21	1.21
	31 March 2017	-	-	(1.19)	(1.19)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Lease rent received from		-	-	-	
Nirja Publishers & Printers Private Limited	31 March 2018	-	-	-	-
	31 March 2017	(0.30)	-	-	(0.30)
Vikas Publishing House Private Limited	31 March 2018	0.30	-	-	0.30
	31 March 2017	(1.50)	-	-	(1.50)
DS Digital Private Limited	31 March 2018	0.13	-	-	0.13
	31 March 2017	(15.35)	-	-	(15.35)
Interest income		-	-	-	
Eurasia Publishing House Private Limited	31 March 2018	56.70	-	-	56.70
	31 March 2017	(3.54)	-	-	(3.54)
New Saraswati House Private Limited	31 March 2018	64.62	-	-	64.62
	31 March 2017	(68.90)	-	-	(68.90)
Vikas Publishing House Private Limited	31 March 2018	42.79	-	-	42.79
	31 March 2017	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2018	3.54	-	-	3.54
	31 March 2017	(2.09)	-	-	(2.09)
DS Digital Private Limited	31 March 2018	1.23	-	-	1.23
	31 March 2017	(2.84)	-	-	(2.84)
S Chand Edutech Private Limited	31 March 2018	0.77	-	-	0.77
	31 March 2017	-	-	-	-
Miscellaneous income		-	-	-	
Vikas Publishing House Private Limited	31 March 2018	3.65	-	-	3.65
	31 March 2017	(3.57)	-	-	(3.57)
S Chand Edutech Private Limited	31 March 2018	0.72	-	-	0.72
	31 March 2017	-	-	-	-
Loans given		-	-	-	
Eurasia Publishing House Private Limited	31 March 2018	520.25	-	-	520.25
	31 March 2017	(110.23)	-	-	(110.23)
Vikas Publishing House Private Limited	31 March 2018	466.00	-	-	466.00
	31 March 2017	-	-	-	-
New Saraswati House Private Limited	31 March 2018	72.50	-	-	72.50
	31 March 2017	-	-	-	-
DS Digital Private Limited	31 March 2018	42.55	-	-	42.55
	31 March 2017	-	-	-	-
S Chand Edutech Private Limited	31 March 2018	20.00	-	-	20.00
	31 March 2017	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2018	83.44	-	-	83.44
	31 March 2017	(16.00)	-	-	(16.00)
Loans repayment received		-	-	-	
Vikas Publishing House Private Limited	31 March 2018	50.00	-	-	50.00
	31 March 2017	-	-	-	-
New Saraswati House Private Limited	31 March 2018	47.50	-	-	47.50
	31 March 2017	-	-	-	-
Safari Digital Education Initiatives Private Limited	31 March 2018	16.00	-	-	16.00
	31 March 2017	-	-	-	-

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Remuneration to KMP		-	-	-	
Mrs. Nirmala Gupta	31 March 2018	-	-	-	-
	31 March 2017	-	-	(0.16)	(0.16)
Mr. Gaurav Jhunjhunwala	31 March 2018	-	-	-	-
	31 March 2017	-	-	(0.20)	(0.20)
Mrs.Savita Gupta	31 March 2018	-	-	-	-
	31 March 2017	-	-	(0.40)	(0.40)
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2018	-	-	16.42	16.42
	31 March 2017	-	-	(10.19)	(10.19)
Mr. Himanshu Gupta	31 March 2018	-	-	16.42	16.42
	31 March 2017	-	-	(10.19)	(10.19)
Mrs.Neerja Jhunjhnuwala	31 March 2018	-	-	-	-
	31 March 2017	-	-	(0.16)	(0.16)
Mrs. Ankita Gupta	31 March 2018	-	-	-	-
	31 March 2017	-	-	(0.16)	(0.16)
Saurabh Mittal	31 March 2018	-	-	12.76	12.76
	31 March 2017	-	-	(9.43)	(9.43)
Jagdeep Singh	31 March 2018	-	-	5.49	5.49
	31 March 2017	-	-	(7.41)	(7.41)
Investment made during the period		-	-	-	
DS Digital Private Limited (Preference shares)	31 March 2018	-	-	-	-
	31 March 2017	(160.00)	-	-	(160.00)
Chhaya Prakashani Private Limited (Equity shares)	31 March 2018	-	-	-	-
	31 March 2017	(1,000.04)	-	-	(1,000.04)
Eurasia Publishing House Private Limited (Debenture)*	31 March 2018	691.60	-	-	691.60
	31 March 2017	-	-	-	-
Smartivity Labs Private Limited (Equity shares)	31 March 2018	-	-	-	-
	31 March 2017	-	(0.52)	-	(0.52)
Smartivity Labs Private Limited (Preference shares)	31 March 2018	-	2.50	-	2.50
	31 March 2017	-	(9.49)	-	(9.49)
Balances outstanding as at 31 March 2018		-	-	-	
Security deposit receivable		-	-	-	
Arch Papier Mache Private Limited	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	(9.12)	-	-	(9.12)
Safari Digital Education Initiatives Private Limited	31 March 2018	4.80	-	-	4.80
	31 March 2017	(4.80)	-	-	(4.80)
	1 April 2016	(4.80)	-	-	(4.80)
S Chand Properties Private Limited	31 March 2018	-	12.55	-	12.55
	31 March 2017	-	(12.55)	-	(12.55)
	1 April 2016	-	(12.55)	-	(12.55)
Mrs.Savita Gupta	31 March 2018	-	-	0.54	0.54
	31 March 2017	-	-	(0.54)	(0.54)
	1 April 2016	-	-	(0.39)	(0.39)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Security deposit receivable *(Continued)*					
Mrs.Neerja Jhunjhnuwala	31 March 2018	-	-	0.12	0.12
	31 March 2017	-	-	(0.12)	(0.12)
	1 April 2016	-	-	(0.12)	(0.12)
Ravindra Kumar Gupta	31 March 2018	-	-	0.41	0.41
	31 March 2017	-	-	(0.41)	(0.41)
	1 April 2016	-	-	(0.41)	(0.41)
Loans and advances		-	-	-	
Eurasia Publishing House Private Limited	31 March 2018	-	-	-	-
	31 March 2017	(112.91)	-	-	(112.91)
	1 April 2016	-	-	-	-
Vikas Publishing House Private Limited	31 March 2018	454.51	-	-	454.51
	31 March 2017	-	-	-	-
	1 April 2016	-	-	-	
Safari Digital Education Initiatives Private Limited	31 March 2018	86.19	-	-	86.19
	31 March 2017	(20.85)	-	-	(20.85)
	1 April 2016	(18.53)	-	-	(18.53)
DS Digital Private Limited	31 March 2018	55.70	-	-	55.70
	31 March 2017	-	-	-	-
	1 April 2016	(86.86)	-	-	(86.86)
S Chand Edutech Private Limited	31 March 2018	39.84	-	-	39.84
	31 March 2017	(12.42)	-	-	(12.42)
	1 April 2016	(7.94)	-	-	(7.94)
SC Hotel Tourist Deluxe Private Limited	31 March 2018	-	-	-	-
	31 March 2017	-	(0.14)	-	(0.14)
	1 April 2016	-	(0.13)	-	(0.13)
New Saraswati House (India) Private Limited	31 March 2018	31.84	-	-	31.84
	31 March 2017	(2.31)	-	-	(2.31)
	1 April 2016	(33.16)	-	-	(33.16)
Raasha Entertainment & Leisure LLP	31 March 2018	-	0.22	-	0.22
	31 March 2017	-	(0.22)	-	(0.22)
	1 April 2016	-	(0.22)	-	(0.22)
Shaara Hospitalities Private Limited	31 March 2018	-	0.01	-	0.01
	31 March 2017	-	(0.01)	-	(0.01)
	1 April 2016	-	(0.01)	-	(0.01)
BPI (India) Private Limited	31 March 2018	5.54	-	-	5.54
	31 March 2017	(6.51)	-	-	(6.51)
	1 April 2016	(11.85)	-	-	(11.85)
RKG Hospitalities Private Limited	31 March 2018	-	0.34	-	0.34
	31 March 2017	-	(0.34)	-	(0.34)
	1 April 2016	-	(0.34)	-	(0.34)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Trade payables		-	-	-	
Nirja Publishers & Printers Private Limited	31 March 2018	153.00	-	-	153.00
	31 March 2017	(152.67)	-	-	(152.67)
	1 April 2016	(247.31)	-	-	(247.31)
Vikas Publishing House Private Limited	31 March 2018	198.95	-	-	198.95
	31 March 2017	(300.22)	-	-	(300.22)
	1 April 2016	(242.52)	-	-	(242.52)
Eurasia Publishing House Private Limited	31 March 2018	6.41	-	-	6.41
	31 March 2017	(16.82)	-	-	(16.82)
	1 April 2016	(170.22)	-	-	(170.22)
Blackie & Son (Calcutta) Private Limited	31 March 2018	1.68	-	-	1.68
	31 March 2017	(16.50)	-	-	(16.50)
	1 April 2016	(14.99)	-	-	(14.99)
DS Digital Private Limited	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	(13.99)	-	-	(13.99)
Smartivity Labs Private Limited	31 March 2018	-	1.27	-	1.27
	31 March 2017	-	(0.04)	-	(0.04)
	1 April 2016	-	-	-	-
Hotel Tourist	31 March 2018	-	0.06	-	0.06
	31 March 2017	-	(1.05)	-	(1.05)
	1 April 2016	-	(0.21)	-	(0.21)
Share based payment					
Vikas Publishing House Private Limited	31 March 2018	2.02	-	-	2.02
	31 March 2017	1.26	-	-	1.26
	1 April 2016	0.50	-	-	0.50
Safari Digital Education Initiatives Private Limited	31 March 2018	0.01	-	-	0.01
	31 March 2017	0.68	-	-	0.68
	1 April 2016	0.45	-	-	0.45
New Saraswati House (India) Private Limited	31 March 2018	0.70	-	-	0.70
	31 March 2017	0.50	-	-	0.50
	1 April 2016	0.21	-	-	0.21
Directors/KMP remuneration payable		-	-	-	
Nirmala Gupta	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	(0.10)	(0.10)
Gaurav Jhunjhunwala	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	(0.10)	(0.10)
Savita Gupta	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	(0.20)	(0.20)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

35. Related party disclosure *(Continued)*

(Amount in ₹ millions)

Nature of Transactions	Period/Year Ended	Subsidiaries	Enterprises over which KMP or their relatives exercise significant influence	Key Managerial Personnel & their relatives	Total
Directors/KMP remuneration payable *(Continued)*					
Dinesh Kumar Jhunjhnuwala	31 March 2018	-	-	0.28	0.28
	31 March 2017	-	-	(0.44)	(0.44)
	1 April 2016	-	-	(0.30)	(0.30)
Himanshu Gupta	31 March 2018	-	-	0.38	0.38
	31 March 2017	-	-	(0.42)	(0.42)
	1 April 2016	-	-	(0.30)	(0.30)
Neerja Jhunjhnuwala	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	(0.10)	(0.10)
Ankita Gupta	31 March 2018	-	-	-	-
	31 March 2017	-	-	-	-
	1 April 2016	-	-	(0.10)	(0.10)
Saurabh Mittal	31 March 2018	-	-	0.60	0.60
	31 March 2017	-	-	(0.47)	(0.47)
	1 April 2016	-	-	(0.97)	(0.97)
Jagdeep Singh	31 March 2018	-	-	0.30	0.30
	31 March 2017	-	-	(1.01)	(1.01)
	1 April 2016	-	-	(0.43)	(0.43)
Trade receivable		-	-	-	
BPI (India) Private Limited	31 March 2018	15.99	-	-	15.99
	31 March 2017	(15.99)	-	-	(15.99)
	1 April 2016	(15.99)	-	-	(15.99)
New Saraswati House Private Limited	31 March 2018	5.83	-	-	5.83
	31 March 2017	(5.78)	-	-	(5.78)
	1 April 2016	(5.69)	-	-	(5.69)
Safari Digital Education Initiatives Private Limited	31 March 2018	5.35	-	-	5.35
	31 March 2017	(2.75)	-	-	(2.75)
	1 April 2016	-	-	-	-
DS Digital Private Limited	31 March 2018	18.26	-	-	18.26
	31 March 2017	(18.03)	-	-	(18.03)
	1 April 2016	(76.25)	-	-	(76.25)

(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

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2018 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

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

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Date of grant	09-Jul-12	09-Jul-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	30-Sep-15	28-Mar-16	05-Aug-16	16-Aug-16	30-Nov-16
Date of Board approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	27-Aug-15	28-Mar-16	05-Aug-16	05-Aug-16	19-Sep-16 & 30-Nov-16
Date of Shareholder's approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	30-Sep-15	30-Sep-15	30-Sep-15	28-Mar-16	05-Aug-16	05-Aug-16	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:

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

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans *(Continued)*

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)**	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	47,656	62	322	9,110
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	47,656	62	-	-
Effect of share split	-	-	322	-
Effect of bonus issue	-	-	47,012	-
Outstanding at the end of the year	-	-	47,656	62
Exercisable at the end of the year	-	-	33,152	-

*includes 61 options which has vested 100% on account of demise of an employee.

** denotes weighted average excecise price

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	3,108	62	21	9,110
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	3,108	62	-	-
Effect of share split	-	-	21	-
Effect of bonus issue	-	-	3,066	-
Outstanding at the end of the year	-	-	3,108	62
Exercisable at the end of the year	-	-	3,108	-

The weighted average remaining contractual life for Growth and Thankyou option outstanding as at March 31, 2018 is Nil.

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	26,640	249	253	36,870
Granted during the year	-	-	-	-
Forfeited during the year	-	-	10,804	-
Exercised during the year	26,640	249	-	-
Effect of share split	-	-	253	-
Effect of bonus issue	-	-	36,938	-
Outstanding at the end of the year	-	-	26,640	249
Exercisable at the end of the year	-	-	16,280	-

The weighted average remaining contractual life for option outstanding as at March 31, 2018 is Nil.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans *(Continued)*

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:

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	65,268	249	441	-
Granted during the year	-	-	-	36,870
Forfeited during the year	-	-	-	-
Exercised during the year	65,268	249	-	-
Effect of share split	-	-	441	-
Effect of bonus issue	-	-	64,386	-
Outstanding at the end of the year	-	-	65,268	249
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding as at March 31, 2018 is Nil.

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:

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	68,302	304	473	-
Granted during the year	-	-	-	45,000
Forfeited during the year	-	-	1,702	-
Exercised during the year	28,268	304	-	-
Effect of share split	-	-	473	-
Effect of bonus issue	-	-	69,058	-
Outstanding at the end of the year	40,034	304	68,302	304
Exercisable at the end of the year	12,210	304	-	-

The weighted average remaining contractual life for option outstanding as at March 31, 2018 under Grant IV(b) is 2.41 years, under Grant IV(c) is 2.5 years and under Grant IV(d) is 2.99 years.

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	93,388	304	-	-
Granted during the year	-	-	93,388	304
Forfeited during the year	-	-	-	-
Exercised during the year	93,388	304	-	-
Outstanding at the end of the year	-	-	93,388	304
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding under Grant V as at March 31, 2018 is Nil.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans *(Continued)*

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	51,060	304	-	-
Granted during the year	-	-	51,060	304
Forfeited during the year	-	-	-	-
Exercised during the year	12,765	304	-	-
Outstanding at the end of the year	38,295	304	51,060	304
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2018 is Nil.

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	11,203	392	-	-
Granted during the year	-	-	12,506	392
Forfeited during the year	1,800	-	1,303	-
Exercised during the year	2,952	-	-	-
Outstanding at the end of the year	6,451	-	11,203	392
Exercisable at the end of the year	1,750	-	-	-

The weighted average remaining contractual life for option outstanding under Grant VII as at March 31 2018 is 2.67 years.

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

	Grant IVb 31 March 2018	Grant IVc 31 March 2018	Grant IVd 31 March 2018	Grant VI 31 March 2018	Grant VII 31 March 2018
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	15.65%	15.57%	16.04%	17.22%	17.48%
Risk-free interest rate	7.71%	7.51%	7.46%	6.84%	6.04%
Weighted average fair market price (₹)	377	377	377	376	376
Exercise price (₹)	304	304	304	304	392
Expected life of options granted in years	4.00	4.00	4.00	3.00	3.00

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.

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.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

37. Financial Instruments:- Financial risk management objectives and policies *(Continued)*

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 2018 and 31 March 2017.

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 2018.

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.

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:

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2018			
INR Borrowings	+0.50%	2.59	-
	-0.50%	**(2.59)**	**-**
As at 31 March 2017			
INR Borrowings	+0.50%	10.55	-
	-0.50%	**(10.55)**	**-**
As at 1 April 2016			
INR Borrowings	+0.50%	4.15	-
	-0.50%	**(4.15)**	**-**

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:

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
For the year ended 31 March 2018			
USD	+5%	2.28	-
	-5%	**(2.28)**	**-**
For the year ended 31 March 2017			
USD	+5%	1.50	-
	-5%	**(1.50)**	**-**
As at 1 April 2016			
USD	+5%	1.93	-
	-5%	**(1.93)**	**-**

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

37. Financial Instruments:- Financial risk management objectives and policies *(Continued)*

B. Credit Risk

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

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

Age Bracket	Not Due	0-215 Days	216-365 Days	365-730 Days	More than 730 Days	Total
As at 1 April 2016	1,330.08	173.25	140.87	95.51	41.62	1,781.33
As at 31 March 2017	1,864.71	139.94	27.60	48.45	47.88	2,128.58
As at 31 March 2018	2,553.38	283.88	53.13	61.56	74.92	3,026.87

C. Liquidity Risk

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
On Demand			
- Borrowings	507.62	798.83	496.82
	507.62	**798.83**	**496.82**
Less than 1 year			
- Borrowings	5.05	1,302.29	24.80
- Trade payables	1,303.00	900.56	1,073.37
- Other financial liabilities	680.06	20.02	0.89
	1,988.11	**2,222.87**	**1,099.06**
More than 1 year			
- Borrowings	4.86	8.05	308.36
	4.86	**8.05**	**308.36**

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.

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.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

38. Capital management *(Continued)*

Company's adjusted net debt to equity ratio as at 31 March 2018 is as follow:

Gearing Ratio	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowings (Note 12A & 12B)	517.53	2,109.18	829.98
Less: cash and cash equivalents (Note 5D)	(389.30)	(143.85)	(93.76)
Adjusted Net debt (A)	**128.23**	**1,965.33**	**736.22**
Equity	8,600.24	5,019.97	4,742.08
Total equity (B)	**8,600.24**	**5,019.97**	**4,742.08**
Total equity and net debt [C = (A+B)]	**8,728.47**	**6,985.30**	**5,478.30**
Gearing Ratio (A/C)	**1%**	**28%**	**13%**

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 2018 and 31 March 2017.

39. Fair Values

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

Particulars	31 March 2018			31 March 2017			1 April 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Assets									
Non current financial assets									
- Investments	6,066.96	-	-	4,704.06	-	-	3,531.57	-	-
- Loans	652.31	-	-	153.07	-	-	18.36	-	-
- Other financial assets	8.58	-	-	4.76	-	-	4.78	-	-
Financial assets									
- Trade receivables	3,026.87	-	-	2,128.58	-	-	1,781.33	-	-
- Loans	79.93	-	-	26.68	-	-	162.11	-	-
- Investments	64.06	112.36	-	-	1.94	-	-	122.01	-
- Other financial assets	8.95	-	-	4.61	-	-	7.21	-	-
- Cash and cash equivalents	389.30	-	-	143.85	-	-	93.76	-	-
Non Current Financial liabilities									
- Borrowings	4.86	-	-	8.05	-	-	308.36	-	-
- Other financial liabilities	6.04	-	-	4.92	-	-	2.56	-	-
Current Financial liabilities									
- Borrowings	507.62	-	-	798.83	-	-	496.82	-	-
- Trade payables	1,303.00	-	-	900.56	-	-	1,073.37	-	-
- Other financial liabilities	28.11	657.00	-	1,322.31	-	-	25.69	-	-

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

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

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

The fair value measurement of earn-out consideration is determined using Level 3 inputs. The Company's earn-out consideration represents a component of the total purchase consideration for its acquisition of Chhaya Prakashani Private Limited. The measurement is calculated using unobservable inputs based on the Company's own assessment of achievement of certain performance goals by Chhaya Prakashani Private Limited. The Company estimated the fair value of the earn-out consideration to be ₹ 657 million, based on agreed method of computation.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

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 eduction business of DS Digital and Safari Digital shall be demerged from respective Companies and will be merged with the Company as part of Scheme of Arrangement. The Company shall file the Scheme with National Company Law Tribunal (NCLT), post approval from BSE and NSE.

41. Corporate Social Responsibility

During the year, the Company has contributed ₹ 1.82 million (31 March 2017: ₹ 2.72 million) out of the total contributable amount of ₹ 5.34 million (31 March 2017: ₹ 3.44 million) in accordance with section 135 read with schedule VII to the Companies Act, 2013 through various trusts and donation of books. Management has not spent the remaining amount of (31 March 2017: ₹ 0.72 million) as CSR committee is yet to identify the activity.

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.

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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	6.57	2.49	1.18
Interest due on above	0.04	0.01	0.01
	6.61	**2.50**	**1.19**
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	0.04	0.01	0.01
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

	Imported		Indigenously obtained	
	Percentage (%)	(Amount in ₹)	Percentage (%)	(Amount in ₹)
As at 31 March 2018	0%	-	100%	1,251.01
As at 31 March 2017	0%	-	100%	1,013.41

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

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:

Name of the loanee	Rate of Interest/ Due Date	Tenure	Secured/ unsecured	31 March 2018	31 March 2017	1 April 2016
Safari Digital Education Initiatives Private Limited	10.75% – 12% p.a	3 years	Unsecured	84.56	19.31	17.43
D S Digital Private Limited	10.75% p.a	3 years	Unsecured	43.64	-	-
Eurasia Publishing House Private Limited	12% p.a	3 years	Unsecured	-	113.42	-
New Saraswati House (India) Private Limited	10.75% – 11.25% p.a	3 years	Unsecured	28.78	-	-
Vikas Publishing House Private Limited	11.25% p.a	3 years	Unsecured	454.51	-	-
S Chand Edutech Private Limited	10.75% p.a	3 years	Unsecured	20.69	-	-

46. Information about major customers

Revenue from 1 major customers amounted to ₹ 777.98 million aggregating to 20.68% of total revenue (31 March 2017: ₹ 448.55 million aggregating to 14.19% 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 impairment of ₹ 41 million made in earlier years and recognised the investment at fair value of ₹ 64 million in the current financial year.

48. Capital and other commitment

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a. Capital commitment (net of advance)			
b. For commitment relating to lease arrangement, please refer note 34	74.33	0.09	16.70

49. Contingent liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Corporate guarantee (refer note 'a' below)	1,206.00	1,748.82	1,051.18
Stamp duty (refer note 'b' below)	95.01	95.01	95.01
Registration fee (refer note 'b' below)	9.15	9.15	-
Income Tax demand (refer note 'c' and 'd' below)	0.67	0.67	0.57

a Corporate guarantee includes guarantees given by the Company to banks and financial institutions against loans taken by the subsidiaries and associates.

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.

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 2017: 9.15 million and 1 April 2016: ₹ Nil)

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

49. Contingent liabilities *(Continued)*

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.

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 Assessing officer. The amount involved is ₹ 0.67 million (31 March 2017: ₹ 0.67 million and 1 April 2016: ₹ 5.68 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

50. Standard issued but not yet effective

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

50. Standard issued but not yet effective *(Continued)*

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative
The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions
The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled."

51. First-time adoption of Ind AS

i). These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Optional Exemptions Applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

a). Deemed cost of Property, plant and equipment and Intangible assets

Ind AS 101 permits a first-time adopter, where there is no change in functional currency, to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b). Investments in subsidiaries*

As per the requirements of Ind AS 27, company has opted to record its investment in subsidiary at cost. Ind AS 101 provides that while measuring investment at cost, an entity shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

(i) cost determined in accordance with Ind AS 27; or

(ii) deemed cost. The deemed cost of such an investment shall be its:-

(a) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(b) previous GAAP carrying amount at that date.

Accordingly, company has opted to record its investment in subsidiary at previous GAAP carrying amount at transition date.

(* Investment in subsidiaries includes investment in subsidiary of holding company)

c). Share based payments
Ind AS 102 Share based payment has not been applied to equity instruments in share based payment transactions that vested before the the date of transition

d). Business Combination
The Company has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. to business combinations that occurred before the date of transition to Ind AS.

ii). Reconciliations

Following reconciliations along with foot notes for the GAAP adjustments is inserted:
- Reconciliation of equity as at 1 April 2016 (the date of transition to Ind AS) (**Annexure I**)
- Reconciliation of equity as at 31 March 2017 (**Annexure IIa**)
- Reconciliation of profit and loss for year ended 31 March 2017 (**Annexure IIb**)

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

Annexure I - Reconciliation of equity as at 1 April 2016 (the date of transition to Ind AS)

(₹ in millions)

Particulars	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
Assets				
Non-current assets				
Property, plant and equipment	4	140.32	-	140.32
Intangible assets		115.94	-	115.94
Capital work in progress		0.10	-	0.10
Financial assets				
- Investments	1	3,530.41	1.16	3,531.57
- Loans	3	33.96	(15.60)	18.36
- Other financial assets		4.78	-	4.78
Other non-current assets	3	48.20	11.08	59.28
Deferred tax assets (net)	7	10.89	51.37	62.26
Total non-current assets		**3,884.60**	**48.01**	**3,932.61**
Current assets				
Inventories		596.25	24.34	620.59
Financial assets				
- Investments	1	162.31	(40.30)	122.01
- Loans	3	162.11	-	162.11
- Trade receivables	5	1,913.81	(132.48)	1,781.33
- Cash and cash equivalents		93.76	-	93.76
- Other financial assets		7.21	-	7.21
Other current assets	3	34.82	2.53	37.35
Total current assets		**2,970.27**	**(145.91)**	**2,824.36**
Total assets		**6,854.87**	**(97.90)**	**6,756.97**
Equity and liabilities				
Equity				
Equity share capital		2.02	-	2.02
Other equity				
- Retained earnings		1,193.39	(100.34)	1,093.05
- Other reserves	2	3,644.57	2.44	3,647.01
Total equity		**4,839.98**	**(97.90)**	**4,742.08**
Non-current liabilities				
Financial liabilities				
- Borrowings		308.36	-	308.36
- Other financial liabilities		-	-	-
Net employee defined benefit liabilities		7.68	-	7.68
Other non-current liabilities		2.56	-	2.56
Total non current liabilities		**318.60**	**-**	**318.60**
Current liabilities				
Financial liabilities				
- Borrowings		496.82	-	496.82
- Trade payables		1,073.37	-	1,073.37
- Other financial liabilities		25.69	-	25.69
Other current liabilities		51.22	-	51.22
Other provisions		49.19	-	49.19
Total current liabilities		**1,696.29**	**-**	**1,696.29**
Total equity and liabilities		**6,854.87**	**(97.90)**	**6,756.97**

* Indian Gaap numbers have been regrouped to conform to classifications as per Ind AS

S Chand and Company Limited
Notes to financial statements as at 31 March 2018 *(Continued)*

Annexure IIa - Reconciliation of equity as at 31 March 2017

(₹ in millions)

Particulars	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		111.70	-	111.70
Intangible assets	4	138.24	7.49	145.73
Capital work in progress		-	-	-
Financial assets				
- Investments	1	4,700.46	3.60	4,704.06
- Loans	3	167.05	(13.98)	153.07
- Other financial assets		4.76	-	4.76
Other non-current assets	3	18.94	8.50	27.44
Deferred tax assets (net)	7	20.17	48.94	69.11
Total non-current assets		**5,161.32**	**54.55**	**5,215.87**
Current assets				
Inventories		527.55	49.54	577.09
Financial assets				
- Investments	1	42.72	(40.78)	1.94
- Loans	3	26.06	0.62	26.68
- Trade receivables	5	2,286.25	(157.67)	2,128.58
- Cash and cash equivalents		143.85	-	143.85
- Other financial assets		4.61	-	4.61
Other current assets	3	132.44	2.56	135.00
Total current assets		**3,163.48**	**(145.73)**	**3,017.75**
Total assets		**8,324.80**	**(91.18)**	**8,233.62**
Equity and liabilities				
Equity				
Equity share capital		149.22	-	149.22
Other equity				
- Retained earnings		1,452.24	(98.83)	1,353.41
- Other reserves	2	3,509.69	7.65	3,517.34
Total equity		**5,111.15**	**(91.18)**	**5,019.97**
Non-current liabilities				
Financial liabilities				
- Borrowings		8.05	-	8.05
- Other financial liabilities		-	-	-
Net employee defined benefit liabilities		8.46	-	8.46
Other non-current liabilities		4.92	-	4.92
Total non current liabilities		**21.43**	**-**	**21.43**
Current liabilities				
Financial liabilities				
- Borrowings		798.83	-	798.83
- Trade payables		900.56	-	900.56
- Other financial liabilities		1,322.31	-	1,322.31
Other current liabilities		60.29	-	60.29
Other provisions		110.23	-	110.23
Total current liabilities		**3,192.22**	**-**	**3,192.22**
Total equity and liabilities		**8,324.80**	**(91.18)**	**8,233.62**

* Indian Gaap numbers have been regrouped to conform to classifications as per Ind AS

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

Annexure IIb - Reconciliation of profit and loss for year ended 31 March 2017

(₹ in millions)

	Particulars	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
I	Revenue from Operations		3,013.50	(87.48)	2,926.02
II	Other Income	1	91.63	1.86	93.49
III	**Total Income (I+II)**		**3,105.13**	**(85.62)**	**3,019.51**
IV	**Expenses**				
	Cost of published goods/materials consumed		1,013.41	-	1,013.41
	Purchases of traded goods		52.52	-	52.52
	(Increase)/decrease in inventories of finished goods and work in progress		72.82	(49.54)	23.28
	Publication expenses		317.00	-	317.00
	Selling and distribution expenses		244.33	(37.94)	206.39
	Employee benefits expense	6	478.09	3.18	481.27
	Finance cost		149.05	-	149.05
	Depreciation and amortisation expense	4	72.62	(7.49)	65.13
	Other expenses	3	271.08	2.66	273.74
	Total expenses		**2,670.92**	**(89.13)**	**2,581.79**
V	**Profit/(loss) before tax (III-IV)**		**434.21**	**3.51**	**437.72**
VI	**Tax expense:**				
	Current tax		171.00		171.00
	Income tax adjustment related to earlier years		1.50		1.50
	Deferred tax (credit)/ charge	7	(9.27)	2.28	(6.99)
	Total tax expenses		**163.23**	**2.28**	**165.51**
VII	**Profit for the period**		**270.98**	**1.23**	**272.21**
VIII	**Other Comprehensive Income**				
	- Items that will not be reclassified to profit or loss	**7**			
	Re-measurement gains/(losses) on defined benefit plans		-	0.42	0.42
	Tax impact on re-measurement gains/(losses) on defined benefit plans		-	(0.15)	(0.15)
IX	**Total Comprehensive Income for the period (VII + VIII)**		**270.98**	**1.50**	**272.48**

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31 March 2017 are as below:-

1. Under previous GAAP, quoted equity investments and mutual funds were valued at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognized in the statement of profit and loss.

2. Under previous GAAP, the Company was accounting employee stock option plans as per intrinsic value method. Under Ind AS, these have been accounted for at fair value as per Ind AS 102. Further, compensation cost of options granted to employees of subsidiary companies have been capitalized with the cost of investments in such subsidiary companies as per Ind AS 102.

3. Under previous GAAP, security deposits given by the Company against lease agreements for office premises at various locations were measured at transaction value ignoring the time value of money. Under Ind AS, these deposits were considered as financial assets and has been valued at amortised cost.

4. Under previous GAAP, goodwill was amortised on straight line basis over a period of 10 years. Under Ind AS, Goodwill is required to be tested for impairment at each reporting date, hence, amount of amortisation made for goodwill under IGAAP has been reversed in the statement of profit and loss or retained earnining.

5. Under previous GAAP, provision was being made on financial assets on incurred loss model. Under Ind AS, provision on financial assets is required to be made as per expected credit loss model considering the expected cash shortfalls from such financial assets and delay in expected realization from such financial assets.

S Chand and Company Limited
Notes to financial statements for the year ended 31 March 2018 *(Continued)*

Annexure IIb - Reconciliation of profit and loss for year ended 31 March 2017 *(Continued)*

6 Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

7 Under Indian GAAP, deferred tax was accounted using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, entities need to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

52. Previous period figures

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

Himanshu Gupta
Director, DIN: 00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited (CIN: L22219DL1970PLC005400)
Consolidated Financial Statements for the year ended 31 March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of S Chand and Company Limited

Report on the Consolidated Ind AS Financial Statements

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, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 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, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of eight subsidiaries, whose Ind AS financial statements include total assets of Rs. 1,910.84 million and net assets of Rs. 777.77 million as on March 31, 2018, and total revenues of Rs. 513.47 million and net cash inflows of Rs. 7.49 million for the year ended on that date. These 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. 12.25 million for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of two associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates, and our report in terms of sub-sections (3) of Section143 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 reports 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 purpose 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, 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 Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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 incorporated in India, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on March 31, 2018 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 of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) 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, 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 – 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, 2018.

   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, 2018.

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: 30 May 2018

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

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

In conjunction with our audit of the consolidated financial statements of S Chand and Company Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of S Chand and Company Limited (hereinafter referred to as the "Holding Company") 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 of 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 on March 31,2018, 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 eight 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.

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: 30 May 2018

S Chand and Company Limited
Consolidated Balance Sheet as at 31 March 2018

(₹ in millions)

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	3	1,073.68	977.52	1,020.91
Capital work-in-progress		7.12	7.66	36.74
Goodwill	4	3,373.77	3,373.77	1,801.24
Other intangible assets	4	694.51	614.06	484.10
Intangible assets under development		61.34	26.51	30.43
Investment in associates	5A	178.60	188.35	201.00
Financial assets				
- Investments	5B	54.39	54.43	52.23
- Loans	5G	93.23	43.29	40.08
- Other financial assets	5F	11.88	9.05	27.67
Other non-current assets	7	125.59	107.81	105.07
Income tax assets (net)	8	9.11	20.31	35.57
Deferred tax assets (net)	9	219.82	173.62	186.41
Total non-current assets		**5,903.04**	**5,596.38**	**4,021.45**
Current assets				
Inventories	6	1,562.24	1,701.86	1,454.83
Financial assets				
- Investments	5C	467.63	155.43	123.95
- Loans	5G	83.02	96.77	76.60
- Trade receivables	5D	6,312.33	4,701.81	3,706.80
- Cash and cash equivalents	5E	664.81	335.57	238.97
- Other financial assets	5F	29.35	42.44	7.55
Other current assets	7	134.12	198.01	100.48
Income tax assets (net)	8	5.10	2.04	2.92
Total current assets		**9,258.60**	**7,233.93**	**5,712.10**
Total assets		**15,161.64**	**12,830.31**	**9,733.55**
Equity and liabilities				
Equity				
Equity share capital	10	174.88	149.22	2.02
Other equity				
- Retained earnings	11	3,333.75	2,314.36	1,889.35
- Other reserves	11	6,488.67	3,947.98	3,947.63
Equity attributable to equity holders of the parent		**9,997.30**	**6,411.56**	**5,839.00**
Non- controlling interests		42.05	132.39	31.47
Total equity		**10,039.35**	**6,543.95**	**5,870.47**
Non-current liabilities				
Financial liabilities				
- Borrowings	13A	265.87	313.36	680.67
- Trade payables	14	6.49	9.35	6.82
- Other financial liabilities	15	3.34	2.36	7.33
Net employee defined benefit liabilities	17	70.19	52.63	51.54
Other non-current liabilities	18	7.54	6.76	7.80
Total non-current liabilities		**353.43**	**384.46**	**754.16**
Current liabilities				
Financial liabilities				
- Borrowings	13B	1,447.52	1,680.16	1,247.23
- Trade payables	14	2,110.03	1,809.52	1,479.51
- Other financial liabilities	15	730.45	2,038.73	102.74
Other provisions	16	251.43	183.53	118.48
Net employee defined benefit liabilities	17	7.08	6.48	6.51
Other current liabilities	18	222.35	183.48	154.45
Total current liabilities		**4,768.86**	**5,901.90**	**3,108.92**
Total equity and liabilities		**15,161.64**	**12,830.31**	**9,733.55**

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**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

Himanshu Gupta
Director, DIN:00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

per Yogesh Midha
Partner, Membership No.: 94941

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(₹ in millions)

		Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
I	**Revenue**			
	Revenue from operations	19	7,944.45	6,592.17
	Other income	20.1	84.88	16.00
	Finance income	20.2	42.39	13.39
	Total Revenue (I)		**8,071.72**	**6,621.56**
II	**Expenses**			
	Cost of published goods/material consumed	21	2,387.64	1,870.12
	Purchase of traded goods	22	74.20	182.75
	Publication expense	23	682.79	566.77
	(Increase)/ decrease in inventories of finished goods, work-in-progress, scrap and components	24	100.53	(70.38)
	Employee benefits expense	25	1,385.61	1,174.51
	Selling and distribution expense	26	737.17	584.49
	Finance costs	27	239.72	353.56
	Depreciation and amortization expense	28	192.84	264.33
	Other expenses	29	649.55	626.19
	Total expenses (II)		**6,450.05**	**5,552.34**
III	**Profit before share of loss of an associate (I-II)**		**1,621.67**	**1,069.22**
IV	**Share of loss in associates**	**34**	**(12.25)**	**(22.66)**
V	**Profit before tax (III - IV)**		**1,609.42**	**1,046.56**
VI	**Tax expense:**			
	(1) Current tax		581.45	416.16
	(2) Income tax adjustment related to earlier years		3.10	4.18
	(3) Deferred tax (credit)/ charge		(45.96)	13.60
VII	**Profit for the period (V-VI)**		**1,070.83**	**612.62**
VIII	**Other Comprehensive Income**	**30**		
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/(losses) on defined benefit plans		1.13	3.26
	Income tax effect		0.24	(1.38)
IX	**Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the year)**		**1,072.20**	**614.50**
	Profit for the year			
	Attributable to:			
	- Equity holders of the parent		1,072.06	558.08
	- Non- controlling interests		0.14	56.42
X	Earnings per equity share:	31		
	Basic		31.14	20.53
	Diluted		31.06	20.49

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**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

Himanshu Gupta
Director, DIN: 00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

per Yogesh Midha
Partner, Membership No.: 94941

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Consolidated Cash Flow Statement for the year ended 31 March 2018

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flow from operating activities		
Profit before tax	**1,621.67**	**1069.22**
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	192.84	264.33
Loss on sale of property, plant & equipment (net)	3.83	1.10
Interest income	(42.39)	(13.39)
Dividend income on investments	(1.39)	(1.40)
Reversal of temporary diminution in value of investments	(41.00)	(0.39)
Miscellaneous amount written back	(3.77)	(0.47)
Net gain on sale of current investments	(6.65)	(5.58)
Interest paid on borrowings	224.78	327.99
Amortization of ancillary borrowing cost	6.42	12.12
Loss on Insurance claim receivable	-	0.27
Foreign exchange difference	1.18	0.10
Employee stock option expense	12.21	17.53
Provision for bad debts and advances	39.67	69.70
Bad debt written off	1.49	9.77
Operating profit before working capital changes	**2,008.89**	**1,750.90**
Movement in working capital:		
(Increase)/ Decrease in inventories	139.62	(247.03)
(Increase)/ Decrease in trade receivable	(1,651.68)	(1,074.49)
(Increase)/ Decrease in loans and advances	29.02	(135.78)
(Increase)/ Decrease in other assets	10.26	(5.54)
Increase/ (Decrease) in provisions	19.56	2.93
Increase/ (Decrease) in trade payable	301.42	333.02
Increase/ (Decrease) in current liabilities	34.80	53.25
Cash generated from operations	**891.89**	**677.26**
Direct taxes paid (net of refunds)	(502.41)	(353.14)
Net cash generated from operating activities (A)	**389.48**	**324.12**
B. Cash flows from investing activities		
Purchase of property, plant & equipment (including assets acquired on acquisition)	(426.58)	(343.43)
Acquisition of subsidiaries, net of cash acquired	9.56	(1,528.93)
Investment in non current investments (including investments acquired on acquisition)	(2.46)	(12.21)
Purchase in current investments	(423.17)	(152.19)
Proceed from sale of current investments	158.62	126.67
Proceed from sale of subsidiary	-	46.80
Proceed from sale of property, plant and equipment	29.95	26.40
Dividend received	1.39	1.40
Interest received	42.39	13.39
Net cash used in investing activities (B)	**(610.30)**	**(1,822.10)**
C. Cash flows from financing activities		
Proceed from issue of equity shares including securities premium	3,318.05	-
Interest paid on borrowings	(224.78)	(327.99)
Assets acquired under Finance Lease	(43.55)	(33.33)

S Chand and Company Limited
Consolidated Cash Flow Statement for the year ended 31st March 2018

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Amortization of ancillary borrowing cost	(4.22)	(10.20)
Proceed from long term borrowings	175.09	-
Repayment of long term borrowings	(2,177.10)	1,545.40
Proceed/(repayment) from short term borrowings	(232.64)	432.93
Dividend paid on equity share	(43.56)	(10.08)
Payments made for fresh issuance of equity share capital	(207.19)	-
Tax on equity dividend paid	(8.87)	(2.05)
Net cash generated from financing activities (C)	**551.23**	**1,594.68**

(₹ in millions)

Particulars	31 March 2018	31 March 2017
Net increase in cash and cash equivalents (A+B+C)	**330.41**	**96.70**
Foreign exchange difference	(1.18)	(0.10)
Cash and cash equivalents at the beginning of the year	335.57	238.97
Cash and cash equivalents at the end of the year	**664.80**	**335.57**
Components of cash and cash equivalents		
Cash in hand	2.36	7.49
With Banks - On current accounts	274.12	321.56
Deposits with original maturity of less than 3 months	140.76	6.52
Cheques in hand	247.57	-
Total cash and cash equivalents (note 5E)	**664.81**	**335.57**
Non-cash investing and financing transaction		
Acquisition of property, plant and equipment by means of a finance lease	**43.55**	**33.33**

(₹ in millions)

Particulars	As at March 31, 2017	Cash Flows	Non cash changes	As at 31 March 2018
Long term borrowings (including current maturity)	2,324.26	(2,002.01)	-	322.25
Short term borrowings	1,680.16	(232.64)	-	1,447.52
	4,004.42	**(2,234.65)**	**-**	**1,769.77**

Summary of significant accounting policies 2.1

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

As per our report of even date

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

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

Himanshu Gupta
Director, DIN: 00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

per Yogesh Midha
Partner, Membership No.: 94941

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Consolidated statement of changes in equity for the year ended 31st March 2018

A Equity share capital:

Issued, subscribed and fully paid up	No. of shares	₹ in millions
At 1 April 2016	**201,652**	**2.02**
Issued during the period – share split	201,652	-
Issued during the period – bonus issue	29,441,192	147.20
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
At 31 March 2018	**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 1st April 2016	**1,889.35**	**3,638.93**	**260.00**	**26.94**	**14.19**	**7.57**	**5,836.98**	**31.47**	**5,868.45**
Profit for the period	556.20	-	-	-	-	-	556.20	56.42	612.62
Other comprehensive income	1.88	-	-	-	-	-	1.88	-	1.88
Total comprehensive income	**2,447.43**	**3,638.93**	**260.00**	**26.94**	**14.19**	**7.57**	**6,395.06**	**87.89**	**6,482.95**
Issue of share capital (bonus issue)	-	(147.20)	-	-	-	-	(147.20)	-	(147.20)
Exercise of share options	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	17.53	17.53	-	17.53
Adjustment relating to subsidiary companies	9.06	-	-	-	-	-	9.06	-	9.06
Transfer to debenture redemption reserve	(130.00)	-	130.00	-	-	-	-	-	-
Interim equity dividend	(10.08)	-	-	-	-	-	(10.08)	-	(10.08)
Dividend distribution tax	(2.05)	-	-	-	-	-	(2.05)	-	(2.05)
Acquisition of a subsidiary	-	-	-	0.02	-	-	0.02	44.50	44.52
As at 31st March 2017	**2,314.36**	**3,491.73**	**390.00**	**26.96**	**14.19**	**25.10**	**6,262.34**	**132.39**	**6,394.73**
As at 31st March 2017	2,314.36	3,491.73	390.00	26.96	14.19	25.10	6,262.34	132.39	6,394.73
Profit 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	(43.56)	-	-	-	-	-	(43.56)	-	(43.56)
Dividend distribution tax	(8.87)	-	-	-	-	-	(8.87)	-	(8.87)
Acquisition of non-controlling interests	(0.24)	-	-	(556.72)	-	-	(556.96)	(100.28)	(657.24)
As at 31st March 2018	**3,333.75**	**6,606.35**	**390.00**	**(529.76)**	**14.19**	**7.89**	**9,822.42**	**42.05**	**9,864.47**

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**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per Yogesh Midha
Partner, Membership No.: 94941

Himanshu Gupta
Director, DIN:00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

S Chand and Company Limited
Notes to the Consolidated Financial Statements for the year ended 31 March 2018

(Amounts in ₹ million, 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 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).

For all periods up to and including the year ended March 31 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounting Standards) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Group has prepared in accordance with Ind AS. Reconciliation and description of transition to Ind AS has been summarised in Note 55.

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 2018.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

(Amounts in ₹ million, unless otherwise stated)

Name of the Company	Country of Incorporation	Relationship as at 31 March 2018	Percentage of effective ownership interest held (directly or indirectly)		
			31 March 2018	31 March 2017	1 April 2016
Nirja Publishers and Printers Private Limited	India	Subsidiary of S Chand and Company Limited	100%	100%	100%
Eurasia Publishing House Private Limited	India	Subsidiary of S Chand and Company Limited	100%	100%	100%
Blackie & Son (Calcutta) Private Limited	India	Subsidiary of S Chand and Company Limited	100%	100%	100%
Vikas Publishing House Private Limited*	India	Subsidiary of S Chand and Company Limited	100%	100%	100%
Safari Digital Education Initiatives Private Limited**	India	Subsidiary of S Chand and Company Limited	100%	100%	100%
BPI (India) Private Limited	India	Subsidiary of Blackie & Son (Calcutta) Private Limited	51%	51%	51%
Arch Papier-Mache Private Limited***	India	Subsidiary of Vikas Publishing House Private Limited	-	-	100%
S Chand Edutech Private Limited	India	Subsidiary of Safari Digital Education Initiatives Private Limited	100%	74%	74%
D S Digital Private Limited****	India	Subsidiary of S Chand and Company Limited	99.93%	99.93%	99.93%
New Saraswati House (India) Private Limited*****	India	Subsidiary of S Chand and Company Limited	100%	100%	100%
Chhaya Prakashani Private Limited******	India	Subsidiary of S Chand and Company Limited	100%	74%	-
Indian Progressive Publishing Co. Private Limited	India	Wholly owned subsidiary of Chhaya Prakashani Private Limited	100%	74%	-
Publishing Services Private Limited	India	Wholly owned subsidiary of Chhaya Prakashani Private Limited	100%	74%	-
Edutor Technologies India Private Limited	India	Associate of Safari Digital Education Initiatives Private Limited	44.66%	44.66%	44.66%
Smartivity Labs Private Limited	India	Associate of S Chand And Company Limited	24.12%	24.69%	25.70%

* 2% held by Nirja Publishers and Printers Private Limited

** 40.08% held by Nirja Publishers and Printers Private Limited

*** Subsidiary till 8th December 2016

**** 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

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for associates and joint ventures.

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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
(Amounts in ₹ million, unless otherwise stated)

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.

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

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

(Amounts in ₹ million, unless otherwise stated)

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

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

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

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

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

The group classifies all other liabilities as non-current.

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

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

2.4 Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

2.5 Fair value measurement

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

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

(i) in the principal market for the asset or liability, or

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

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

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

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

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

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

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

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
(Amounts in ₹ million, unless otherwise stated)

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

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

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

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

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

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

(i) Disclosures for valuation methods, significant estimates and assumptions (Note 32)
(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 is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred i.e. at the time of handing over goods to the carrier for transportation except in case of one subsidiary where revenue is recognised at the time of delivery of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of sales returns, turnover discounts and cash discounts.

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

Interest income

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

Dividends

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

Rental income

Rental Income arising from operating leases of computers is accounted for on a straight line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

(Amounts in ₹ million, unless otherwise stated)

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.

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

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 group 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 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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
(Amounts in ₹ million, unless otherwise stated)

Depreciation

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

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

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

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

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 group 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 group 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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
(Amounts in ₹ million, unless otherwise stated)

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
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure during development

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

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

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

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

2.10 Borrowing costs

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

2.11 Leases

The 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.

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Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
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Group as a lessor

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

2.12 Inventories

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

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

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

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

2.13 Impairment of non–financial assets

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

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

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

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.

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

(Amounts in ₹ million, unless otherwise stated)

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)
- 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.

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De-recognition

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

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

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

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

Impairment of financial assets

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

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

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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.

(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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
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De-recognition

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

Re-classification of Financial Assets

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

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Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*
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Equity settled transactions

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

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

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

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

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

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

2.17 Provisions

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

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

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.

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Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

(Amounts in ₹ million, unless otherwise stated)

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

2.21 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 Standards issued but not yet effective

a. Ind AS 115 – Revenue from contracts with customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is 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. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The group will adopt the new standard on the required effective date using the modified retrospective method. The group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed.

b. Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

c. Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the group's current practice is in line with the Interpretation, the group does not expect any effect on its financial statements.

Changes in accounting policies and disclosures

New and amended standards and interpretations

The group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The group has provided the information for both the current and the comparative period in Cash Flow Statement.

Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

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3. Property, plant and equipment

(₹ in millions)

	Lease-hold land	Building office	Building factory	Plant & machinery	Furniture & fixtures	Vehicles*	Office equip-ments	Leasehold improve-ment	Electrical installa-tions	Computers	Total
Gross block											
As at 1 April 2016	106.35	14.47	204.92	390.21	49.86	53.11	39.12	22.46	14.86	125.55	1,020.91
Additions	-	-	36.99	105.74	5.12	29.20	10.01	0.76	0.02	31.78	219.62
Acquisition of a subsidiary	-	-	-	1.60	4.25	4.13	0.12	-	0.98	1.14	12.22
Disposals	-	-	-	(15.89)	(0.62)	(10.28)	(0.07)	(1.01)	-	(3.51)	(31.38)
Transfer of a subsidiary	(41.10)	(0.56)	(36.99)	-	-	(3.63)	(0.96)	-	-	-	(83.24)
As at 31 March 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**
Accumulated depreciation											
As at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	1.14	0.64	10.91	51.96	13.13	18.95	17.20	3.73	3.96	44.91	166.53
Disposals	-	-	-	(1.75)	(0.08)	(1.76)	(0.02)	(0.04)	-	(1.40)	(5.05)
Transfer of a subsidiary	-	(0.02)	(0.60)	-	-	-	(0.25)	-	-	-	(0.87)
As at 31 March 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**
Net block											
As at 31 March 2016	**106.35**	**14.47**	**204.92**	**390.21**	**49.86**	**53.11**	**39.12**	**22.46**	**14.86**	**125.55**	**1,020.91**
As at 31 March 2017	**64.11**	**13.29**	**194.61**	**431.45**	**45.56**	**55.34**	**31.29**	**18.52**	**11.90**	**111.45**	**977.52**
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**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

Note: Cost as at April 1, 2016 is calculated as shown below:

(₹ in millions)

Particulars	Leasehold land	Building office	Building factory	Plant & machinery	Furniture & fixtures	Vehicles	Office equip-ments	Leasehold improvement	Electrical installations	Computers	Total
Gross block	116.02	22.68	219.36	605.24	109.85	127.51	106.83	29.21	23.06	328.41	1,688.17
Accumulated amortization	(9.67)	(8.21)	(14.44)	(215.03)	(59.99)	(74.40)	(67.71)	(6.75)	(8.20)	(202.86)	(667.26)
Deemed cost as at 1 April 2016	**106.35**	**14.47**	**204.92**	**390.21**	**49.86**	**53.11**	**39.12**	**22.46**	**14.86**	**125.55**	**1,020.91**

Note: Since 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 current year increased by	**71.15**

* The carrying value of vehicles held under finance leases contracts at 31 March 2018 was ₹ 86.79 million (31 March 2017: ₹ 55.35 million and 1 April 2016: ₹ 53.1 million). Additions during the year include ₹ 43.55 million (31 March 2017: ₹ 33.33 million) under finance leases contracts. Leased assets are pledged as security for the related finance leases.

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

4. Intangible assets

(₹ in millions)

	Goodwill	Computer software	Trademark	Copy-right	Website designing	Technical knowhow	Content develop-ment (in House)	Mobile application	License fees	Total
Gross block										
As at 1 April 2016	**1,801.24**	**55.23**	**-**	**145.80**	**0.11**	**3.21**	**278.94**	**-**	**0.81**	**2,285.34**
Purchase	-	12.90	0.11	0.53	-	-	209.27	-	-	222.81
Acquisition of a subsidiary	1,573.43	4.52	0.06	0.64	-	-	-	-	-	1,578.65
Disposals	(0.90)	(0.34)	-	-	-	-	-	-	-	(1.24)
As at 31 March 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	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	**3,373.77**	**81.50**	**0.34**	**151.23**	**0.11**	**3.21**	**657.55**	**2.21**	**0.81**	**4,270.73**
Accumulated amortization										
As at 1 April 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amortization for the year	-	25.82	0.01	20.85	0.02	0.57	49.89	-	0.64	97.80
Disposals	-	(0.07)	-	-	-	-	-	-	-	(0.07)
As at 31 March 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**
Net block										
As at 1 April 2016	**1,801.24**	**55.23**	**-**	**145.80**	**0.11**	**3.21**	**278.94**	**-**	**0.81**	**2,285.34**
As at 31 March 2017	**3,373.77**	**46.56**	**0.16**	**126.12**	**0.09**	**2.64**	**438.32**	**-**	**0.17**	**3,987.83**
As at 31 March 2018	**3,373.77**	**43.95**	**0.27**	**109.18**	**0.07**	**2.01**	**536.90**	**2.13**	**-**	**4,068.28**

Note: Cost as at April 1, 2016 is calculated as shown below:

(₹ in millions)

Particulars	Goodwill	Computer software	Trademark	Copy-right	Website designing	Technical knowhow	Content develop-ment (in House)	Mobile application	License fees	Total
Gross block	1,881.23	75.03	-	190.32	0.32	5.54	412.23	-	10.89	2,575.56
Accumulated amortization	(79.99)	(19.80)	-	(44.52)	(0.21)	(2.33)	(133.29)	-	(10.08)	(290.22)
Deemed cost as at 1 April 2016	**1,801.24**	**55.23**	**-**	**145.80**	**0.11**	**3.21**	**278.94**	**-**	**0.81**	**2,285.34**

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.

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

5 Financial assets

(₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
5A. Investment in associates (refer note 34)			
Investment in unquoted equity shares			
50 (31 March 2017: 50 and 1 April 2016: 1) share of ₹ 10 each fully paid up in Smartivity Labs Private Limited	0.52	0.52	0.00
2,025,766 (31 March 2017: 2,025,766 and 1 April 2016: 2,025,766) Equity Shares of ₹ 2/- each fully paid up in Edutor Technologies (I) Private Limited	168.55	175.35	194.86
	169.07	**175.87**	**194.86**
Investment in unquoted preference shares			
5,264 (31 March 2017: 5,064 and 1 April 2016: 4,164) 0.001% compulsorily convertible cumulative shares of ₹ 10 each fully paid up in Smartivity Labs Private Limited	9.53	12.48	6.14
	9.53	**12.48**	**6.14**
Total	**178.60**	**188.35**	**201.00**
5B. Non-current investments			
Investments valued at cost			
Investment in unquoted equity shares			
100 (31 March 2017: 100 and 1 April 2016: 100) Equity Shares of ₹. 10/- each of Gyankosh Solutions Private Limited	0.01	0.01	0.01
100 (31 March 2017: 100 and 1 April 2016: 100) Equity Shares of ₹ 10/- each of Testbook Edu Solutions Private Limited	0.83	0.83	0.83
	0.84	**0.84**	**0.84**
Investment in unquoted preference shares			
319,900 (31 March 2017: 319,900 and 1 April 2016: 319,900) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Gyankosh Solutions Private Limited	24.15	24.15	24.15
2,690 (31 March 2017: 2,690 and 1 April 2016: 2,690) Compulsory Convertible Cumulative Preference Shares of ₹ 500/- each of Testbook Edu Solutions Private Limited	22.23	22.23	22.23
353 (31 March 2017: 353 and 1 April 2016: 353) Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each of Next Door Learning Solutions Private Limited	4.87	4.87	4.87
	51.25	**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	0.03
	2.17	**2.17**	**0.03**
Investments in quoted equity shares			
500 (31 March 2017: 500 and 1 April 2016: 500) shares of ₹ 10 each fully paid up in State Bank of India	0.11	0.14	0.09
200 (31 March 2017: 200 and 1 April 2016: 200) shares of ₹ 10 each fully paid up in Oriental Bank of Commerce	0.02	0.03	0.02
	0.13	**0.17**	**0.11**
Total Non- Current Investments	**54.39**	**54.43**	**52.23**
Aggregate value of quoted investment	**0.13**	**0.17**	**0.11**
Aggregate value of unquoted investment	**54.26**	**54.26**	**52.12**
Aggregate value of impairment in value of investments	**0.07**	**0.07**	**0.07**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

5C Investments - Current (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Investments valued at cost			
Investment in others			
512,500 (31 March 2017: 512,500 and 1 April 2016: 512,500) redeemable shares of ₹ 10 each fully paid up in M/s Walldorf Integration Solutions Limited (refer note no 49)	64.06	41.00	41.00
Less : Impairment of investment	-	(41.00)	(41.00)
	64.06	**-**	**-**
Investments at fair value through profit and loss			
Investments in quoted equity shares			
1,000 (31 March 2017: 1,000 and 1 April 2016: 1,000) shares of ₹ 10 each fully paid up in M/s Freshtop Fruits Limited	0.14	0.09	0.08
125 (31 March 2017: 125 and 1 April 2016: 125) shares of ₹ 10 each fully paid up in M/s Reliance Power Limited	0.00	0.01	0.01
400 (31 March 2017: 400 and 1 April 2016: 400) shares of ₹ 10 each fully paid up in M/s EIH Associated Hotel Limited	0.19	0.14	0.12
10,000 (31 March 2017: 10,000 and 1 April 2016: 10,000) shares of Rs. 10 each fully paid up in M/s Bharat Glass Tubes Limited	-	-	-
40 (31 March 2017: 40 and 1 April 2016: 40) shares of ₹ 10 each fully paid up in M/s Reliance Industries Limited	0.04	0.03	0.02
21,600 (31 March 2017: 21,600 and 1 April 2016: 21,600) shares of ₹ 10 each fully paid up in M/s Winsome Breweries Limited	0.20	0.21	0.16
500 (31 March 2017: 500 and 1 April 2016: 500) shares of ₹ 10 each fully paid up in State Bank of India	0.12	0.15	0.10
200 (31 March 2017: 200 and 1 April 2016: 200) shares of ₹ 10 each fully paid up in Oriental Bank of Commerce	0.02	0.03	0.02
42,564 (31 March 2017: 42,564 and 31 March 2016: 42,564) shares of ₹ 10 each fully paid up in M/s Mahaan Foods Limited	0.56	0.72	0.46
10,457 (31 March 2017: 10,457 and 31 March 2016: 10,457) shares of ₹ 1 each fully paid up in M/s Pentamedia Graphics Limited	0.01	0.01	0.01
2,000 (31 March 2017: 2,000 and 31 March 2016: 2,000) shares of ₹ 10 each fully paid up in M/s Vardhman Concrete Limited	0.01	0.02	0.03
100 (31 March 2017: 100 and 31 March 2016: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited	0.06	0.05	0.04
100 (31 March 2017: 100 and 31 March 2016: 100) shares of ₹ 10 each fully paid up in M/s Zee Entertainment Enterprises Limited (Bonus shares)	0.06	0.05	0.04
	1.41	**1.51**	**1.09**
Investments in mutual fund (quoted)			
Nil (31 March 2017: 138,171 and 31 March 2016: Nil) units of ₹100 each in Birla Sun Life Cash Manager - Growth -Direct Plan	-	56.10	-
Nil (31 March 2017: 76,752 and 31 March 2016: Nil) units of ₹ 100 each in Birla Sun Life Cash Manager - Growth -Regular Plan	-	30.10	-
Nil (31 March 2017: 3,269,594 and 31 March 2016: Nil) units of ₹ 10 each in Kotak Equity Arbitrage Fund - Dividend Plan	-	65.77	-
693,636 (31 March 2017: Nil and 31 March 2016: Nil) units of ₹ 10 each Aditya Birla Sun Life Mutual Fund Growth-Regular Plan	289.63	-	-
57,906 (31 March 2017: 57,906 and 1 April 2016: 57,906) units of Templeton India Corporate Bond Opportunities Growth Fund	1.01	0.97	0.87

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

5C. Investments - Current *(Continued)*

	31 March 2018	31 March 2017	01 April 2016
89,039 (31 March 2017: 83,834 and 1 April 2016: 82,212) units in Principal Monthly Income Plan - Dividend Reinvestment	1.05	0.98	0.90
32,987 (31 March 2017: Nil and 1 April 2016: 40,359) units in HDFC Liquid Fund - Direct Plan Growth option	110.47	-	120.45
Nil (31 March 2017: Nil and 1 April 2016: 6,278) units in ICICI Prudential Fund	-	-	0.64
	402.16	**153.92**	**122.86**
Investment in debentures			
50 (31 March 2017: 50 and 1 April 2016: 50) units of ₹ 40 each in MGF Limited	-	-	-
	-	-	-
Total current investments	**467.63**	**155.43**	**123.95**
Aggregate book value of quoted investments	**403.57**	**155.43**	**123.95**
Aggregate market value of quoted investments	**403.57**	**155.43**	**123.95**
Aggregate value of unquoted investments	**64.06**	**-**	**-**
Aggregate value of impairment in value of investments	**-**	**41.00**	**41.00**

5D. Trade receivables (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Trade receivables	6,312.33	4,701.81	3,706.80
Total trade receivables	**6,312.33**	**4,701.81**	**3,706.80**
Break-up for security details:			
Trade receivables			
Unsecured, considered good	6,312.33	4,701.81	3,706.80
Doubtful	300.89	293.39	235.48
	6,613.22	**4,995.20**	**3,942.28**
Impairment allowance (allowance for bad and doubtful debts)			
Doubtful	(300.89)	(293.39)	(235.48)
Total trade receivables	6,312.33	4,701.81	3,706.80
Current	6,312.33	4,701.81	3,706.80
Non-Current	-	-	-
The movement in impairment of trade receivables as follow:			

	31 March 2018	31 March 2017	01 April 2016
Opening balance	293.39	235.48	235.48
Additions	39.67	69.70	-
Write off (net of recovery)	(32.17)	(11.79)	-
Closing balance	**300.89**	**293.39**	**235.48**

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

5E. Cash and cash equivalents (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Balances with banks			
- In current accounts	274.12	321.56	223.72
- Deposits with original maturity of less than three months	140.76	6.52	1.89
Cheques/ drafts in hand	247.57	-	-
Cash in hand	2.36	7.49	13.36
Total	**664.81**	**335.57**	**238.97**
Current	**664.81**	**335.57**	**238.97**
Non-Current	**-**	**-**	**-**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

5F. Other financial assets (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Margin money deposit			
- Deposits with remaining maturity for less than 12 months	14.14	2.55	5.76
- Deposits with remaining maturity for more than 12 months	7.18	4.41	4.47
Interest accrued but not due on fixed deposits (short term)	1.61	2.04	1.44
Interest accrued but not due on fixed deposits (long term)	1.37	0.32	0.28
Advance to employees	5.50	0.57	0.24
Others	0.40	0.12	-
Restricted cash	0.03	-	-
Margin money	11.00	41.48	23.03
Total	**41.23**	**51.49**	**35.22**
Current	**29.35**	**42.44**	**7.55**
Non-current	**11.88**	**9.05**	**27.67**

i. Margin money deposit with a carrying amount of ₹0.11 million (31 March 2017: ₹ 0.11 million and 31 March 2016: ₹ 0.11 million) has been deposited with sales tax department.

ii. Margin money deposit with a carrying amount of ₹ 5.94 million (31 March 2017: ₹ 34.14 million 01 April 2016: 18.28 million) has been earmarked for the repayment of Buyer Credit taken from Indusind Bank.

iii. Margin money deposits with a carrying amount of ₹ 4.33 million (31 March 2017: ₹ 4.20 million and 01 April 2016: ₹ 4.18 million) are subject to first charges to secure the company's bank guarantees.

iv. Margin money deposits with carrying amount of ₹ 0.54 million (31 March 2017: ₹ 0.38 million 01 April 2016: ₹ 0.38 million) is subject to Registration of UP VAT & DVAT.

v. Margin money deposits with carrying amount of Nil (31 March 2017: ₹ 2.57 million 01 April 2016: Nil) has been earmarked against the LC taken from banks.

vi. Margin money deposits amounting to ₹ 0.08 million (31 March 2017: ₹ 0.08 million 01 April 2016: ₹ 0.08 million) are under lien with banks towards bank guarantees issued by them

vii. Restricted cash represent earmarked balance for dividend payouts.

5G. Loans (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Security deposits			
Unsecured, considered good			
- Current	38.22	45.87	29.33
- Non- current	55.69	9.56	9.75
Loans			
Unsecured, considered good			
- Current	-	-	-
- Non- current	37.54	33.73	30.33
Advances recoverable in cash or in kind			
Unsecured, considered good			
- Current	43.33	50.06	44.95
Unsecured, considered doubtful			
- Current	-	0.69	0.69

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

5G. Loans *(Continued)* (₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances recoverable from related parties			
Unsecured, considered good			
- Current	1.47	0.84	2.32
	176.25	**140.75**	**117.37**
Less: Allowance for expected credit loss	-	(0.69)	(0.69)
Total	**176.25**	**140.06**	**116.68**
Current	**83.02**	**96.77**	**76.60**
Non current	**93.23**	**43.29**	**40.08**

6. Inventories (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Raw materials (at cost)	138.21	181.96	109.67
Raw materials others	3.78	1.02	2.62
Stores and spares	4.05	4.35	3.58
Work in progress (at cost)	14.67	26.86	31.52
Finished goods (at lower of cost or net realisable value)			
- Manufactured goods	1,380.61	1,451.26	1,274.94
- Imported goods	1.23	6.55	7.52
- Traded goods	19.69	31.76	26.88
	1,562.24	**1,703.76**	**1,456.73**
Less: provision for slow moving stock-raw material and components	-	(1.90)	(1.90)
Total	**1,562.24**	**1,701.86**	**1,454.83**

7. Other assets

7A. Capital advances (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Unsecured, considered good.	29.26	1.82	12.84
Total	**29.26**	**1.82**	**12.84**

7B. Other advances (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Unsecured, considered good.	64.39	144.69	33.49
Total	**64.39**	**144.69**	**33.49**

7C. Prepaid expenses (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Prepaid expenses - current	32.61	25.81	22.64
Prepaid expenses - non-current	14.80	16.25	20.95
Total	**47.41**	**42.06**	**43.59**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

7D. Balance with statutory / government authorities (₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	23.48	13.75	11.01
Total	**23.48**	**13.75**	**11.01**

7E. Other assets (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Income tax recoverable	23.64	31.97	16.54
MAT credit entitlement (Non current)	69.89	63.45	64.22
MAT credit entitlement (Current)	-	4.24	7.10
Ancillary cost of arranging borrowings (Non current)	0.68	0.36	3.84
Ancillary cost of arranging borrowings (Current)	0.96	3.48	1.92
Share issue expenses (current)	-	-	11.00
Total	**95.17**	**103.50**	**104.62**
Grand total	**259.71**	**305.82**	**205.55**
Current	**134.12**	**198.01**	**100.48**
Non current	**125.59**	**107.81**	**105.07**

8. Income tax asset (net) (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Advance income tax (net of provision for tax)	14.21	22.35	38.49
Total	**14.21**	**22.35**	**38.49**
Current	**5.10**	**2.04**	**2.92**
Non- current	**9.11**	**20.31**	**35.57**

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 2018	31 March 2017
Current income tax:		
Current income tax charge	581.45	416.16
Income tax adjustment related to earlier years	3.10	4.18
Deferred tax:		
Relating to origination and reversal of temporary differences	(45.96)	13.60
Income tax expense reported in the statement of profit or loss	**538.59**	**433.94**

OCI section	31 March 2018	31 March 2017
Deferred tax related to items recognised in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	0.24	(1.38)
Income tax charged to OCI	**0.24**	**(1.38)**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

9. Income Tax *(Continued)*

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

(₹ in millions)

	31 March 2018	31 March 2017
Accounting profit before income tax	1,609.42	1,046.56
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	556.99	362.19
Adjustments:		
- Adjustments in respect of current income tax of previous years	(2.93)	1.50
- *Non-deductible expenses for tax purposes:*	24.78	15.61
Permanent difference	(29.42)	40.53
Exempt income under section 80IC	(3.18)	(2.99)
Income taxable at lower than statutory tax rate	-	(2.23)
Others	(7.55)	19.16
Basis difference that will reverse during tax holiday period	(0.10)	0.17
At the effective income tax rate of 33.46% (31 March 2017: 41.46%)	**538.59**	**433.94**
Income tax expense reported in the statement of profit and loss	**538.59**	**433.94**

C. Deferred tax:

(₹ in millions)

	31 March 2018	31 March 2017	1 April 2016
Deferred tax relates to the following:			
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	145.07	143.96	164.70
Fixed assets: impact of differences between tax depreciation and depreciation/ amortization charged in the financial statements	(92.93)	(67.74)	(61.03)
Impact on account of brought forward depreciation of income tax	60.67	-	-
Impact on account of brought forward losses	4.57	-	-
Provision for doubtful debts	101.80	116.65	78.92
Provision for diminution in value of investments	-	13.95	13.95
Other	0.64	(33.20)	(10.13)
Net deferred tax assets	**219.82**	**173.62**	**186.41**

10. Share capital

(₹ in millions)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
40,000,000 (31 March 2017: 40,000,000 and 1 April 2016: 2,210,000) equity shares of ₹ 5/- each (31 March 2017: equity shares of ₹ 5 each and 31 March 2016: equity shares of ₹ 10 each)	200.00	200.00	22.10
Issued, subscribed and fully paid equity capital			
34,975,287 (31 March 2017: 29,844,496 and 1 April 2016: 201,652) equity shares of ₹ 5/- each (31 March 2017: equity shares of ₹ 5 each and 31 March 2016: equity shares of ₹ 10 each)	174.88	149.22	2.02
	174.88	**149.22**	**2.02**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

10. 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 1 April 2016	**2,210,000**	**22.10**
Increase during the year	37,790,000	177.90
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**

Issued equity capital	No. of shares	(₹ in millions)
Equity share of ₹ 5/- each issued, subscribed and fully paid		
As at 1 April 2016	**201,652**	**2.02**
Issued during the year – Share split	201,652	-
Issued during the year – Bonus issue	29,441,192	147.20
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**

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 2017: ₹ 5 per share and 31 March 2016: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share interim dividend recognized as distributions to equity shareholders at record date of 28 April 2016 was ₹ 25 per share (31 March 2016: Nil).

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

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

As at 31 March 2018	No. of shares	% of holding
Mr. Himanshu Gupta	5,777,454	16.52%
Mr. Dinesh Kumar Jhunjhnuwala	3,790,229	10.84%
Mrs. Neerja Jhunjhnuwala	3,313,018	9.47%
Everstone Capital Partners II LLC	3,323,229	9.50%
International Finance Corporation	2,805,784	8.02%
HDFC Trustee Company Limited - HDFC Prudence Fund	2,485,159	7.11%

As at 31 March 2017	No. of shares	% of holding
Mr. Dinesh Kumar Jhunjhnuwala	4,064,820	13.62%
Mr. Himanshu Gupta	6,167,752	20.67%
Mrs. Neerja Jhunjhnuwala	3,553,036	11.91%
Everstone Capital Partners II LLC	9,629,472	32.27%
International Finance Corporation	2,805,784	9.40%

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

10. Share capital *(Continued)*

d. **Aggregate number of bonus shares issued during the period of five years immediately preceding the report date:**

	31 March 2018 No. of shares	31 March 2017 No. of shares	31 March 2016 No. of shares
Equity shares allotted as fully paid up bonus shares by capitalization of securities premium	-	29,441,192	-

e. **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 2018	As at 31 March 2017
Retained earning		
Balance as the beginning of the year	2,314.36	1,889.35
Add: Surplus during the year	1,070.69	556.20
Add: Other comprehensive income	1.37	1.88
Less: Adjustment relating to subsidiary companies	(0.24)	9.06
Less: Dividend for the year	(43.56)	(10.08)
Less: DDT on Dividend	(8.87)	(2.05)
Less :Transfer to debenture redemption reserve	-	(130.00)
Balance as the end of the year	**3,333.75**	**2,314.36**
Securities premium account		
Balance as the beginning of the year	3,491.73	3,638.93
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)	-
Less: Utilization towards issue of fully paid bonus shares	-	(147.20)
Balance as the end of the year	**6,606.35**	**3,491.73**
Debenture redemption reserve		
Balance as the beginning of the year	390.00	260.00
Increase/(Decrease) during the year	-	130.00
Balance as the end of the year	**390.00**	**390.00**
Capital reserve		
Balance as the beginning of the year	26.96	26.94
Increase/(Decrease) during the year	-	0.02
Less: Acquisition of non- controlling interest	(556.72)	-
Balance as the end of the year	**(529.76)**	**26.96**
General reserve		
Balance as the beginning of the year	14.19	14.19
Increase/(Decrease) during the year	-	-
Balance as the end of the year	**14.19**	**14.19**
ESOPs reserve		
Balance as the beginning of the year	25.10	7.57
Add: Compensation options granted during the year	12.21	17.53
Less: Transferred to securities premium on exercise of stock options	(29.42)	-
Balance as the end of the year	**7.89**	**25.10**
Total	**9,822.42**	**6,262.34**

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

12 Distribution made and proposed (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Final dividend on equity shares for the year ended 31 March 2017 : ₹ 1.25 per share	43.56	-	-
Dividend distribution tax on final dividend	8.87	-	-
Interim dividend for the year ended on 31 March 2018: ₹ Nil (31 March 2017: ₹ 25 per share)	-	10.08	-
Dividend distribution tax on interim dividend	-	2.05	-
Total	**52.43**	**12.13**	**-**
Proposed dividends on equity shares:			
Proposed dividend for the year ended on 31 March 2018: ₹ 1.50 per share (31 March 2017: ₹ 1.25 per share)	52.46	43.56	-
Dividend distribution tax on proposed dividend	10.68	8.87	-
Total	**63.14**	**52.43**	**-**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31.

13 Borrowings (₹ in millions)

13A Non-current borrowings	31 March 2018	31 March 2017	01 April 2016
Term Loans			
Foreign Currency loan from banks (secured) (refer note 1 below)	170.00	-	-
Indian rupee loan from banks (secured) (refer note 2 to 5 below)	30.00	129.34	142.09
Indian rupee loan from others (secured) (refer note 6 to 13 below)	48.38	171.62	442.34
Indian rupee loan from related party (unsecured)	-	-	22.49
Vehicle loans			
Indian rupee loan from bank (secured) (refer note 14 to 20 below)	13.13	10.82	12.07
Indian rupee loan from others (secured) (refer note 21 to 23 below)	4.36	1.58	-
Buyers Credit			
Foreign Currency loan from bank (secured) (refer note 24 below)	-	-	61.68
Total non-current borrowings	**265.87**	**313.36**	**680.67**
Secured	**265.87**	**313.36**	**658.18**
Unsecured	**-**	**-**	**22.49**

Notes:-

1. In New Saraswati House (India) Private Limited, Working Capital Loan of ₹ 170 millions from RBL Bank taken during the year and is carrying an interest rate of 9.15 % p.a. repayable in 12 quarterly instalments starting from May 2018. The loan is secured by way of (i) First pari passu charge on entire existing and future current assets (ii) First pari passu charge over the entire existing and future fixed asset of the Company, and (iii) Corporate Guarantee of S Chand and Company Limited.

2. In Vikas Publishing House Private Limited, the Indian rupees loan from IndusInd bank carries interest at one year MCLR plus 1.85% p.a. The loan is repayable in 18 equal quarterly instalments each after moratorium of six months along with interest from the date of loan. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of term loan. Further, the loan has been guaranteed by the corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited). Company has repaid full loan amount during the financial year 2017-18.

3. In New Saraswati House (India) Private Limited, Loan Equivalent Ratio (LER) facility of ₹ 30 millions from RBL Bank taken during the year and is carrying an interest rate of 4.78 % 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 entire existing and future fixed asset of the Company, and (iii) Corporate Guarantee of S Chand and Company Limited.

4. In Vikas Publishing House Private Limited, The Indian rupee loan from State Bank of India carries interest at Base rate plus 2.35% p.a.

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

13A. Non-current borrowings *(Continued)*

It is repayable in 20 equal quarterly installments;Quaterly Principal of Rs. 8.5 million each plus interest on monthly basis, starting from April 2015. It is secured by Pari Passu Charge on commercial property situated at E-28, Sector -8, Noida and Hypothecation of furniture and fixtures and Collateral of Leasehold industrial plot and building situated at 20/4, Sahibabad Site IV, Industrial Area, Ghaziabad and Commercial property in basement floor bearing premises No. 16 , Old No. 1324, 18/3 , 4th Main, 4th Cross, Ward 27, Gandhinagar , Bangalore and Plant and Machinery. The loan is also secured by personal guarantee of directors and S Chand and Company Limited. Company has repaid full loan amount during the financial year 2017-18.

5. In Vikas Publishing House Private Limited, the Indian rupees loan from IndusInd bank carries interest at one year MCLR plus 1.95% p.a. The loan is repayable in 18 equal quarterly instalments each after moratorium of six months along with interest from the date of loan. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of term loan. Further, the loan has been guaranteed by the corporate guarantee of S Chand and Company Limited. Company has repaid full loan amount during the financial year 2017-18.

6. In S Chand And Company Limited, 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 ₹ 71.42 million beginning from June 2018. 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) Private Limited 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.

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.

7. In S Chand And Company Limited, term loan from Siemens Financial Limited taken during the financial year 2013-14, carries interest @ 13.75%. The loan is repayable in 36 equal monthly instalments beginning from June' 2013 onwards. The instalment amount ranges from Rs. 0.18 million to of Rs. 0.32 million. The loan is secured by hypothecation of equipments being purchased, currently valued at Rs 14.45 million. 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 2016-17.

8. In S Chand And Company Limited, term loan from Siemens Financial Limited taken during the financial 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 Rs. 0.34 million to Rs. 0.54 million. The loan is secured by hypothecation of assets being purchased, currently valued at Rs. 14.45 million. 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 current year.

9. In S Chand And Company Limited, 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 Rs. 0.08 million 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 current year.

10. In Vikas Publishing House Private Limited, Company has taken three term loan from Siemens Financial Services Private Limited for purchase of machines during the year, which carries interest @ 11.50% p.a. It is repayable in 36 Monthly equated monthly instalments. It is secured by hypothecation of respective machine and Corporate Guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited).

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

13A. Non-current borrowings *(Continued)*

11. In DS Digital Private Limited, term loan from Siemens Financial Limited taken during the financial year 2015-16, carries interest @13.50% . The loan is repayable in 36 equal monthly instalments of Rs. 0.08 million beginning from April 2015.

12. In Vikas Publishing House Private Limited, 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 Monthly equated monthly instalments. It is secured by hypothecation of respective machine and Corporate Guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited). Company has made interest free refundable security deposits of Rs. 2.7 million to lender, included in non current security deposit in Note 5G.

13. In S Chand And Company Limited, 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 million to ₹ 48.46 million per quarter. On December 2015, Company had made early repayment of loan facility amounting to ₹ 350 million, 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 million to Rs. 48.46 million 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 current year.

14. In Chhaya Prakashani Private Limited, Vehicle loans have been taken from ICICI Bank and carry interest @ 9.80% to 14.90%. The loan is repayable in 36 equal monthly instalments. The loan is secured by hypothecation of respective vehicles.

15. 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. 0.1 million. The loan is secured by hypothecation of respective vehicles.

16. In S Chand And Company Limited, Vehicle loan taken during the current year from Yes Bank Ltd, carry interest @ 8.90% p.a. The loan is repayable in 60 equal monthly instalments of Rs. 0.02 million to Rs. 0.03 million. The loan is secured by hypothecation of respective vehicle.

17. In New Saraswati House (India) Private Limited, Vehicle loan from HDFC bank has taken during the year, 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.

18. 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.

19. In BPI (India) Private Limited, Vehicle Loan from HDFC Bank Limited carries interest @ 9.7% p.a. The loan is repayable in 60 equal monthly instalments of ₹ 0.05 million each including interest, from the date of loan, viz., 5 September 2013. The loan is secured by hypothecation of vehicle of the Company.

20. 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.

21. In S Chand And Company Limited, Vehicle loan taken during 2016-17 from Daimler Financial, carry interest @ 9.81% p.a. The loan is repayable in 36 equal monthly instalments of Rs. 0.13 million. The loan is secured by hypothecation of respective vehicle.

22. In New Saraswati House (India) Private Limited, Vehicle loan from Daimler Financial Services India Private Limited bank has taken during the year, 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.

23. 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.

24. In Vikas Publishing House Private Limited, Buyer's credit has been taken from Indusind bank for 3 different transactions, the maximum rate of interest being 10.22 % p.a and the buyer's credit was repayable in the year 2017, the maximum date for redemption being 13th July 2017 and it has been repaid with in time. The interest rate includes the cost of hedging the buyer's credit from Indusind bank. The loan is secured by way of exclusive charge over the machinery purchased by the Company from the proceeds of buyer's credit. Further, the buyer's credit has been guaranteed by the corporate guarantee of S Chand and Company Limited (formerly S Chand and Company Private Limited).

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

13B Current borrowings (₹ in millions)

		31 March 2018	31 March 2017	01 April 2016
a.	**Current maturity of loan**			
	Term Loans			
	Indian rupee loan from banks (secured)	-	566.75	54.19
	Indian rupee loan from financial institution (secured)	44.97	1,331.86	19.61
	Indian rupee loan from financial institution (Unsecured)	-	42.92	-
	Vehicle loans			
	Indian rupee loan from bank (secured)	9.47	6.37	24.40
	Indian rupee loan from financial institutions (secured)	1.94	1.32	-
	Buyers Credit			
	Foreign Currency loan from bank (secured)	-	61.68	-
	Total current maturity of Indian currency loan	**56.38**	**2,010.90**	**98.20**
b.	**Buyers Credit**			
	Foreign Currency loan from bank (secured) (refer note 1 and 2 below)	39.69	-	11.10
c.	**Cash credit from banks**			
	Indian rupee loan from bank (secured) (refer note 3 to 15 below)	853.85	726.47	785.01
	Indian rupee loan from bank (unsecured)	-	-	7.00
	Bank overdraft	5.49	-	-
d.	**Indian rupee working capital demand loan from banks (secured)** (refer note 16 to 21 below)	540.00	945.00	426.82
e.	**Loan from directors- unsecured** (refer note 22 below)	8.49	8.69	17.30
	Total current borrowings	**1,503.90**	**3,691.06**	**1,345.43**
	Less: Amount presented under "other financial liabilities"	(56.38)	(2,010.90)	(98.20)
	Total current borrowings	**1,447.52**	**1,680.16**	**1,247.23**
	Secured	**1,439.03**	**1,628.55**	**1,222.93**
	Unsecured	**8.49**	**51.61**	**24.30**

Notes:

1. In Vikas Publishing House Private Limited, Buyers credit from IndusInd Bank carries interest ranging between 2.37% to 2.93% p.a and 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 (formerly S Chand and Company Private Limited).

2. 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 (formerly S Chand and Company Private Limited) This loan has been repaid in full during the year.

3. In S Chand And Company Limited, Cash credit from IndusInd Bank Limited (under Multiple Banking Arrangement with DBS , Standard Chartered Bank , HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company and personal guarantee of Mr. Himanshu Gupta , Directors of the Company. It carries interest rate ranging from 10% p.a. (31 March 2017: 12.10 % to 12.35% p.a.).

4. In S Chand And Company Limited, Cash credit from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 10.85% to 11.05% p.a. (31 March 2017: 11.08% to 11.22% p.a.).

5. In S Chand And Company Limited, Cash credit from Standard Chartered Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

13B. Current Borrowings *(Continued)*

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 8.60% to 11.15%. (31 March 2017: 10.75% to 11 % p.a.).

6. In S Chand And Company Limited, Cash Credit from HDFC Bank Limited (under Multiple Banking Arrangement with DBS , IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company 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 11.25% p.a. (31 March 2017: 11.25 % to 11.30 % p.a.).

7. In New Saraswati House (India) Private Limited, Cash Credit from HDFC bank is carrying an interest rate of 11.75% p.a. (31 March 2017: 11.85% 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.

8. In New Saraswati House (India) Private Limited, Cash Credit from DBS bank is carrying an interest rate of 10.95% p.a. (31 March 2017 : 9.50% p.a.) repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current 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.

9. In New Saraswati House (India) Private Limited, Cash Credit from Kotak Mahindra bank is taken during the year and is carrying an interest rate of 9.50% p.a. repayable on demand. The loan is secured by way of (i) first pari passu charge on entire existing and future current 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.

10. In New Saraswati House (India) Private Limited, Cash Credit/Working capital demand loan of ₹ 50 millions from RBL Bank taken during the year and is carrying an interest rate of 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.

11. In Vikas Publishing House Private Limited, The company has taken the cash credit facility from HDFC Bank, IndusInd Bank, DBS 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 (formerly S Chand and Company Private Limited) and 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.

12. In BPI (India) Private Limited, Cash credit facility carry interest rate of Base Rate plus 2.25% per annum taken from 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 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 Blackie and Son (Calcutta) Private Limited & M/s S Chand and Co. Ltd and personal guarantee of Mr. Himanshu Gupta, Mr. Jai Saxena, Mrs Vidya Saxena and Mr. Dinesh Kumar Jhunjhnuwala.

13. In Nirja Publishers & Printers Private Limited, Cash credit from HDFC Bank and carries interest rate ranging from 11.25% to 11.30% p.a. The loan is repayable on demand. The loan is secured by (i) hypothecation of current assets (present and future) (ii) hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) (iii) Corporate guarantee of S Chand and Company Limited (Formerly S Chand and Company Private Limited) and (iv) personal guarantee of Mr. Dinesh Kumar Jhujhnuwala and Mr. Himanshu Gupta. This facility has been repaid during the year.

14. In Nirja Publishers & Printers Private Limited, Cash credit from State Bank of India taken during the 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 (i) hypothecation of current assets (present and future) (ii) hypothecation of fixed assets (present and future, except financed by other bank and financial institutions) (iii) Corporate guarantee of S Chand and Company Limited.

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.

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

13B. Current Borrowings *(Continued)*

16. In S Chand And Company Limited, Working capital demand loan from HDFC Bank Limited (under Multiple Banking Arrangement with DBS, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets of the Company 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 9.50 % p.a. (31 March 2017: 9.25 % to 10.25 % p.a.).

17. In S Chand And Company Limited, Working capital demand loan from Kotak Mahindra Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 8.60 % to 11.35% p.a. (31 March 2017: 9.35 % to 11.35% p.a.).

18. In S Chand And Company Limited, Working capital demand loan from Standard Chartered Bank (under Multiple Banking Arrangement with DBS , IndusInd Bank, HDFC Bank, Kotak Mahindra Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 9.15 % p.a. (31 March 2017 9.15% to 10.75% p.a.).

19. In S Chand And Company Limited, Working capital demand loan from DBS Bank Limited (under Multiple Banking Arrangement with HDFC Bank, IndusInd Bank, Kotak Mahindra Bank, Standard Chartered Bank) is secured by way of first pari passu charge on the entire existing and future current assets and movable fixed assets (other than those exclusively charged to other lender, if any) of the Company 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 8.45% to 9.25 % p.a (31 March 2017 9.15% to 9.50 %).

20. In S Chand And Company Limited, Working capital demand loan from DCB Bank Limited taken during the year 2016-17, is secured by way of subservient charge on the entire existing and future current assets and movable fixed assets of the Company. This loan carries interest rate of 9.35% p.a. The loan has been repaid in the Financial Year 2017-18.

21. In Vikas Publishing House Pvt. Limited, Working capital demand loan from HDFC Bank, DBS Bank and Standard Chartered Bank carries interest ranging from 8.75% to 9.75% p.a which are repayable on maturity. Working capital demand loan is facility is the sub limit of cash credit facility and secured by secured by the same security as provided in cash credit facility.

22. In BPI (India) Private Limited, Interest free Indian rupee loan is taken from director It is repayable after 31 March 2018.

14 Trade payables (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Non-Current			
Trade payables other than micro enterprises and small enterprises	6.49	9.35	6.82
Current			
Trade payables of micro enterprises and small enterprises (refer note 52)	50.17	61.76	23.70
Trade payables of related entities (refer note 38)	0.58	1.69	0.63
Trade payables other than micro enterprises and small enterprises	2,059.28	1,746.07	1,455.18
Total	**2,116.52**	**1,818.87**	**1,486.33**
Current	2,110.03	1,809.52	1,479.51
Non current	6.49	9.35	6.82

15 Other financial liabilities (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Other financial liabilities at amortised cost			
Interest accrued but not due	4.49	8.47	8.84
Interest accrued and due on short term borrowings	-	0.61	1.41
Interest accrued and due on security deposits	1.05	0.28	-
Interest accrued and due on bill discounted	5.76	-	-
Book Overdraft	-	-	0.49
Current maturity of long term loans (refer note 13B)	56.38	2,010.90	98.20

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

15. Other financial liabilities *(Continued)* (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Security deposits received	9.07	20.82	1.12
Financial liability* (refer note 53)	657.00	-	-
Interest accrued on trade payables to micro and small enterprises (refer note 52)	0.04	0.01	0.01
Total	**733.79**	**2,041.09**	**110.07**
Current	**730.45**	**2,038.73**	**102.74**
Non current	**3.34**	**2.36**	**7.33**

*Financial liability 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)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for income tax (net of advance tax)	251.40	183.53	118.48
Provision for unclaimed dividend	0.03	-	-
Total other provisions	**251.43**	**183.53**	**118.48**
Current	**251.43**	**183.53**	**118.48**
Non-current	**-**	**-**	**-**

17 Net employee defined benefit liabilities (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Provision for gratuity (non-current) (refer note 35)	66.63	49.37	49.89
Provision for gratuity (current) (refer note 35)	0.05	0.04	0.20
Provision for leave encashment	9.39	8.89	7.13
Provision for bonus	1.20	0.81	0.83
Total	**77.27**	**59.11**	**58.05**
Current	**7.08**	**6.48**	**6.51**
Non current	**70.19**	**52.63**	**51.54**

18 Other liabilities (₹ in millions)

	31 March 2018	31 March 2017	01 April 2016
Other payables:			
Statutory dues payable	155.85	91.57	84.74
Rent equalization reserve	6.05	4.92	2.56
Creditors for capital expenditure	-	5.14	10.68
Deferred revenue	-	-	6.35
Advance from customers	44.33	60.82	30.61
Other payables	23.66	27.79	27.31
Total	**229.89**	**190.24**	**162.25**
Current	**222.35**	**183.48**	**154.45**
Non current	**7.54**	**6.76**	**7.80**

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

19 Revenue From Operations (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
Finished goods	8,030.81	6,591.71
Traded goods	-	-
Less: Discount	(350.71)	(201.81)
Sale of services	211.70	180.69
Other operating revenue		
Scrap sale	48.84	14.26
Sale of raw-materials	-	1.38
Miscellaneous Income	-	0.91
Export incentives	3.81	5.04
Total	**7,944.45**	**6,592.17**
Details of products sold		
Finished goods sold		
Books (published titles)	7,893.90	6,403.27
Educational kits	5.50	20.22
Stationary	4.60	-
E- Book sale	2.06	4.85
Curriculum books sales	86.34	32.11
Computers and peripherals	38.41	131.16
Maths and science labs (kit)	-	0.10
	8,030.81	**6,591.71**
Detail of sale of services		
Domestic		
Content development charges	25.90	22.76
Royalty income/ License fees	1.25	1.64
Training income	4.85	0.50
Student skill assessment	3.10	-
Customised interactive education services	105.56	81.10
Income from pre-school educational activity	15.66	13.45
Others	0.55	1.86
	156.87	**121.31**
Export		
Customised interactive education services	54.83	59.38
	54.83	**59.38**
Total sale of services	**211.70**	**180.69**

20.1 Other income (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Other non-operating income		
Dividend income on investments	1.39	1.40
Fair valuation gain on non-current investment	-	0.06
Gain on sale of current investments (net)	6.65	5.58
Duty drawback	0.52	1.74
Profit on sale of property, plant and equipment (net)	0.38	0.95
Fair value gain on financial instruments at fair value through profit or loss	30.48	0.32
Foreign exchange fluctuation gain (net)	0.52	1.72
Reversal of temporary diminution in value of investments (refer note 49)	41.00	0.39
Miscellaneous amount written back	3.77	0.47
Others	0.17	3.37
Total	**84.88**	**16.00**

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

20.2 Finance income (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on:		
- Bank deposits	25.86	3.34
- Income tax refund	3.12	1.67
- Unwinding of discount on security deposits paid	7.82	3.78
- On bonds	0.18	0.04
- Others	5.41	4.56
Total	**42.39**	**13.39**

21. Cost of published goods/material consumed (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the beginning of the year	181.96	109.67
Add : Purchases during the year	2,345.79	1,907.17
Add: Inventory acquired on acquisition of subsidiary	-	35.24
	2,527.75	**2,052.08**
Less : Inventory written off	(1.90)	-
Less : Inventories at the end of the year	(138.21)	(181.96)
Total	**2,387.64**	**1,870.12**
Details of raw material purchased		
Paper	1,638.10	1,299.93
Books	169.40	82.73
E Books	0.93	1.39
Test papers & skill assessment reports	1.20	-
Printing and binding charges	389.78	350.78
CD and other items	14.54	48.06
Printing binding material	131.84	124.28
Total	**2,345.79**	**1,907.17**

22. Purchase of traded goods (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Traded books	35.90	62.70
Import of services	3.66	2.56
Computer & Peripherals	33.52	116.76
E Books	-	0.12
Science Labs (Kit)	-	0.30
English Labs (Kit)	1.12	0.31
Total	**74.20**	**182.75**

23. Publication expenses (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Royalty expenses	507.55	406.83
Freight and cartage expenses	10.77	11.51
Power & fuel	51.59	50.50
Repairs and maintenance - machinery	37.39	29.68
Consumption of stores and spares	3.57	6.57
Other publishing expenses	71.92	61.68
Total	**682.79**	**566.77**

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

24. (Increase)/Decrease in inventories

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Finished goods	1,401.53	1,489.57
Stores and spares	4.05	4.35
Work in progress	14.67	26.86
	1,420.25	**1,520.78**
Inventories at the beginning of the year		
Finished goods	1,489.57	1,284.99
Inventory acquired on acquisition of subsidiary	-	130.31
Stores and spares	4.35	3.58
Work in progress	26.86	31.52
	1,520.78	**1,450.40**
(Increase)/decrease in inventories	**100.53**	**(70.38)**

Details of Inventories

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Work in Progress		
Printed material for books	14.67	26.86
	14.67	**26.86**
Finished goods		
- Manufactured goods		
Books	1,346.46	1,442.41
- Traded goods		
Books	38.15	39.59
other trade items	16.92	7.57
	1,401.53	**1,489.57**

25. Employee benefits expense

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	1,213.78	1,018.85
Contribution to provident and other funds	72.07	59.99
Gratuity expense (refer note 35)	32.79	21.71
Employee stock option expense	12.21	17.53
Staff welfare expenses	54.76	56.43
Total	**1,385.61**	**1,174.51**

26. Selling and distribution expenses

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisement and sales promotion	220.97	155.46
Meeting & conference expenses	11.67	7.54
Travelling and conveyance	201.30	172.59
Freight and forwarding charges	198.31	161.54
Packing expenses	54.63	45.77
Vehicle running and maintenance	17.99	21.44
Canvassing expenses	19.25	8.32
Leases rent - vehicles (refer note 37)	1.01	1.82
Book workshop expenses	12.04	10.01
Total	**737.17**	**584.49**

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

27. Finance cost

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on loans and debts	224.49	327.31
Unwinding of discount on security deposit received	0.29	0.68
Bank charges	7.33	7.64
Processing fees - bank loan	1.19	5.81
Amortization of ancillary borrowing costs	6.42	12.12
Total	**239.72**	**353.56**

28. Depreciation and amortisation expense

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant & equipment	88.06	166.53
Amortisation of intangible assets	104.72	97.80
Impairment of property, plant & equipment	0.06	-
Total	**192.84**	**264.33**

29. Other expenses

(₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Communication cost	40.35	39.43
Rent (refer note 37)	213.21	193.92
Rates and taxes	2.07	5.83
Insurance	18.07	14.69
Travelling and conveyance	1.26	2.83
Repairs and maintenance:	-	-
- Plant & machinery	0.53	0.44
- Buildings	3.41	3.57
- Others	66.88	55.37
Printing and stationery	11.34	9.43
Legal and professional fee	51.79	47.97
Payment to auditor (refer details below)	14.59	11.49
Water and electricity charges	20.30	19.13
Office expenses	22.21	27.37
Security expenses	25.93	24.14
Foreign exchange difference	1.70	1.82
Corporate social responsibility expenses (refer note 50)	14.00	11.61
Recuritment charges	1.75	1.46
Bad debts written off	1.49	9.77
Provision for bad & doubtful debts	39.67	69.70
Loss on sale of property, plant and equipment (net)	4.21	2.05
Miscellaneous expenses	20.89	19.00
Loss on Insurance claim receivable	-	0.27
Fair value loss on financial instruments at fair value through profit or loss	0.03	0.10
Outsourced employee cost	69.77	52.10
Director sitting fees	2.04	0.73
School van running expense	2.06	1.97
Total	**649.55**	**626.19**

Payment to auditor

	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor		
Audit fee	11.83	11.41
- Limited review	2.12	-
Other Services	0.12	-
Out of pocket expenses	0.52	0.08
Total	**14.59**	**11.49**

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

30. Components of Other Comprehensive Income (OCI)

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

During the year ended 31st 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**

During the year ended 31st March 2017 (₹ in millions)

	Retained earnings	Total
Re-measurment gains/(losses) on defined benefit plans	3.26	3.26
Tax impact on re-measurement gains/(losses) on defined benefit plans	(1.38)	(1.38)
	1.88	**1.88**

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 2018	For the year ended 31 March 2017
Profit attributable to equity holders of the company (₹ in millions)	1,070.83	612.62
Weighted average number of equity shares used for computing Earning per Share (Basic)	34,388,586	29,844,496
Weighted average number of equity shares used for computing Earning per Share (Diluted)	34,473,366	29,897,407
Basic EPS (Amount in ₹)	31.14	20.53
Diluted DPS (Amount in ₹)	31.06	20.49

32. Significant accounting judgements, estimates and assumptions

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

A. 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 – Company 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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

32. Significant accounting judgements, estimates and assumptions *(Continued)*

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.

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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

33. Group information

Information about subsidiary company:

	Principal activities	Country of incorporation	% equity interest		
			31 Mar 2018	31 Mar 2017	1 Apr 2016
Nirja Publishers & Printers Private Limited	Publishing and Printing of Books	India	100.00%	100.00%	100.00%
Safari Digital Education Initiatives Private Limited	Sale of Books & Digital data management Services	India	100.00%	100.00%	100.00%
Eurasia Publishing House Private Limited	Publishing of Books	India	100.00%	100.00%	100.00%
Blackie & Son (Calcutta) Private Limited	Publishing of Books	India	100.00%	100.00%	100.00%
Vikas Publishing House Private Limited	Publishing and Printing of Books	India	100.00%	100.00%	100.00%
DS Digital Private Limited	Digital Learning solutions to Schools	India	99.93%	99.93%	99.93%
New Saraswati House (India) Private Limited	Publishing of Books	India	100.00%	100.00%	76.00%
Chhaya Prakashani Private Limited (w.e.f. 5 December 2016) *	Publishing of Books	India	100.00%	74.00%	-
BPI (India) Private Limited	Publishing of Books & Educational Kits	India	51.00%	51.00%	51.00%
Arch Papier Mache Private Limited (till 8 Dec 2016)	Real- Estate	India	-	-	100.00%
S Chand Edutech Private Limited	Digital Learning solutions to Schools	India	100.00%	74.00%	74.00%
Indian Progressive Publishing Company Private Limited (w.e.f. 5 December 2016) *	Publishing of Books	India	100.00%	74.00%	-
Publishing Services Private Limited (w.e.f. 5 December 2016) *	Publishing of Books	India	100.00%	74.00%	-

* Refer Note 53

Information about Associates:

	Principal activities	Country of incorporation	% equity interest		
			31 Mar 2018	31 Mar 2017	1 Apr 2016
Edutor Technologies India Private Limited	Education and tutoring services	India	44.66%	44.66%	44.66%
Smartivity Labs Private Limited	Early Learning through Augmented Reality, STEM DIY Kits and Virtual Reality	India	24.12%	24.69%	25.70%

34. Investment in associates

34A. Edutor Technologies India Private Limited

The Group has a 44.66% (31 March 17: 44.66% and 1 April 2016: 44.66% interest in Edutor Technologies India Private Limited, which is primarily engaged in the business of providing education and tutoring services of all kind through multimedia e-learning system, 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-Mar-18	31-Mar-17	01-Apr-16
Current assets	29.81	20.36	28.52
Non-current assets	21.72	31.37	38.27
Current liabilities	(60.37)	(47.71)	(21.34)
Non-current liabilities	(4.15)	(3.74)	(1.85)
Equity	**(12.99)**	**0.28**	**43.60**
Proportion of the Group's ownership	44.66%	44.66%	44.66%
Carrying amount of the investment	168.55	175.35	194.86

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

34A. Edutor Technologies India Private Limited *(Continued)*

(₹ in millions)

	31-Mar-18	31-Mar-17
Revenue	98.02	105.54
Cost of raw material and components consumed	(25.10)	(46.18)
Depreciation & amortization	(8.16)	(9.78)
Finance cost	(3.24)	(1.88)
Employee benefit	(46.74)	(62.73)
Other expense	(29.61)	(28.51)
Loss before tax	(14.83)	(43.54)
Income tax expense	0.68	1.03
Loss for the year	(14.15)	(42.51)
Other Comprehensive Income	(1.09)	(1.18)
Total comprehensive income for the year	**(15.24)**	**(43.69)**
Group's share of loss for the year	**(6.80)**	**(19.51)**

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 1 April 2016, 31 March 2017 or 31 March 2018.

34B. Smartivity Labs Pvt Ltd

The Group has a 24.12% (24.69% on 31 March 2017 and 25.7% on 1 April 2016) 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 Pvt Ltd:

(₹ in millions)

	31-Mar-18	31-Mar-17	01-Apr-16
Current assets	60.39	32.11	6.22
Non-current assets	38.04	25.11	9.71
Current liabilities	(67.36)	(20.05)	(13.51)
Equity	**31.07**	**37.17**	**2.42**
Proportion of the Group's ownership	24.12%	24.69%	25.70%
Carrying amount of the investment	10.05	13.00	6.14

(₹ in millions)

	31-Mar-18	31-Mar-17
Revenue	98.89	41.09
Cost of raw material and components consumed	(55.67)	(19.54)
Depreciation & amortization	(7.82)	(4.36)
Finance cost	(0.62)	(0.33)
Employee benefit	(31.70)	(16.84)
Other expense	(31.67)	(18.50)
Loss before tax	(28.59)	(18.48)
Income tax expense	5.99	5.71
Loss for the year	(22.60)	(12.77)
Other Comprehensive Income	-	-
Total comprehensive income for the year	**(22.60)**	**(12.77)**
Group's share of loss for the year	**(5.45)**	**(3.15)**

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 1 April 2016, 31 March 2017 or 31 March 2018.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

35. Gratuity and other post- employment benefits plan

Gratuity

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

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

Statement of Profit & Loss account

Net employee benefit expense recognised in employee cost: (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	21.58	18.42
Past service cost	7.53	-
Interest cost on defined obligation	7.00	5.62
Expected return on plan assets	(3.32)	(2.58)
Acquisition/Business Combination/Divestiture	-	0.25
	32.79	**21.71**

Amount recognised in Other Comprehensive Income: (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gains) / losses on obligation	(2.15)	(2.45)
Actuarial gains / (losses) on assets	(1.02)	0.81
	(1.13)	**(3.26)**

Balance sheet (₹ in millions)

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening defined benefit obligation	98.05	84.90
Current service cost	21.58	18.42
Past service cost	7.53	-
Interest cost	7.00	5.62
Benefits paid from plan assets	(7.70)	(9.77)
Benefits paid directly by employer	(1.73)	(0.14)
Actuarial (gains) / losses on obligation	(2.15)	(2.45)
Acquisition/ divestiture	-	1.47
Closing defined benefit obligation	**122.58**	**98.05**

Changes in the fair value of plan assets are as follows: (₹ in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening fair value of plan assets	48.64	35.64
Expected return	3.32	2.58
Contributions by employer	10.62	21.00
Benefits paid	(7.70)	(9.77)
Actuarial gain/(loss)	1.02	(0.81)
Closing fair value of plan assets	**55.90**	**48.64**
Net liability recognised in financial statements	**66.68**	**49.41**
Current Portion	**0.05**	**0.04**
Non - Current Portion	**66.63**	**49.37**

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

35. Gratuity and other post- employment benefits plan *(Continued)*

The Company expects to contribute Rs. 1.88 million to gratuity in this year (31 March 2017: Rs. 2.27 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 2018	For the year ended 31 March 2017
Investments with insurer	100%	100%

The economic and demographic assumption used in determing gratuity obligations for the company's plans are as shown below:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.35% to 7.70%	6.95% to 7.70%
Expected rate of return on assets	7.35% to 8.00%	6.00% 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	1.00%	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:

	Change in assumptions	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	+ 1%	40.19	43.42
	- 1%	135.58	107.33
Expected rate of salary increase	+ 1%	134.94	106.08
	- 1%	39.89	41.59

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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2018 an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

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

	Grant I	Grant II	Grant III (a)	Grant III (b)	Grant IV (a)	Grant IV (b)	Grant IV (c)	Grant IV (d)	Grant V	Grant VI	Grant VII
Date of grant	09-Jul-12	09-Jul-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	30-Sep-15	28-Mar-16	05-Aug-16	16-Aug-16	30-Nov-16
Date of Board approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	27-Aug-15	27-Aug-15	27-Aug-15	28-Mar-16	05-Aug-16	05-Aug-16	19-Sep-16 & 30-Nov-16
Date of Shareholder's approval	30-Jun-12	30-Jun-12	28-Jul-14	30-Sep-14	30-Sep-15	30-Sep-15	30-Sep-15	28-Mar-16	05-Aug-16	05-Aug-16	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

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans *(Continued)*

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)**	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	47,656	62	322	9,110
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	47,656	62	-	-
Effect of share split	-	-	322	-
Effect of bonus issue	-	-	47,012	-
Outstanding at the end of the year	-	-	47,656	62
Exercisable at the end of the year	-	-	33,152	-

*includes 61 options which has vested 100% on account of demise of an employee.

** denotes weighted average excecise price

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	3,108	62	21	9,110
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	3,108	62	-	-
Effect of share split	-	-	21	-
Effect of bonus issue	-	-	3,066	-
Outstanding at the end of the year	-	-	3,108	62
Exercisable at the end of the year	-	-	3,108	-

The weighted average remaining contractual life for Growth and Thankyou option outstanding as at March 31, 2018 is Nil.

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	26,640	249	253	36,870
Granted during the year	-	-	-	-
Forfeited during the year	-	-	10,804	-
Exercised during the year	26,640	249	-	-
Effect of share split	-	-	253	-
Effect of bonus issue	-	-	36,938	-
Outstanding at the end of the year	-	-	26,640	249
Exercisable at the end of the year	-	-	16,280	-

The weighted average remaining contractual life for option outstanding as at March 31, 2018 is 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:

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	65,268	249	441	-
Granted during the year	-	-	-	36,870
Forfeited during the year	-	-	-	-
Exercised during the year	65,268	249	-	-
Effect of share split	-	-	441	-
Effect of bonus issue	-	-	64,386	-
Outstanding at the end of the year	-	-	65,268	249
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding as at March 31, 2018 is Nil.

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Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans *(Continued)*

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:

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	68,302	304	473	-
Granted during the year	-	-	-	45,000
Forfeited during the year	-	-	1,702	-
Exercised during the year	28,268	304	-	-
Effect of share split	-	-	473	-
Effect of bonus issue	-	-	69,058	-
Outstanding at the end of the year	40,034	304	68,302	304
Exercisable at the end of the year	12,210	304	-	-

The weighted average remaining contractual life for option outstanding as at March 31, 2018 under Grant IV(b) is 2.41 years, under Grant IV(c) is 2.5 years and under Grant IV(d) is 2.99 years .

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	93,388	304	-	-
Granted during the year	-	-	93,388	304
Forfeited during the year	-	-	-	-
Exercised during the year	93,388	304	-	-
Outstanding at the end of the year	-	-	93,388	304
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding under Grant V as at March 31, 2018 is Nil.

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	51,060	304	-	-
Granted during the year	-	-	51,060	304
Forfeited during the year	-	-	-	-
Exercised during the year	12,765	304	-	-
Outstanding at the end of the year	38,295	304	51,060	304
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for option outstanding under Grant VI as at March 31, 2018 is Nil.

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

	March 31, 2018		March 31, 2017	
	No. of options	WAEP (in ₹)	No. of options	WAEP (in ₹)
Outstanding at the beginning of the year	11,203	392	-	-
Granted during the year	-	-	12,506	392
Forfeited during the year	1,800	-	1,303	-
Exercised during the year	2,952	-	-	-
Outstanding at the end of the year	6,451	-	11,203	392
Exercisable at the end of the year	1,750	-	-	-

The weighted average remaining contractual life for option outstanding under Grant VII as at March 31 2018 is 2.67 years.

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

36. Employee stock option plans *(Continued)*

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

	Grant IVb 31 March 2018	Grant IVc 31 March 2018	Grant IVd 31 March 2018	Grant VI 31 March 2018	Grant VII 31 March 2018
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	15.65%	15.57%	16.04%	17.22%	17.48%
Risk-free interest rate	7.71%	7.51%	7.46%	6.84%	6.04%
Weighted average fair market price (₹)	377	377	377	376	376
Exercise price (₹)	304	304	304	304	392
Expected life of options granted in years	4.00	4.00	4.00	3.00	3.00

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.

37. Leases

Operating lease: company as lessee

a. The Company has taken premises for office and storage use under cancellable and non-cancellable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to ₹ 213.21 million (31 March 2017: ₹ 193.92 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 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 ₹ 1.01 million (31 March 2017: ₹ 1.82 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 :

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	46.68	53.17	58.86
After one year but not more than five years	195.02	186.33	172.53
After five years	25.23	32.48	84.15

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Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

38. Related party disclosure

a. Names of related parties and related party relationship

Related parties where control exists

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. Nirmala Gupta	:	Chair Person and Managing Director (till 20 May 2016)
Mrs. Savita Gupta	:	Whole-time Director (till 20 May 2016) Director (w.e.f. 20 May 2016)
Mr. Himanshu Gupta	:	Joint Managing Director (till 20 May 2016) Managing Director (w.e.f. 20 May 2016)
Mrs. Ankita Gupta	:	Whole-time Director (till 20 May 2016)
Mr. Dinesh Kumar Jhunjhnuwala	:	Vice Chair Person and Director Finance (till 20 May 2016) Whole-time Director (w.e.f. 20 May 2016)
Mrs. Neerja Jhunjhnuwala	:	Whole time Director (till 20 May 2016)
Mr. Gaurav Jhunjhnuwala	:	Director
Mr. Saurabh Mittal	:	Chief Financial Officer
Mr. Jagdeep Singh	:	Company Secretary
Relatives of KMP		Mr. Ravindra Kumar Gupta
	:	Mrs. Neerja Jhunjhnuwala (w.e.f. 20 May 2016)

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(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	Total
Purchase- (Other) from				
SC Hotel Tourist Deluxe Private Limited	31 March 2018	3.09	-	3.09
	31 March 2017	1.19	-	1.19
S Chand Hotels Private Limited	31 March 2018	0.13	-	0.13
	31 March 2017	-	-	-
Hotel Tourist	31 March 2018	3.76	-	3.76
	31 March 2017	6.50	-	6.50
Other expenses paid (reimbursement)				
Shyam Lal Charitable Trust	31 March 2018	-	-	-
	31 March 2017	0.02	-	0.02
Ankita Gupta	31 March 2018	-	0.51	0.51
	31 March 2017	-	0.55	0.55
Rentals paid				
S Chand Properties Private Limited	31 March 2018	29.42	-	29.42
	31 March 2017	28.84	-	28.84
Mrs.Savita Gupta	31 March 2018	-	3.25	3.25
	31 March 2017	-	3.14	3.14
Mrs.Neerja Jhunjhnuwala	31 March 2018	-	2.51	2.51
	31 March 2017	-	2.28	2.28
Ravindra Kumar Gupta	31 March 2018	-	1.21	1.21
	31 March 2017	-	1.19	1.19
SC Hotel Tourist Deluxe Private Limited	31 March 2018	9.84	-	9.84
	31 March 2017	9.62	-	9.62
Ankita Gupta	31 March 2018	-	0.40	0.40
	31 March 2017	-	0.40	0.40
Remuneration to KMP				
Mrs. Nirmala Gupta	31 March 2018	-	-	-
	31 March 2017	-	0.16	0.16
Mr. Gaurav Jhunjhnuwala	31 March 2018	-	-	-
	31 March 2017	-	0.20	0.20
Mrs.Savita Gupta	31 March 2018	-	-	-
	31 March 2017	-	0.40	0.40
Mr. Dinesh Kumar Jhunjhnuwala	31 March 2018	-	16.42	16.42
	31 March 2017	-	10.19	10.19
Mr. Himanshu Gupta	31 March 2018	-	16.42	16.42
	31 March 2017	-	10.19	10.19
Mrs.Neerja Jhunjhnuwala	31 March 2018	-	-	-
	31 March 2017	-	0.16	0.16
Mrs. Ankita Gupta	31 March 2018	-	-	-
	31 March 2017	-	0.16	0.16
Saurabh Mittal	31 March 2018	-	12.76	12.76
	31 March 2017	-	9.43	9.43
Jagdeep Singh	31 March 2018	-	5.49	5.49
	31 March 2017	-	7.41	7.41

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(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	Total
Balances outstanding as at 31 March 2018				
Security deposit receivable				
SC Hotel Tourist Deluxe Private Limited	31 March 2018	4.20	-	4.20
	31 March 2017	4.20	-	4.20
	1 April 2016	4.20	-	4.20
Ankita Gupta	31 March 2018	-	0.19	0.19
	31 March 2017	-	0.19	0.19
	1 April 2016	-	0.19	0.19
S Chand Properties Private Limited	31 March 2018	12.55	-	12.55
	31 March 2017	12.55	-	12.55
	1 April 2016	12.55	-	12.55
Mrs.Savita Gupta	31 March 2018	-	0.54	0.54
	31 March 2017	-	0.54	0.54
	1 April 2016	-	0.39	0.39
Mrs.Neerja Jhunjhnuwala	31 March 2018	-	0.12	0.12
	31 March 2017	-	0.12	0.12
	1 April 2016	-	0.12	0.12
Ravindra Kumar Gupta	31 March 2018	-	0.41	0.41
	31 March 2017	-	0.41	0.41
	1 April 2016	-	0.41	0.41
Loans and advances				
SC Hotel Tourist Deluxe Private Limited	31 March 2018	-	-	-
	31 March 2017	0.14	-	0.14
	1 April 2016	0.13	-	0.13
Raasha Entertainment & Leisure LLP	31 March 2018	0.22	-	0.22
	31 March 2017	0.22	-	0.22
	1 April 2016	0.22	-	0.22
Shaara Hospitalities Private Limited	31 March 2018	0.01	-	0.01
	31 March 2017	0.01	-	0.01
	1 April 2016	0.01	-	0.01
RKG Hospitalities Private Limited	31 March 2018	0.34	-	0.34
	31 March 2017	0.34	-	0.34
	1 April 2016	0.34	-	0.34
Trade payables				
Hotel Tourist	31 March 2018	0.24	-	0.24
	31 March 2017	1.69	-	1.69
	1 April 2016	0.51	-	0.51
SC Hotel Tourist Deluxe Private Limited	31 March 2018	0.34	-	0.34
	31 March 2017	0.00	-	0.00
	1 April 2016	0.12	-	0.12
Directors remuneration payable				
Nirmala Gupta	31 March 2018	-	-	-
	31 March 2017	-	-	-

S Chand and Company Limited

Notes to Consolidated financial statements for the year ended 31 March 2018 *(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	Total
	1 April 2016	-	0.10	0.10
Gaurav Jhunjhnuwala	31 March 2018	-	-	-
	31 March 2017	-	-	-
	1 April 2016	-	0.10	0.10
Savita Gupta	31 March 2018	-	-	-
	31 March 2017	-	-	-
	1 April 2016	-	0.20	0.20
Dinesh Kumar Jhunjhnuwala	31 March 2018	-	0.28	0.28
	31 March 2017	-	0.44	0.44
	1 April 2016	-	0.30	0.30
Himanshu Gupta	31 March 2018	-	0.38	0.38
	31 March 2017	-	0.42	0.42
	1 April 2016	-	0.30	0.30
Neerja Jhunjhnuwala	31 March 2018	-	0.30	0.30
	31 March 2017	-	0.30	0.30
	1 April 2016	-	0.10	0.10
Ankita Gupta	31 March 2018	-	-	-
	31 March 2017	-	-	-
	1 April 2016	-	0.10	0.10
Saurabh Mittal	31 March 2018	-	0.60	0.60
	31 March 2017	-	0.47	0.47
	1 April 2016	-	0.97	0.97
Jagdeep Singh	31 March 2018	-	0.30	0.30
	31 March 2017	-	1.01	1.01
	1 April 2016	-	0.43	0.43
Unsecured Loan				
Mrs. Nirmala Gupta	31 March 2018	-	-	-
	31 March 2017	-	-	-
	1 April 2016	-	21.06	21.06

39. Capital and other commitment

	31 March 2018	31 March 2017	1 April 2016
a. Capital commitment (net of advance)	75.17	0.54	26.81
b. Relating to Export Promotion Capital Goods commitment.	77.89	77.89	77.89
c. Other commitments	0.28	0.37	0.24

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

40. Contingent liabilities

	31 March 2018	31 March 2017	1 April 2016
Stamp duty (refer note 'a' below)	95.01	95.01	95.01
Registration fee (refer note 'a' below)	9.15	9.15	-
Income Tax demand (refer note 'b', 'c' and 'd' below)	0.67	67.58	0.57
VAT claim by U. P. VAT Act. (refer note 'e')	2.75	2.75	2.75
Contractual Obligations	2.04	-	-

a. During the year 2015-16, S Chand and Company Limited 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 2017: ₹ 9.15 million and 1 April 2016: ₹ Nil). 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 respect of Assessment Year 2006-2007 for S Chand and Company Limited, 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 2017: ₹ 0.67 million and 1 April 2016: ₹ 5.68 million).

c. In respect of Assessment Year 2015-16 for S Chand and Company Limited, 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.

d In Nirja Publishers & Printers Private Limited, Net of tax deposited by the Company of ₹ Nil (31 March 2017: ₹ 8 Million) against the above demand. During the year, 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).

e In DS Digital Private Limited, Company has paid ₹ 1.10 million for levy of penalty U/S 54(1) of U P. VAT Act. Appeal filed by the company is pending

41. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2018, 31 March 2017 and 1 April 2016 are as under:

	Foreign currency	Amount in foreign currency			Amount in ₹ (million)		
		31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Trade receivable	USD	76,950	54,625	115,765	5.01	3.54	7.67
	BHD	-	-	23,400	-	-	4.08
	QAR	426,000	32,000	315,000	7.63	3.42	5.72
	AED	165,600	160,000	456,834	2.93	2.78	8.17
	SAR	45,000	-	-	0.78	-	-
	OMR	-	-	35,100	-	-	6.00
Trade payable	GBP	-	-	205,264	-	-	19.54
Buyer's credit (borrowings)	GBP	-	-	116,313	-	-	11.10
	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.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

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 2018 and 31 March 2017.

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 2018.

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

a. Interest rate risk.

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

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

(₹ in millions)

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2018			
Borrowings	+0.50%	(8.85)	-
	-0.50%	8.85	-
As at 31 March 2017			
Borrowings	+0.50%	(20.02)	-
	-0.50%	20.02	-
As at 1 April 2016			
Borrowings	+0.50%	(10.13)	-
	-0.50%	10.13	-

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

43. Financial Instruments:- Financial risk management objectives and policies *(Continued)*

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:

	Changes in foreign currency rates	Effect on profit before tax	Effect on equity (OCI)
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)	-
SAR	+0.5%	0.00	-
	-0.5%	(0.00)	-
For the year ended 31 March 2017			
USD	+0.5%	0.02	-
	-0.5%	(0.02)	-
QAR	+0.5%	0.02	-
	-0.5%	(0.02)	-
AED	+0.5%	0.01	-
	-0.5%	(0.01)	-
As at 1 April 2016			
USD	+0.5%	0.04	-
	-0.5%	(0.04)	-
GBP	+0.5%	(0.15)	-
	-0.5%	0.15	-
BHD	+0.5%	0.02	-
	-0.5%	(0.02)	-
QAR	+0.5%	0.03	-
	-0.5%	(0.03)	-
AED	+0.5%	0.04	-
	-0.5%	(0.04)	-
OMR	+0.5%	0.03	-
	-0.5%	(0.03)	-

B. Credit Risk

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

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

(₹ in millions)

Age Bracket	Not Due	Due	Total
As at 1 April 2016	3,279.57	427.23	3,706.80
As at 31 March 2017	4,367.85	333.96	4,701.81
As at 31 March 2018	5,564.11	748.22	6,312.33

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

43. Financial Instruments:- Financial risk management objectives and policies *(Continued)*

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 2018	31 March 2017	01 April 2016
On Demand			
- Borrowings	1,399.34	1,671.47	1,218.83
	1,399.34	**1,671.47**	**1,218.83**
Less than 1 year			
- Borrowings	104.56	2,019.59	126.59
- Trade payables	2,110.03	1,809.52	1,479.51
- Other financial liabilities	674.07	27.83	4.55
	2,888.66	**3,856.94**	**1,610.65**
More than 1 year			
- Borrowings	265.87	313.36	680.67
- Trade payables	6.49	9.35	6.82
- Other financial liabilities	3.34	2.36	7.33
	275.70	**325.07**	**694.82**

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 2018 is as follows:

(₹ in millions)

Gearing Ratio	31 March 2018	31 March 2017	01 April 2016
Borrowings (Note 13A & 13B)	1,713.39	1,993.52	1,927.90
Less: cash and cash equivalents (Note 5E)	(664.81)	(335.57)	(238.97)
Adjusted Net debt (A)	**1,048.58**	**1,657.95**	**1,688.93**
Equity	10,039.35	6,543.95	5,870.47
Total equity (B)	**10,039.35**	**6,543.95**	**5,870.47**
Total equity and net debt [C = (A+B)]	**11,087.93**	**8,201.90**	**7,559.40**
Gearing Ratio (A/C)	**9%**	**20%**	**22%**

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

44. Capital management *(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 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 2018 and 31 March 2017.

45. Fair Values

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

(₹ in millions)

	31 March 2018			31 March 2017			1 April 2016		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Assets									
Non current financial assets									
- Investments	232.86	0.13	-	242.61	0.17	-	253.12	0.11	-
- Loans	93.23	-	-	43.29	-	-	40.08	-	-
- Other financial assets	11.88	-	-	9.05	-	-	27.67	-	-
Current Financial assets									
- Trade receivables	6,312.33	-	-	4,701.81	-	-	3,706.80	-	-
- Loans	83.02	-	-	96.77	-	-	76.60	-	-
- Investments	64.06	403.57	-	-	155.43	-	-	123.95	-
- Other financial assets	29.35	-	-	42.44	-	-	7.55	-	-
- Cash and cash equivalents	664.81	-	-	335.57	-	-	238.97	-	-
Liabilities									
Non Current Financial liabilities									
- Borrowings	265.87	-	-	313.36	-	-	680.67	-	-
- Trade payables	6.49	-	-	9.35	-	-	6.82	-	-
- Other financial liabilities	3.34	-	-	2.36	-	-	7.33	-	-
Current Financial liabilities									
- Borrowings	1,447.52	-	-	1,680.16	-	-	1,247.23	-	-
- Trade payables	2,110.03	-	-	1,809.52	-	-	1,479.51	-	-
- Other financial liabilities	730.45	-	-	2,038.73	-	-	102.74	-	-

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 company has not classified its financial instruments into three levels of fair value measurement hierarchy in accordance with the relevant accounting standards

Fair value of quoted financial instruments is based on quoted market price at the reporting date.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

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 2018 along with comparative numbers for 31 March 2017:

(₹ in millions)

Name of the entity	As at 31 March 2018							
	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	58.85%	5,908.81	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
Nirja Publishers and 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	6.52%	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%	**10,039.35**	**100.00%**	**1,070.83**	**100.00%**	**1.37**	**100.00%**	**1,072.20**

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

(₹ in millions)

Name of the entity	As at 31 March 2017							
	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	60.99%	3,991.37	44.50%	272.62	14.62%	0.27	44.41%	272.89
Subsidiaries								
Indian								
Eurasia Publishing House Private Limited	-6.45%	(422.32)	-1.51%	(9.22)	0.00%	-	-1.50%	(9.22)
BPI (India) Private Limited	0.47%	30.79	0.05%	0.31	4.30%	0.08	0.06%	0.39
Safari Digital Education Initiatives Private Limited	0.07%	4.58	-5.30%	(32.49)	-18.61%	(0.35)	-5.34%	(32.84)
Blackie & Son (Calcutta) Private Limited	0.35%	22.70	0.18%	1.13	0.00%	-	0.18%	1.13
Nirja Publishers and Printers Private Limited	7.32%	478.85	6.30%	38.56	-11.99%	(0.23)	6.24%	38.33
Vikas Publishing House Private Limited	17.28%	1,131.09	21.65%	132.60	183.86%	3.46	22.14%	136.06
S Chand Edutech Private Limited	-0.43%	(28.28)	-0.05%	(0.30)	0.00%	-	-0.05%	(0.30)
D S Digital Private Limited	2.64%	172.43	-11.27%	(69.05)	-4.86%	(0.09)	-11.25%	(69.14)
New Saraswati House (India) Private Limited	8.47%	554.16	13.60%	83.30	-44.09%	(0.83)	13.42%	82.47
Arch Papier Mache Private Limited	0.00%		1.30%	7.96	0.00%	-	1.30%	7.96
Chhaya Prakashani Private Limited	4.36%	285.29	25.17%	154.21	-14.40%	(0.27)	25.05%	153.94
Indian Progressive Publishing Company Private Limited	0.01%	0.43	-0.17%	(1.02)	0.00%	-	-0.17%	(1.02)
Publishing Services Private Limited	0.03%	2.12	0.03%	0.19	-5.18%	(0.10)	0.01%	0.09
Minority interest in all subsidiaries	**2.02%**	**132.39**	**9.22%**	**56.48**	**-3.12%**	**(0.06)**	**9.18%**	**56.42**
Associates (Indian)								
Investment as per Equity Method	2.88%	188.35	-3.70%	(22.66)	0.00%		-3.69%	(22.66)
	100.00%	**6,543.95**	**100.00%**	**612.62**	**100.53%**	**1.88**	**100.00%**	**614.50**

47. The Group 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 (Parent Company) and their respective shareholders and creditors (Composite Scheme) with Bombay Stock Exchange 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 entire business of Blackie & Sons (Calcutta) Private Limited and Nirja Publishers and Printers Private Limited will be merged with the parent company. The education business of DS Digital and Safari Digital shall be demerged from respective Companies and will be merged with S Chand and Company Limited as part of Scheme of Arrangement. The remaining business of D S Digital shall be merged with Safari Digital. Blackie & Sons (Calcutta) Private Limited, Nirja Publishers and Printers Private Limited, DS Digital Private Limited shall cease to exist after the scheme is approved. The Company shall file the Scheme with National Company Law Tribunal (NCLT), post approval from BSE and NSE.

48. The Board of Directors of Chhaya Prakashani Private Limited ("CPPL"), a subsidiary of the Group, in their meeting dated November 11, 2017 approved the merger of Publishing Services Private Limited with CPPL, a wholly owned subsidiary of CPPL. CPPL has filed an application with Registrar of Companies dated December 12, 2017 under section 233 of Companies Act, 2013 for merger of the aforesaid Company and awaiting for the approval.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

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 impairment of ₹ 41 million made in earlier years and recognised the investment at fair value of ₹ 64 million in the current financial year.

50. Corporate social responsibility

The Group has contributed ₹ 14 million (31 March 2017: ₹ 11.61 million) out of the total contributable amount of ₹ 21.45 million (31 March 2017: ₹ 17.98 million) in accordance with section 135 read with Schedule VII to the Companies Act, 2013 through various trust and donation of books. Unspent amount has not been provided in books.

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. 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 Groups. The disclosures relating to Micro and Small Enterprises as at 31st March 2018 are as under: (₹ in millions)

	31 March 2018	31 March 2017	1 April 2016
Description			
(i) Principal amount remaining unpaid as on 31 March, 2018	50.17	61.76	23.70
(ii) Interest due thereon as on 31 March, 2018	0.04	0.01	0.01
	50.21	**61.77**	**23.71**
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.	0.04	0.01	0.01
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.	-	-	-

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

53. Business Combination

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:

	Book value recognised on acquisition
Assets	(₹ in millions)
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**

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.

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

54. First-time adoption of Ind AS

i.) These financial statements, for the year ended 31 March 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS.

This note explains exemptions availed by the Group in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Optional Exemptions Applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

a). **Deemed cost of Property, plant and equipment and Intangible assets**

Ind AS 101 permits a first-time adopter, where there is no change in functional currency, to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

b). **Share based payments**

Ind AS 102 Share based payment has not been applied to equity instruments in share based payment transactions that vested before the the date of transition

c). **Business Combination**

The Group has elected not to apply Ind AS 103 retrospectively to past business combinations i.e. to business combinations that occurred before the date of transition to Ind AS.

ii). **Reconciliations**

Following reconciliations along with foot notes for the GAAP adjustments is inserted:

- Reconciliation of equity as at 1 April 2016 (the date of transition to Ind AS) (**Annexure I**)

- Reconciliation of equity as at 31 March 2017 (**Annexure IIa**)

- Reconciliation of profit and loss for year ended 31 March 2017 (**Annexure IIb**)

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

Annexure I - Reconciliation of equity as at 1 April 2016

(₹ in millions)

Particulars	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		1,020.91	-	1,020.91
Intangible assets		2,285.33	0.01	2,285.34
Capital work in progress		36.74	-	36.74
Intangible assets under development		30.43	-	30.43
Investment in an associate		201.00	-	201.00
Financial assets				
- Investments	1	52.57	(0.34)	52.23
- Loans	3	75.32	(35.24)	40.08
- Other financial assets		27.77	(0.10)	27.67
Other non-current assets	3	117.72	22.92	140.64
Deferred tax assets (net)	7	123.85	62.56	186.41
Total non-current assets		**3,971.64**	**49.80**	**4,021.45**
Current assets				
Inventories		1,398.23	56.60	1,454.83
Financial assets				
- Investments	1	163.57	(39.62)	123.95
- Loans		76.60	-	76.60
- Trade receivables	5	3,942.28	(235.48)	3,706.80
- Cash and cash equivalents		238.97	-	238.97
- Other financial assets		7.45	0.10	7.55
Other current assets	3	86.80	16.61	103.41
Total current assets		**5,913.90**	**(201.79)**	**5,712.10**
Total assets		**9,885.54**	**(151.99)**	**9,733.55**
Equity and liabilities				
Equity				
Equity share capital		2.02	-	2.02
Other equity				
- Retained earnings		1,700.84	188.51	1,889.35
- Other reserves		4,288.17	(340.54)	3,947.63
Equity attributable to equity holders of the parent		**5,991.03**	**(152.03)**	**5,839.00**
Non- Controlling Interests		**31.47**	**-**	**31.47**
Total equity		**6,022.50**	**(152.03)**	**5,870.47**
Non-current liabilities				
Financial liabilities				
- Borrowings		680.67	-	680.67
- Trade payables		6.82	-	6.82
- Other financial liabilities		7.33	-	7.33
Net employee defined benefit liabilities		51.54	-	51.54
Other non-current liabilities		7.80	-	7.80
Total non current liabilities		**754.16**	**-**	**754.16**
Current liabilities				
Financial liabilities				
- Borrowings		1,247.23	-	1,247.23
- Trade payables		1,479.51	-	1,479.51
- Other financial liabilities		102.70	0.04	102.74
Other current liabilities		154.45	-	154.45
Net employee defined benefit liabilities		6.51	-	6.51
Other provisions		118.48	-	118.48
Total current liabilities		**3,108.88**	**0.04**	**3,108.92**
Total equity and liabilities		**9,885.54**	**(151.99)**	**9,733.55**

(*Indian Gaap numbers have been regrouped to conform to classifications as per Ind AS)

S Chand and Company Limited
Notes to Consolidated financial statements as at 31 March 2018 *(Continued)*

Annexure IIa - Reconciliation of equity as at 31 March 2017

(₹ in millions)

Particulars	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
Assets				
Non-current assets				
Property, plant and equipment		977.52	-	977.52
Intangible assets	4	3,970.36	17.47	3,987.83
Capital work in progress		7.66	-	7.66
Intangible assets under development		26.51	-	26.51
Investment in an associate	1	192.72	(4.37)	188.35
Financial assets				
- Investments	1	54.27	0.16	54.43
- Loans	3	78.46	(35.17)	43.29
- Other financial assets		9.05	-	9.05
Other non-current assets	3	110.25	17.87	128.12
Deferred tax assets (net)	7	109.95	63.67	173.62
Total non-current assets		**5,536.75**	**59.63**	**5,596.38**
Current assets				
Inventories		1,535.83	166.03	1,701.86
Financial assets			-	
- Investments	1	195.46	(40.03)	155.43
- Loans		88.52	8.25	96.77
- Trade receivables	5	5,060.81	(359.00)	4,701.81
- Cash and cash equivalents		335.57	-	335.57
- Other financial assets		42.44	-	42.44
Other current assets	3	194.80	5.25	200.05
Total current assets		**7,453.43**	**(219.50)**	**7,233.93**
Total assets		**12,990.18**	**(159.87)**	**12,830.31**
Equity and liabilities				
Equity				
Equity share capital		149.22	-	149.22
Other equity				
- Retained earnings		2,270.76	43.60	2,314.36
- Other reserves		4,153.30	(205.32)	3,947.98
Equity attributable to equity holders of the parent		**6,573.28**	**(161.72)**	**6,411.56**
Non- Controlling Interests		130.54	1.85	132.39
Total equity		**6,703.82**	**(159.87)**	**6,543.95**
Non-current liabilities				
Financial liabilities				
- Borrowings		313.36	-	313.36
- Trade payables		9.35	-	9.35
- Other financial liabilities		2.36	-	2.36
Net employee defined benefit liabilities		52.63	-	52.63
Other non-current liabilities		6.76	-	6.76
Total non current liabilities		**384.46**	**-**	**384.46**
Current liabilities				
Financial liabilities				
- Borrowings		1,680.16	-	1,680.16
- Trade payables		1,809.52	-	1,809.52
- Other financial liabilities		2,038.73	-	2,038.73
Other current liabilities		183.48	-	183.48
Net employee defined benefit liabilities		6.48	-	6.48
Other provisions		183.53	-	183.53
Total current liabilities		**5,901.90**	**-**	**5,901.90**
Total equity and liabilities		**12,990.18**	**(159.87)**	**12,830.31**

(*Indian Gaap numbers have been regrouped to conform to classifications as per Ind AS)

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

Annexure IIb - Reconciliation of profit and loss for year ended 31 March 2017

(₹ in millions)

	Particulars	Foot notes	Indian GAAP*	Ind AS Adj	Ind AS
I	**Revenue from Operations**		6,841.48	(249.31)	6,592.17
II	Other Income	3	20.21	9.18	29.39
III	**Total Income (I+II)**		**6,861.69**	**(240.13)**	**6,621.56**
IV	**Expenses**				
	Cost of published goods/material consumed		1,870.12	-	1,870.12
	Purchase of traded goods		182.75	-	182.75
	Publication expense		566.77	-	566.77
	(Increase)/ decrease in inventories of finished goods, work-in-progress, scrap and components		54.70	(125.08)	(70.38)
	Employee Benefits Expense	2 and 6	1,166.73	7.78	1,174.51
	Selling and distribution expense		635.26	(50.77)	584.49
	Finance Costs		355.71	(2.15)	353.56
	Depreciation and amortization expense	4	281.80	(17.47)	264.33
	Other Expenses	5	656.98	(30.79)	626.19
	Total expenses		**5,770.82**	**(218.48)**	**5,552.34**
V	**Profit before share of loss of an associate (III-IV)**		**1,090.87**	**(21.65)**	**1,069.23**
VI	Share of profit/ (Loss) of an associate		(18.29)	(4.37)	(22.66)
VII	**Profit before tax (V - VI)**		**1,072.58**	**(26.02)**	**1,046.56**
VIII	**Tax expense:**				
	Current tax		416.16	-	416.16
	Income tax adjustment related to earlier years		4.18	-	4.18
	Deferred tax (credit)/ charge	7	15.62	(2.02)	13.60
	Total tax expenses		**435.96**	**(2.02)**	**433.94**
IX	**Profit for the period (VII - VIII)**		**636.62**	**(24.00)**	**612.62**
X	**Other Comprehensive Income**				
	- Items that will not be reclassified to profit or loss				
	Re-measurement gains/(losses) on defined benefit plans	6	-	3.26	3.26
	Income tax effect		-	(1.38)	(1.38)
XI	**Total Comprehensive Income for the period (IX - X)**		**636.62**	**(22.12)**	**614.50**

Footnotes to the reconciliation of equity as at 1 April 2016 and 31 March 2017 and profit or loss for the year ended 31 March 2017 are as below:-

1. Under previous GAAP, quoted equity investments and mutual funds were valued at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognized in the statement of profit and loss.

2. Under previous GAAP, the Company was accounting employee stock option plans as per intrinsic value method. Under Ind AS, these have been accounted for at fair value as per Ind AS 102. Further, compensation cost of options granted to employees of subsidiary companies have been capitalized with the cost of investments in such subsidiary companies as per Ind AS 102.

3. Under previous GAAP, security deposits given by the Company against lease agreements for office premises at various locations were measured at transaction value ignoring the time value of money. Under Ind AS, these deposits were considered as financial assets and has been valued at amortised cost.

4. Under previous GAAP, goodwill was amortised on straight line basis over a period of 10 years. Under Ind AS, Goodwill is required to be tested for impairment at each reporting date, hence, amount of amortisation made for goodwill under IGAAP has been reversed in the statement of profit and loss.

S Chand and Company Limited
Notes to Consolidated financial statements for the year ended 31 March 2018 *(Continued)*

5. Under previous GAAP, provision was being made on financial assets on incurred loss model. Under Ind AS, provision on financial assets is required to be made as per expected credit loss model considering the expected cash shortfalls from such financial assets and delay in expected realization from such financial assets.

6 Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, re-measurements comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

7 Under Indian GAAP, deferred tax was accounted using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, entities need to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

54. Previous period figures

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**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per Yogesh Midha
Partner, Membership No.: 94941

Himanshu Gupta
Director, DIN:00054015

Dinesh Kumar Jhunjhnuwala
Director, DIN: 00282988

Saurabh Mittal
Chief Financial Officer

Jagdeep Singh
Company Secretary

Place : New Delhi
Date : 30 May 2018

NOTICE

NOTICE is hereby given that 47th Annual General Meeting (**"AGM"**) of Members of S Chand And Company Limited (**"Company"**) will be held on Tuesday, September 25, 2018 at 4:00 pm 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, 2018 and the Reports of Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Dinesh Kumar Jhunjhnuwala (DIN:00282988), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Rajagopalan Chandrashekar as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) and other applicable provisions, if any (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof), for the time being in force, Mr. Rajagopalan Chandrashekar (DIN: 03634002), who was appointed as an Additional (Independent) Director of the Company with effect from July 23, 2018, as per the provisions of Section 161 of the Act and the Articles of Association of the Company to hold office upto the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from July 23, 2018 to July 22, 2023.

RESOLVED FURTHER THAT the Board of Directors including Nomination and Remuneration Committee thereof and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. Approval of S Chand - Employees Stock Option Plan 2018

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (**"the Act"**) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (**"the SEBI ESOS Regulations"**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the SEBI LODR Regulations"**),the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Members be and is hereby accorded to introduce and implement the S Chand - Employees Stock Option Plan 2018 (**"ESOP – 2018/Scheme"**) the salient features of which are detailed in the explanatory statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding promoter, promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as **"Employees"**) selected on the basis of criteria decided by the Board under the ESOP - 2018, such number of stock options convertible into equity shares of the Company (**"Options"**), in one or more tranches, not exceeding 1,90,000 (One Lac Ninety Thousand Only) equity shares of face value of Rs. 5 each, at an exercise price of Rs. 355 per option and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP - 2018, and all provisions of applicable laws.

RESOLVED FURTHER THAT the ESOP-2018 may also envisage provisions for providing financial assistance to the eligible Employees to enable them to acquire, purchase or subscribe to the said equity shares of the Company in accordance with the provisions of the Act/ Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot equity shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP - 2018 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organization of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP - 2018 and the exercise price of Options granted under the ESOP - 2018 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 5 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted stock Options under the ESOP - 2018.

RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorized to formulate, evolve, decide upon and implement the ESOP - 2018, determine the detailed terms and conditions of the aforementioned ESOP - 2018 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such stock Options shall lapse and to grant such number of Options, to such employees of the Company, at an exercise price of Rs. 355 per option, at such time and on such terms and conditions as set out in the ESOP - 2018 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOP - 2018.

RESOLVED FURTHER THAT the Board is hereby authorized to make any modifications, changes, variations, alterations or revisions in the ESOP - 2018 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP - 2018 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP - 2018 on the stock exchanges, where the shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP - 2018 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

6. **Extension of S Chand - Employees Stock Option Plan 2018 to the employees of Subsidiary Company(ies)**

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (**"the Act"**) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (**"the SEBI ESOS Regulations"**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"the SEBI LODR Regulations"**), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as **"the Board"**, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), the consent of the Members be and is hereby accorded to extend the benefits of S Chand - Employees Stock Option Plan 2018 (**"ESOP – 2018/Scheme"**) proposed in the resolution number 5 above to such persons who are in the permanent employment of the subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), (hereinafter referred to as "**Subsidiary Companies"**), whether working in India or out of India and to the directors of the Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, hereinafter referred to as **"Subsidiary Companies Employees"** at an exercise price of Rs. 355 per option in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP – 2018.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the equity shares, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP – 2018 from time to time or to suspend, withdraw, or revive ESOP – 2018 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Subsidiary Companies Employees.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the equity shares and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

7. **Levy of charges for delivery of any document to member through a particular mode requested by such member**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory amendment(s) or modification(s) or re-enactment thereof, for the time being in force), the consent of the Members be and is hereby accorded to charge from the member in advance such fees equivalent to the estimated actual expenses of delivery of the documents to the member through a particular mode requested by such member.

   RESOLVED FURTHER THAT Mr. Himanshu Gupta, Managing Director and Mr. Jagdeep Singh, Company Secretary of the Company, be and are hereby severally authorized to do all acts, deeds and things and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board
S Chand And Company Limited

Sd/-
Jagdeep Singh
Company Secretary
Membership No. A15028

Date: August 8, 2018
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 Member. The instrument appointing proxy in order to be valid and effective must be deposited at the Registered Office/Corporate 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 AGM and until the conclusion of the Meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

7. The register of Members and share transfer books of the Company shall remain closed from –Wednesday, September 19, 2018 to Tuesday, September 25, 2018 (both days inclusive).

8. Final Dividend on equity shares as recommended by the Board of Directors for the year ended March 31,2018, if approved at the Meeting, will be paid within a period of 30 days from the date of declaration, to those eligible Members who hold shares:

   (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on Tuesday, September 18, 2018.

   (b) In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents on or before Tuesday, September 18, 2018.

9. Members may avail nomination facility as provided under Section 72 of the Companies Act, 2013.

10. Pursuant to Regulation 36(3) of the SEBI Listing Regulations 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.

11. The Company hereby request 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 Participants / R&T of the Company.

12. Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agents, M/s Link Intime India Private Limited or to 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 Agents. Any such changes effected by the DP will be automatically reflected in the records of the Company subsequently.

13. Electronic copy of the Annual Report for financial year ending March 31, 2018 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, 2018 is being sent in the permitted mode. Electronic copy of the Notice of the 47thAGM 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 47thAGM 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 47th AGM, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for financial year ending March 31, 2018 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/Corporate 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.

14. 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 SEBI Listing Regulations, as amended, is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the 47th 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 Central Depository Services (India) Limited (**"CDSL"**).

    (i) The remote e-voting period begins on Friday, September 21, 2018 (9.00 am) and ends on Monday, September 24, 2018 (5.00pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Record Date) of September 18, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders.

    (iv) Now Enter your User ID

    (a) For CDSL: 16 digits beneficiary ID,

    (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (v) Next enter the Image Verification as displayed and Click on Login.

    (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

    (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the Depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv)

    (viii) After entering these details appropriately, click on "SUBMIT" tab.

    (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of S Chand And Company Limited

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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.

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 18, 2018 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 Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, 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 Participants 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 for registration of transfer of securities.

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 shall 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 alongwith the Scrutinizer's Report shall be displayed at the Registered Office as well as the Corporate Office of the Company and uploaded on the Company's website www.schandgroup.com as well as on the website of CDSL 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 Agents 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 Act, 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 Act, and the applicable rules.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

In accordance with the Section 161 and other applicable provisions of the Act and the relevant provisions of the Articles of Association of the Company, Mr.Rajagopalan Chandrashekar (DIN: 03634002) was appointed as an Additional Director (Independent) with effect from July 23, 2018 to hold office as an Additional Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member proposing the candidature of Mr. Rajagopalan Chandrashekar for the office of Independent Director of the Company.

Mr. Rajagopalan Chandrashekar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as the Director of the Company. The Company has received a declaration from Mr. Rajagopalan Chandrashekar that he meets with the criteria of independence as prescribed under Section 149(6) of the Act.

A brief resume of Mr. Rajagopalan Chandrashekar having details forms part of Annexure I of this Notice. In the opinion of your Board, Mr. Rajagopalan Chandrashekar is eligible and fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. Mr. Rajagopalan Chandrashekar is not debarred from holding the office of director pursuant to any SEBI order or any authority.

Considering his academic and professional background and vast experience, your Board is of the view that the appointment of Mr. Rajagopalan Chandrashekar on the Board of Directors as an Independent Director would be of immense benefit to the Company. Accordingly, the Board recommends the appointment of Mr. Rajagopalan Chandrashekar as an Independent Director of the Company for a period of 5 (five) consecutive years effective from July 23, 2018 by way of passing an Ordinary Resolution.

Except Mr. Rajagopalan Chandrashekar, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Rajagopalan Chandrashekar is not related to any Director of the Company. This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

A copy of the Letter of Appointment for Independent Director, setting out terms and conditions of his appointment, is available and open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of Meeting and will also be made available at the Meeting.

Item No. 5 & 6

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Subsidiary Company(ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Subsidiary Company(ies) on the growth path.

Keeping in line with the above, "S Chand - Employees Stock Option Plan 2018" (**"the ESOP 2018/Scheme"**) has been formulated by the Company and to be implemented by Nomination and Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI ESOS Regulations**") issued by SEBI and other applicable laws. ESOP 2018 has been approved by the Board of Directors at their Meeting held on August 8, 2018 subject to the approval of the Members.

ESOP 2018 will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a committee of the Board of Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the ESOP 2018 including:

- Number of Options to be granted to any Employee, and in the aggregate;
- Terms on which the Options will vest;
- The conditions under which Options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the Options, and lapsing of Options on failure to exercise the Options within the exercise period;
- The specified time period within which the Employee shall exercise the vested Options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the Options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of Options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Brief Description of the ESOP 2018/Scheme is given as under:

a) The total number of Options to be granted

The total number of Options that may, in the aggregate, be issued would be such number of Options which shall entitle the option holders to acquire in one or more tranches upto 1,90,000 (One Lac Ninety Thousand Only) equity shares of Rs. 5 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling of shares shall be deemed to be increased to the extent of such additional equity shares issued.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP - 2018.

b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a promoter or a person belonging to the promoter Group) and further excluding a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the ESOP 2018 shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The Options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

c) Terms of the scheme:

(1) The Company shall not vary the terms of the Scheme in any manner, which may be detrimental to the interests of the Option grantees: Provided that the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirements.

(2) Subject to the proviso to sub-regulation (1), the Company may by special resolution in a general meeting vary the terms of the Scheme offered pursuant to an earlier resolution of the general meeting but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option grantees.

(3) The notice for passing special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale therefore, and the details of the Option grantees who are beneficiaries of such variation.

(4) The Company may re-price the Options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option grantees and approval of the Members in general meeting has been obtained for such re-pricing.

d) Transferability of Employee Stock Options:

(1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death and permanent in-capacitance of the Option grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

(2) In the event of resignation or termination (with cause) of the Option grantee, all the Options which are granted and yet not vested as on that day shall lapse.

(3) In the event that an Option grantee who has been granted benefits under the Scheme is transferred or deputed to subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

e) Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP - 2018.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All vested Options as on date of submission of resignation may be exercised by the Option Grantee **on or before his last working day** with the Company.	All unvested Options on the date of submission of resignation shall stand **cancelled** with effect from that date.
2	Termination (without Cause)	All vested Options as on date of submission of resignation may be exercised by the Option Grantee **on or before his last working day** with the Company.	All unvested Options on the date of submission of resignation shall stand **cancelled** with effect from that date.
3	Termination (with Cause)	All vested Options which were not allotted at the time of such termination shall stand **cancelled** with effect from the date of such termination.	All unvested Options on the date of such termination shall stand **cancelled** with effect from the termination date.
4	Retirement or early Retirement approved by the Company	All vested Options as on date of retirement may be exercised by the Option Grantee **within 6 months from the date of retirement.**	All unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee **within 6 months from the date of retirement.**
5	Death	All vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than **6 months** from the date of Death.	All the unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within **6 months** from the date of Death.
6	Permanent Disability	All vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than **6 months** from the date of such disability.	All the unvested Options as on the date of such permanent disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than **6 months** from the date of such disability.
7	Abandonment*	All the vested Options shall stand **cancelled**.	All the unvested Options shall stand **cancelled**.
8	Other reasons apart from those mentioned above	The Committee shall decide whether the vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All unvested Options on the date of separation shall stand **cancelled** with effect from that date.

* The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

f) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of Options, unless otherwise decided by the Nomination and Remuneration Committee.

g) Exercise price or pricing formula

Exercise Price means the price at which the Option grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be Rs. 355 per option.

h) Exercise period and process of exercise

The exercise period shall not be more than 5 years from the date of respective vesting of Options. The Options granted may be exercised by the grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The vested Options shall be exercisable by the Employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period. The Options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the exercise price shall be made at the time of exercise by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

i) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

j) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOP - 2018 shall not exceed the number of shares equivalent to 1% of the issued share capital of the Company and in aggregate if the prior specific approval from Members of the Company through a special resolution to this effect is not obtained.

k) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the Members a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

l) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

n) Disclosure and accounting policies

The Company shall conform to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

o) Method of Valuation

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The Company will follow IFRS/ IND AS/ any other requirements for the same.

p) Rights of the option holder

The Employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

q) Consequence of failure to exercise option

All unexercised Options shall lapse if not exercised on or before the exercised period ends. The amount payable by the Employee, if any, at the time of grant of Option, -

(a) may be forfeited by the Company if the Option is not exercised by the Employee within the exercise period; or

(b) may be refunded to the Employee if the Options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

r) Other terms

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2018, subject to compliance with the applicable laws and Regulations.

The equity shares may be allotted directly to the Option grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the Members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions No. 5 and 6, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the resolutions set out in Item No. 5 and 6 of the Notice for adoption by the Members as Special Resolution(s).

Item No. 7

As per the provisions of Section 20 (2) of the Companies Act, 2013 a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office address or by such electronic or other mode as may be prescribed. Further, a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company at its Annual General Meeting.

Therefore, to enable the Members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since, as per the above provisions of the Act the fees is to be determined in the Annual General Meeting, your Board of Directors recommends the proposed Ordinary Resolution set out at Item No. 7 for your approval.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the Resolution set out at Item No. 7 of this Notice calling AGM.

Necessary documents in this regard are available for inspection by the Members at the Registered Office of the Company during business hours on any working day.

By Order of the Board

Sd/-
Jagdeep Singh
Company Secretary
Membership No. A 15028
Delhi, August 8, 2018,

Registered Office:
Ravindra Mansion
Ram Nagar, New Delhi-110055
Tel:+91 11 66672000
Fax:+91 11 23677446
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	Ms. Dinesh Kumar Jhunjhnuwala (DIN: 00282988)	Mr. Rajagopalan Chandrashekar (DIN: 03634002)
Date of Birth	26/08/1960	07/09/1977
Age	58 yrs.	40 yrs.
Date of Appointment	11/12/2004	23/07/2018
Qualifications	Basic Education	Industrial engineer from NIT, Jalandhar and management graduate from NITIE, Mumbai
Expertise in specific functional area	12 years of experience in knowledge products and services industry	15 years of experience in Strategy, Corporate planning and Business development, straddling sectors across banking, management consulting, infrastructure, education
Disclosure of relationships between directors inter-se	He is father of Mr. Gaurav Kumar Jhunjhnuwala	N.A
No. of shares held in the Company	3790229 Equity Shares	Nil
Directorships in other Companies (excluding private Companies, Section 8 companies and foreign companies)	1. New Saraswati House (India) Private Limited 2. Chhaya Prakashani Private Limited 3. DS Digital Private Limited 4. Vikas Publishing House Private Limited 5. Nirja Publishers & Printers Private Limited 6. S Chand Edutech Private Limited	1. Vikas Publishing House Private Limited 2. Safari Digital Education Initiatives Private Limited 3. DS Digital Private Limited 4. New Saraswati House (India) Private Limited 5. Chhaya Prakashani Pvt. Ltd.
Memberships/Directorships of Committees of other Companies including S Chand	**Nirja Publishers & Printers Pvt. Ltd.** • Corporate Social Responsibility Committee-Member **Vikas Publishing House Pvt. Ltd.** • Corporate Social Responsibility Committee-Member **New Saraswati House (India) Pvt. Ltd.** • Corporate Social Responsibility Committee-Chairman **DS Digital Private Limited** • Audit Committee-Member **S Chand And Company Ltd.** • Subsidiaries and Joint Ventures Governance Committee-Member • Corporate Social Responsibility Committee-Member • Administrative Committee-Member • IPO Committee-Member	**Vikas Publishing House Pvt. Ltd.** • Corporate Social Responsibility Committee-Member **DS Digital Private Limited** • Audit Committee – Member • Nomination & Remuneration Committee-Member **New Saraswati House (India) Private Limited** • Corporate Social Responsibility Committee-Member **Chhaya Prakashani Private Limited** • Audit Committee – Member • Nomination & Remuneration Committee-Chairman • Corporate Social Responsibility Committee-Member
Terms and Condition of appointment / re-appointment	As per Employment Agreement dated September 15, 2012	Appointed as an Independent Director for a period of 5 (five) consecutive years effective from July 23, 2018 subject to the approval of Members. As an Independent Director he is entitled for sitting fees as may be determined by the Board from time to time and reimbursement of expenses for participation in the meeting of Board or any committee thereof.
Remuneration to be paid	Rs. 12.34 Millions Plus perquisites upto 10% of salary and commission upto 1% of net profit for the year	Nil
Remuneration last drawn	Rs. 16.42 Millions	N.A.
Number of Board meeting attended during the year	6 out of 7	N.A.

Mr. Dinesh Kumar Jhunjhnuwala being appointee and Mr. Gaurav Kumar Jhunjhnuwala being his relative and to the extent of their shareholding interest in the Company are concerned or interest in the resolution set out at Item no. 3.

Except Mr. Rajagopalan Chandrashekar being appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Your Board recommends the above ordinary resolutions as set out in this Notice for your approval.

S Chand And Company Limited

Corporate Identification Number-L22219DL1970PLC005400

Registered Office: Ravindra Mansion, Ram Nagar, Delhi - 110055
Tel.: +91 11 666 72000 ; Fax: +91 91 11 23677446

Corporate Office A-27, Second Floor, Mohan Co-operative Industrial Estate, New Delhi 110044
Tel.: +91 11 4973 1800; Fax: +91 91 11 4973 1801
Website: www.schandgroup.com

Forty Seventh Annual General Meeting to be held on Tuesday, September 25, 2018
at 4:00P.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 : Ravindra Mansion, Ram Nagar, New Delhi - 110055

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 Tuesday, 25th day of September, 2018 at 4:00 P.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	Vote: Against
Ordinary Business			
1	Adoption of Audited Financial Statements (both standalone and consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the Reports of Directors and Auditors thereon		
2	To declare final dividend on equity shares for the financial year ended March 31, 2018.		
3	To appoint a Director in place of Mr. Dinesh Kumar Jhunjhnuwala (DIN 00282988), who retires by rotation, and being eligible, offers himself for re-appointment.		
Special Business			
4	Appointment of Mr. Rajagopalan Chandrashekar as an Independent Director of the Company		
5	Approval of S Chand - Employees Stock Option Plan 2018		
6	Extension of S Chand - Employees Stock Option Plan 2018 to the employees of Subsidiary Company(ies)		
7	Levy of charges for delivery of any document to member through a particular mode requested by such member		

Signed this ________ day of __________________ 2018

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/Corporate 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 And Company Limited
Corporate Identification Number-L22219DL1970PLC005400
Registered Office: Ravindra Mansion, Ram Nagar, Delhi - 110055
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Corporate Office A-27, Second Floor, Mohan Co-operative Industrial Estate, New Delhi 110044
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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 Seventh Annual General Meeting of the Company to be held on Tuesday, September 25, 2018 at 4:00 P.M. at Executive Club Resort, 439, Village Sahaoorpur, Post office Fatehpur Beri, New Delhi 110074.

____

Signature of Member / Proxy

Notes:

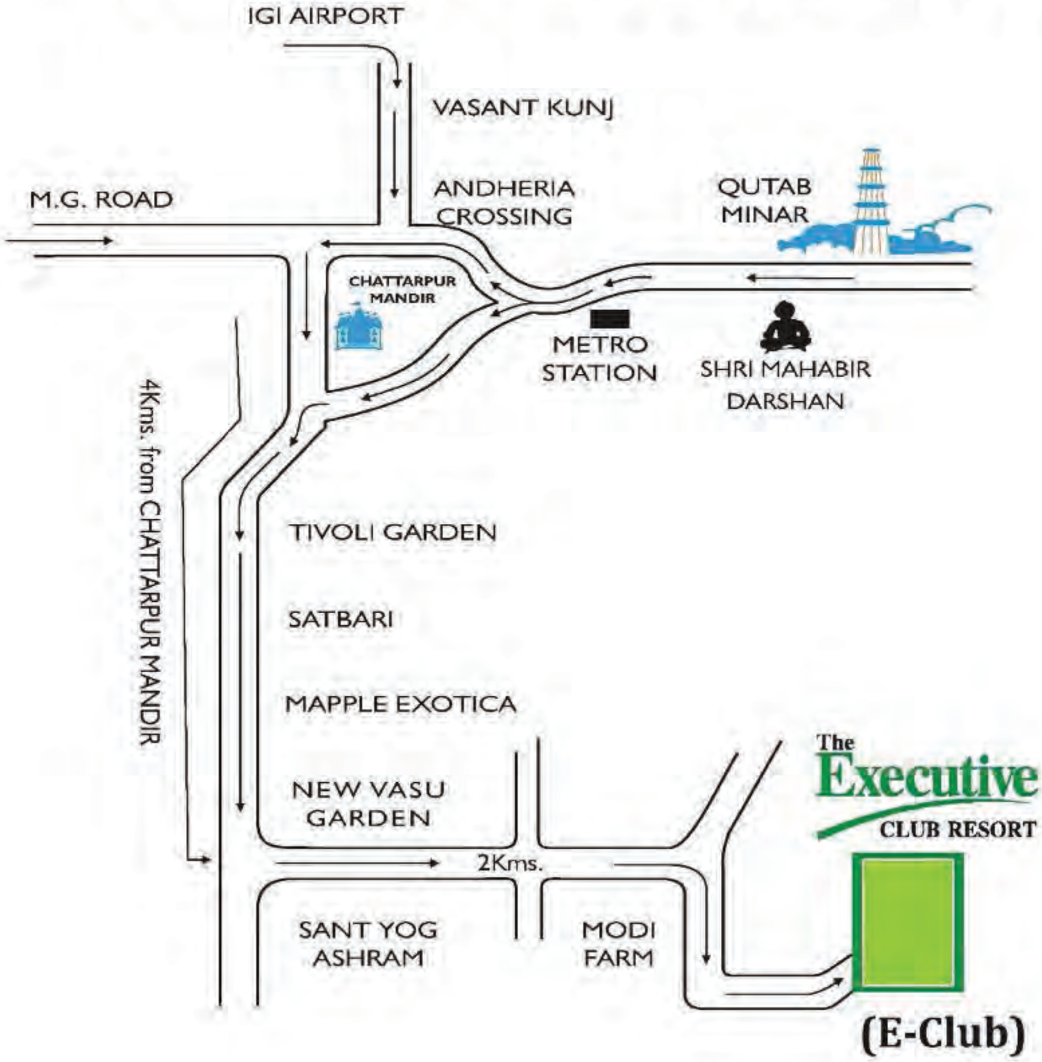
1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Name of the Proxy in Block letters ____________________ (in case the Proxy attends the meeting).
3. Those who hold shares in Demat form to quote their Demat Account 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 Sequence No. (EVSN)	User ID	Sequence Number
180820016		

Note: Please read the instructions printed under the Note No. 14 to the Notice dated August 8, 2018 of the Forty Seventh Annual General Meeting. The voting period starts from 9.00 a.m. (IST) on Friday, September 21, 2018 and ends at 05:00 p.m. (IST) on Monday, September 24, 2018. The voting module shall be disabled by CDSL for voting thereafter.

ROUTE MAP FROM QUTAB MINAR TO THE EXECUTIVE CLUB



S. CHAND
PUBLISHING

REGISTERED OFFICE
S Chand And Company Limited
Ravindra Mansion, Ram Nagar,
New Delhi-110055
Tel: 91 11 66672000
Fax: 91 11 23677446
website: www.schandgroup.com

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