
G.K. Publications Private Limited

Statutory Audit Report for
the year ended March 31,
2020

INDEPENDENT AUDITOR'S REPORT

To the Members of G.K. Publications Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **G.K. Publications Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters in the notes to the Ind AS financial statements:

1. Note 43 to the Ind AS financial statements, which describes that the Company has initiated a legal proceeding against a customer to recover the long outstanding dues amounting to Rs. 49.00 Lakhs as at March 31, 2020 and it's assessment about the recoverability of the dues from the said customer.
2. Note 44 to the Ind AS financial statements, which explains the Management's evaluation of the financial impact on the Company due to lockdown and other restrictions imposed on account of COVID-19 pandemic situation. The assessment of the impact in the subsequent period is highly subjective and is dependent upon circumstances as they evolve.



Our opinion is not modified in respect of the above matters.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

Other Matter

We could not observe the physical verification of inventory conducted by the Management at the year end, as it was not practically possible due to lockdown conditions and therefore, we have performed alternative procedures and relied on internal controls in respect of existence of inventory at the year end.



Our opinion is not modified in respect of this matter.

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 section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. The matters described under Emphasis of Matter section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year. Hence, section 197 of the Act related to the managerial remuneration is not applicable;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and



HARIBHAKTI & CO. LLP

Chartered Accountants

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

For Haribhakti & Co.LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Raj Kumar Agarwal

Partner

Membership No. 074715

UDIN:20074715AAAACF5557

Place: New Delhi

Date: June 29, 2020



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of G.K. Publications Private Limited on the Ind AS financial statements for the year ended March 31, 2020]

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

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company did not have any immovable property. Accordingly paragraph 3(i)(c) of the order is not applicable to the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loan, made investment and provide guarantees and securities. Accordingly, paragraph 3(iv) of the order is not applicable to the Company.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii)
- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), duty of customs, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, duty of customs, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) There are no dues with respect to income tax, sales tax, service tax, value added tax, GST, customs duty, excise duty which have not been deposited on account of any dispute.
- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government and has not issued any debentures. Accordingly, clause 3(viii) of the Order is not applicable to the Company to this extent.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As the Company has not paid any managerial remuneration during the year, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Raj Kumar Agarwal

Partner

Membership No. 074715

UDIN: 20074715AAAACF5557

Place: New Delhi

Date: June 29, 2020



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of G.K. Publications Private Limited on the Ind AS financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of G.K. Publications Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



A company's internal financial control with reference to 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 preparationoffinancial 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 thefinancial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financialcontrols with reference to financial statementsand such internal financial controls with reference to financial statementswere operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048



Raj Kumar Agarwal

Partner

Membership No. 074715

UDIN : 20074715AAAACF5557

Place: New Delhi

Date: June 29, 2020



G.K. Publications Private Limited
Balance Sheet as at March 31, 2020
(All amounts are in Rupees in lacs unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	4.63	5.44
Deferred tax assets (net)	4	294.21	235.14
Non-current (tax) assets (net)	5	2.63	11.99
Total non-current assets		301.47	252.57
Current assets			
Inventories	6	1,272.66	971.85
Financial Assets			
(i) Trade receivables	7	2,266.36	2,723.23
(ii) Cash and cash equivalents	8	9.93	47.99
(iii) Bank balances other than (ii) above	9	-	150.00
(iv) Loans	10	2.50	2.97
(v) Other financial assets	11	-	9.86
Other current assets	12	1.48	7.91
Total current assets		3,552.93	3,913.81
Total assets		3,854.40	4,166.38
Equity and liabilities			
Equity			
Equity share capital	13	19.00	19.00
Other equity	14	(617.85)	(510.40)
Total equity		(598.85)	(491.40)
Liabilities			
Non-current liabilities			
Provisions	15	18.16	9.94
Total non-current liabilities		18.16	9.94
Current liabilities			
Financial liabilities			
(i) Borrowings	16	462.13	436.35
(ii) Trade payables	17		
- to micro enterprises and small enterprises		-	2.10
- to other than micro enterprises and small enterprises		3,852.34	3,994.94
(iii) Other financial liabilities	18	13.30	27.43
Other current liabilities	19	107.15	177.46
Provisions	20	0.17	0.17
Current tax liabilities (net)	21	-	9.39
Total current liabilities		4,435.09	4,647.84
Total liabilities		4,453.25	4,657.78
Total equity and liabilities		3,854.40	4,166.38

Summary of significant accounting policies 2
The accompanying notes 1 to 46 form an integral part of these financial statements.

As per our report of even date.
For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 103523WAW100048

Raj Kumar Agarwal
Partner
Membership No.:074715

Place: New Delhi
Date: June 29, 2020



For and on behalf of the Board of Directors of
G.K. Publications Private Limited

Gautam Puri
Director
DIN: 00033548

Place: New Delhi
Date: June 29, 2020



Nikhil Mahajan
Director
DIN: 00033404

G.K. Publications Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts are in Rupees in lacs unless otherwise stated)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue			
Revenue from operations	22	17.21	1,453.59
Other income	23	368.70	34.55
Total income (I)		385.91	1,488.14
Expenses			
Purchases of stock-in-trade	24	453.37	1,270.28
Changes in inventories of stock-in-trade	25	(323.30)	(103.25)
Employee benefit expense	26	183.05	184.79
Finance costs	27	54.01	65.79
Depreciation and amortisation expense	28	0.99	1.57
Other expenses	29	180.23	325.00
Total expenses (II)		548.35	1,744.18
(Loss) before tax (I-II)		(162.44)	(256.04)
Tax expense/(benefit)			
Current tax		-	-
Tax for earlier years		(0.22)	-
Deferred tax		(57.95)	(48.60)
Total tax expense		(58.17)	(48.60)
(Loss) for the year after tax (A)		(104.27)	(207.44)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(4.30)	1.43
Income tax relating to these items		1.12	(0.37)
Total other comprehensive income for the year after tax (B)		(3.18)	1.06
Total comprehensive income (A+B)		(107.45)	(206.38)
Earnings per equity share (par value of Rs 10 per share)	30		
Basic & Diluted (Rs.)		(54.88)	(109.18)

Summary of significant accounting policies 2
The accompanying notes 1 to 46 form an integral part of these financial statements.

As per our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 103523W/W100048

Raj Kumar Agarwal
Partner
Membership No.:074715



Place: New Delhi
Date: June 29, 2020

For and on behalf of the Board of Directors of
G.K. Publications Private Limited

Gautam Puri

Gautam Puri
Director
DIN: 00033548



Nikhil Mahajan

Nikhil Mahajan
Director
DIN: 00033404

Place: New Delhi
Date: June 29, 2020

G.K. Publications Private Limited

Cash Flow Statement for the year ended March 31, 2020

(All amounts are in Rupees in lacs unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
A Cash flow from operating activities		
Net loss before tax	(162.44)	(256.04)
Adjustments for:		
Depreciation and amortization expense	0.99	1.57
Finance costs	54.01	65.79
Interest income	(4.53)	(10.76)
Bad debts written off	-	1.04
Provision/(reversal) for expected credit loss	(340.96)	149.76
Provision for slow moving inventory	26.09	-
Excess provisions written back	(3.60)	(23.79)
Other comprehensive income	(4.30)	1.43
Operating loss before working capital changes	(434.74)	(70.99)
Adjustments in operating assets:		
(Increase)/decrease in Inventories	(326.89)	(129.26)
(Increase)/decrease in Trade receivables	797.83	(368.55)
(Increase)/decrease in Current financial asset-loans	0.47	1.50
(Increase)/decrease in Other current assets	6.43	(1.53)
Adjustments for in operating liabilities:		
Increase/(decrease) in Non-current provisions	8.22	0.17
Increase/(decrease) in Trade payables	(141.11)	499.69
Increase/(decrease) in Other current financial liabilities	(14.13)	1.44
increase/(Decrease) in Other current liabilities	(70.31)	175.01
increase/(Decrease) in Current provisions	-	(15.48)
Cash generated from operations	(174.23)	92.00
Taxes paid	0.19	(1.04)
Net cash generated from operating activities	(174.04)	90.96
B Cash flow from investing activities:		
Capital expenditure on fixed assets	(0.18)	(0.78)
Interest received	14.39	1.06
Realisation from bank deposits with original maturity more than 90 days	150.00	-
Net cash flow generated from Investing activities	164.21	0.28
C Cash Flow from financing activities:		
Finance cost paid	(13.14)	(18.24)
Repayment of short-term borrowings (Refer note ii)	(15.09)	(58.40)
Net cash flow used in financing activities	(28.23)	(76.64)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(38.06)	14.60
Cash and cash equivalents		
-at beginning of the year	47.99	33.39
-at end of the year	9.93	47.99



G.K. Publications Private Limited

Cash Flow Statement for the year ended March 31, 2020

(All amounts are in Rupees in lacs unless otherwise stated)

Notes :

(i) Components of cash and cash equivalents (Refer note 8)

Balances with banks

- on current accounts

9.93	47.99
<u>9.93</u>	<u>47.99</u>

(ii) Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities.

Particulars	April 01, 2019	Cash flows	Non cash changes	March 31, 2020
Short-term borrowings	436.35	(15.09)	40.87	462.13

Particulars	April 01, 2018	Cash flows	Non cash changes	March 31, 2019
Short-term borrowings	447.21	(58.40)	47.55	436.35

(iii) Cash and cash equivalents includes bank overdraft that are repayable on demand and form an integral part of Company's cash management.

(iv) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.

(v) Notes to the Financials Statements form an integral part of the Cash Flow Statement.

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. : 103523W/W100048

Raj Kumar Agarwal

Partner

Membership No.: 074715

Place: New Delhi

Date: June 29, 2020



For and on behalf of the Board of Directors of
G.K. Publications Private Limited

Gautam Puri

Director

DIN: 00033548

Place: New Delhi

Date: June 29, 2020

Nikhil Mahajan

Director

DIN: 00033404



G.K. Publications Private Limited
Statement of changes in equity for the year ended March 31, 2020
(All amounts are in Rupees in lacs unless otherwise stated)

A. Equity share capital

Balance as at March 31, 2018	19.00
Changes in equity share capital during the year 2018-19	-
Balance as at March 31, 2019	19.00
Changes in equity share capital during the year 2019-20	-
Balance as at March 31, 2020	19.00

B. Other equity

For the year ended March 31, 2020

Particulars	Reserves & surplus		Remeasurement of defined benefit plans	Total
	General reserve	Retained earnings		
Balance as at April 1, 2018	-	(305.10)	1.08	(304.02)
Loss for the year	-	(207.44)	-	(207.44)
Other comprehensive income	-	-	1.06	1.06
Total comprehensive income	-	(207.44)	1.06	(206.38)
Adjustment during the year	-	-	-	0.00
Transfer to general reserve	-	-	-	0.00
Transfer from retained earnings	-	-	-	0.00
Balance as at March 31, 2019	-	(512.54)	2.14	(510.40)
Balance as at April 01, 2019	-	(512.54)	2.14	(510.40)
Loss for the year	-	(104.27)	-	(104.27)
Other comprehensive income	-	-	(3.18)	(3.18)
Total comprehensive income	-	(104.27)	(3.18)	(107.45)
Adjustment during the year	-	-	-	-
Transfer to general reserve	-	-	-	-
Transfer from retained earnings	-	-	-	-
Balance as at March 31, 2020	-	(616.81)	(1.04)	(617.85)

As per our report of even date.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.:103523W/W100048

Raj Kumar Agarwal
Partner

Membership No.: 07476

Place: New Delhi

Date: June 29, 2020



For and on behalf of the Board of Directors of

G.K. Publications Private Limited

Gautam Puri

Director

DIN: 00033548

Place: New Delhi

Date: June 29, 2020

Nikhil Mahajan

Director

DIN: 00033404



Reporting Entity

G.K. Publications Private Limited ("the Company") was incorporated on 31 May 2001. The Company operates in test preparation industry through distribution of study resources, study guides, sample test papers and question banks to help students improve their performance in professional entrance examinations like GATE, IES, IAS, IIT, AIEEE, etc. The Company is having its registered office at Mathura Road, Faridabad, Haryana and its corporate office at Mohan Cooperative Industrial Estate, New Delhi. CL Educate Limited holds 100% (previous year 100%) equity shares of the Company.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year April 01, 2019 to March 31, 2020.

1. Basis of preparation

(i) Statement of compliance:

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

The significant accounting policies adopted in the preparation of these financial statements are included in note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

(ii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the above criteria, the Company has ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

(iii) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to nearest lacs, unless otherwise stated.

(iv) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

(v) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.



Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note no 38: Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 are included in the following notes:

- Note no 36: measurement of defined benefit obligations and plan assets: key actuarial assumptions;
- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 38: fair value measurement of financial instruments including expected credit losses on a financial assets;
- Note no 38: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no 40: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
- Note no 38: impairment of financial assets.

(vi) Measurement of fair value

A number of accounting policy and disclosures require measurement of fair value for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary 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:

- In the principal market for the asset or liability, or
 - 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 to/ by the Company.

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) 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 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.



2. Significant accounting policies

(i) Revenue

The Company earns revenue solely from the sale of books and study material through its nationwide distribution network. Revenue is measured based on the transaction price and also excludes taxes collected from customers. Details on the Company's revenue recognition practice are outlined below.

Sale of Books & Scrap

Revenue from contract with customers is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Variable Consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which change occurs. Some contracts for the sale of goods provide customers with volume rebates and right to returns which give rise to variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Contract Balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section vii (iv) in Financial instruments.

Contract Assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities (Unearned Revenue)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Amounts billed and received or recoverable prior to the reporting date for services and such services or part of such services are to be performed after the reporting date are recorded as contract liabilities as per the provisions of the Ind AS-115 and shown in other current liabilities.

Use of significant judgements in revenue recognition: -

- The performance obligation is satisfied at point of time upon delivery of the books and study material. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint. Accordingly, refund liability towards expected return has been created.



- Contract fulfilment costs are generally expensed as incurred except for certain incentive costs which meet the criteria for deferment. Such costs are expensed over the contractual period or useful life of contract whichever is less. The assessment of these criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

(ii) **Recognition of interest income**

Interest income

Interest income on time deposits is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(iii) **Property, plant and equipment**

Recognition and measurement

Items of property, plant and equipment are measured at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their estimated useful lives using the straight line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.



The useful lives of the assets are as under:

Particulars (tangible assets):	Useful lives (in years)
Furniture and fixtures	10
Plant & Machinery	15
Office equipment	5
Computer equipment	3

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(iv) **Intangible assets**

An intangible asset is recognised when it is probable that future economic benefit attributable to the asset will flow to the company and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss. The useful lives of intangible assets are as follows:

Intangible assets:	Useful lives (in years)
Non-compete fees	5
Software	2

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

(v) **Impairment of non-financial assets**

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.



Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(vii) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (OCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing financial assets & the contractual terms of the cash flow. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and



- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gain and losses

Financial liabilities are classified at measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Offsetting

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts



and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v. Impairment of financial assets

The company recognises loss allowances for expected credit losses on;

- Financial assets measured at amortised cost and;
- Financial assets measured at FVOCI- debt instruments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.



12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and Informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due and is not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(viii) Leases:

The Company has adopted the new accounting standard Ind AS 116 "Leases" w.e.f April 1, 2019 as per Companies (Indian Accounting Standards) amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets (ROU), and finance cost for interest accrued on lease liability.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Where the Company is lessee

At the commencement date of the lease the Company recognizes a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments included in the



measurement of the lease liability consist of the payments for the right of use the underlying assets during the lease term that are not paid at the commencement date of the lease.

The payments included in the measurement of the lease liability include fixed payments less any lease incentives receivable variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes a right-of-use asset from a lease contract at the commencement date of the lease, which is the date that the underlying asset is made available for use.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date of the lease less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any and adjusted for any re measurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

It also considers possible asset retirement obligations in the cost of the right-of-use asset. Right-of-use assets are subject to impairment testing in future periods.

On the date of transition, the Management of Company evaluated all its lease arrangements. As determined since all lease arrangements are for a period of less than 12 months, the same are determined to be short term leases. Accordingly, the requirements of 'Ind AS 116: Leases' do not apply to the Company.

(ix) **Inventories**

Inventories comprising of traded goods are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in, first out formula.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item by item basis.

(x) **Employee Benefits**

Short term employee benefits:

Short term employee benefit obligation are measured on an undiscounted basis and are expenses off as the related services is provided. Benefits such as salaries, wages, and bonus etc are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

Long term employee benefits

Defined contribution plan: Provident fund



All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Company has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expenses in statement of profit and loss in the period during which the related services are rendered by the employees.

Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company provides for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the company with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the other comprehensive income. The Company's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company's determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company contributes to a policy taken from the IDBI federal life insurance company limited.

Other long-term benefits: Compensated absences

Benefits under the Company's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the statement of profit and loss.

(xi) **Income tax**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after



considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

Minimum alternate tax

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

(xii) Contingent Liability, Contingent Asset and Provisions

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.



Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(xiii) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(xiv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

(xv) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 - Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

Segment Earnings Before Interest, Tax and Depreciation ('EBITDA') is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Company deals in one business namely "Trading of books".

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 34 for segment information.



G.K. Publications Private Limited

Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in Rupees in lacs unless otherwise stated)

3 Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipments	Computers	Total
Cost or deemed cost (gross carrying amount)					
Balance as at April 1, 2018	3.78	1.28	0.82	4.00	9.88
Additions	-	-	-	0.78	0.78
Disposals	-	-	-	-	-
Balance as at March 31, 2019	3.78	1.28	0.82	4.78	10.66
Balance as at April 1, 2019	3.78	1.28	0.82	4.78	10.66
Additions	-	-	-	0.18	0.18
Disposals	-	-	-	-	-
Balance as at March 31, 2020	3.78	1.28	0.82	4.96	10.84
Accumulated depreciation & impairment losses					
Balance at April 1, 2018	0.54	0.38	0.56	2.17	3.65
Depreciation for the year	0.27	0.27	0.07	0.96	1.57
Disposals	-	-	-	-	-
Balance as at March 31, 2019	0.81	0.65	0.63	3.13	5.22
Balance at April 1, 2019	0.81	0.65	0.63	3.13	5.22
Depreciation for the year	0.27	0.26	0.00	0.46	0.99
impairment loss	-	-	-	-	-
Disposals	-	-	-	-	-
As at March 31, 2020	1.08	0.91	0.63	3.59	6.21
Carrying amount (net)					
As at March 31, 2019	2.97	0.63	0.19	1.65	5.44
As at March 31, 2020	2.70	0.37	0.19	1.37	4.63

Tangible assets are subject to first and exclusive charge to secure the company's borrowings referred in notes bank overdrafts in the previous year (refer note 16)



Notes to Financial Statements for the year ended March 31, 2020
(All amounts are in Rupees in lacs unless otherwise stated)

4 Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax assets (Refer note 40)	294.21	235.14
	294.21	235.14

The management is of the view that the current losses are of temporary nature due to changes in market conditions resulting changes in pattern of competitive examination. The Company is in process of revising its content and revamping distribution channel and sales strategies including identification of new markets. The management believes on the basis of current order book and agreements/ MOUs that the Company will be profitable in next 2-3 years and will be able to fully recover unabsorbed depreciation and losses within the time frame allowed under Income Tax Act, 1961.

5 Non current (tax) assets (net)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good, unless otherwise stated		
Advance income tax and tax deducted at source [Net of provision March 31, 2020: Nil (March 31, 2019: Rs. 12.64 lacs)]	2.63	11.99
	2.63	11.99

6 Inventories

	As at March 31, 2020	As at March 31, 2019
Valued at lower of cost and net realisable value		
Stock in trade-Books	1,221.21	839.24
Less: Provision for slow moving inventory	(30.24)	(7.75)
Right to Return Assets (Refer note i)	81.69	140.36
	1,272.66	971.85

Notes:

i. For explanation regards Right to return asset, (Refer note 25(i))

7 Trade receivables

	As at March 31, 2020	As at March 31, 2019
considered good, unless otherwise stated		
Considered good- Unsecured	2,266.36	2,723.23
Trade Receivable which have significant increase in credit risk	130.65	582.36
	2,397.01	3,305.59
Less: Impairment for trade receivables	130.65	582.36
	2,266.36	2,723.23

Of the above, trade receivables from related parties are as below:

Total trade receivables from related parties (Refer note iii & note 35).	314.34	176.33
	314.34	176.33

i. For explanation on the Company credit risk management process (Refer Note 38).

ii. Trade receivables are non interest bearing and are normally received in normal operating cycle.

iii. No trade or other receivable are due from director or other officer of the Company and firms or private companies in which any director is a partner, a director or a member either jointly or severally with other persons except as stated above.

iv. For terms and condition of trade receivable owing from related parties, (Refer note 35).

v. The Company has measured Expected Credit Loss of trade receivable based on simplified approach as per Ind AS 109 "Financial Instruments" (Refer note 38). Also, Refer Note 43.



Notes to Financial Statements for the year ended March 31, 2020
(All amounts are in Rupees in lacs unless otherwise stated)

8 Cash and cash equivalents

Balances with banks
- on current accounts
-Cheque in Hand

As at March 31, 2020	As at March 31, 2019
9.93	1.54
-	46.45
9.93	47.99

Notes:

i. For explanation on the Company credit risk management process (Refer note 38).

9 Other bank balances

Deposits with maturity less than 12 months from Balance Sheet date (Refer note ii)

As at March 31, 2020	As at March 31, 2019
-	150.00
-	150.00

Notes:

i. For explanation on the Company credit risk management process (Refer note 38).

ii. This deposit is pledged against Cash Credit facility from Kotak mahindra Bank of Rs. Nil (Previous Year Rs. 150 lacs) (Refer note 16).

10 Current financial asset-loans

Unsecured, considered good unless otherwise stated

Loans and advances to employees
Security deposits

As at March 31, 2020	As at March 31, 2019
2.50	2.96
-	0.01
2.50	2.97

Notes:

i. For explanation on the Company credit risk management process (Refer note 38).

11 Other current financial assets

Interest accrued but not due on fixed deposits

As at March 31, 2020	As at March 31, 2019
-	9.86
-	9.86

Notes:

i. For explanation on the Company credit risk management process (Refer note 38).

12 Other current assets

Unsecured, considered good, unless otherwise stated

Advance to suppliers
Prepaid expenses
Contract Cost Deferred

As at March 31, 2020	As at March 31, 2019
1.47	3.20
0.01	-
-	4.71
1.48	7.91

Deffered Contract Cost is the upfront cost (employees inclusive) required to bring a contract that will be ammortised over the terms of contracts .



13 Equity share capital

a. The Company has only one class of share capital having a par value of Rs. 10 per share, Referred to herein as equity shares.

	As at Mar 31, 2020	As at Mar 31, 2019
Authorised shares		
250,000 (31 March 2019: 250,000;) equity shares of Rs 10 each fully paid up	25.00	25.00
Issued, subscribed and fully paid-up shares		
190,000 (31 March 2019: 190,000;) equity shares of Rs 10 each fully paid up	19.00	19.00
	19.00	19.00

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

Particulars	As at Mar 31, 2020		As at Mar 31, 2019	
	No of share	Amount	No of share	Amount
Shares outstanding at the beginning of the year	190,000	19.00	190,000	19.00
Shares outstanding at the end of the year	190,000	19.00	190,000	19.00

Terms/rights attached to equity shares

Voting

Each holder of equity shares is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting except in the case where interim dividend is distributed. The Company has not declared any dividend during the current year and previous year.

Liquidation

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

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/associates

Name of shareholder	Nature of Relationship	As at Mar 31, 2020		As at Mar 31, 2019	
		No of share	% of Holding	No of share	% of Holding
CL Educate Limited	Holding Company	189,999	99.99%	189,999	99.99%
Nikhil Mahajan	Nominee of CL Educate Limited	1	0.01%	1	0.01%

d. Detail of shareholders holding more than 5% of equity shares of the Company

Equity shares of Rs. 10, each fully paid	As at Mar 31, 2020		As at Mar 31, 2019	
	No of share	% of shares	No of share	% of shares
CL Educate Limited	189,999	99.99%	189,999	99.99%
	189,999	99.99%	189,999	99.99%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares. One share is held by nominee shareholder of CL Educate Limited.

e. No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back in the period of five years immediately preceding the balance sheet date.



14 Other equity

	As at March 31, 2020	As at March 31, 2019
14.1 Deficit in the Statement of Profit and Loss (A)		
Opening balance	(512.54)	(305.10)
Add: Net loss for the year	(104.27)	(207.44)
Closing balance (A)	(616.81)	(512.54)

14.2. Other comprehensive income

	As at March 31, 2020	As at March 31, 2019
Opening balance	2.14	1.08
Addition: Other comprehensive income for the year after tax	(3.18)	1.06
Closing balance (B)	(1.04)	2.14
Total other equity (A+B)	(617.85)	(510.40)

15 Non current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 36)		
Gratuity	15.50	8.02
Leave encashment	2.66	1.92
	18.16	9.94

16 Current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured loans		
Loan from bank (Refer note i)	-	15.09
Unsecured loans		
Loan from related party (Refer Note 35 & ii)	462.13	421.26
	462.13	436.35

Notes:

i: Loan from Bank

Secured loan from bank represents overdraft facility from Kotak Mahindra Bank Limited and the same was repaid during the year. The same loan was secured by the following:-

Primary security

The loan was secured by first and exclusive charge on all present and future current and movable assets including movable fixed assets of the Company.

Lien over the fixed deposit of Nil (March 31, 2019: Rs. 150.00 lacs).

Guarantees

The overdraft facility (OD) was further secured by personal guarantees of directors of the Company named Mr. Satya Narayanan R., Mr. Gautam Puri and Mr. Nikhil Mahajan. Year end balance of OD as at March 31, 2020 is Nil. (March 31, 2019 is Rs. 15.09 lacs).

Interest rate:

The overdraft facility carries an interest rate ranging between 11.05% p.a. -12.40% p.a.(previous year 11.05% p.a. -12.40% p.a.) payable on monthly basis.

ii. Loan from related party

Represents loan repayable on demand to the holding company. The aforesaid loan bears interest rate ranges from 9.95% - 11.55% (previous year 11.55% - 12.50%). The interest on loan is added to the loan amount at the end of every financial year, when it becomes due. The disbursement under the loan shall be repaid on demand at any time upon service of 1 month notice on the borrower.

iii. For explanation on the Company liquidity risk management process Refer note 38).



17 Trade payables

	As at March 31, 2020	As at March 31, 2019
Trade payable		
- to micro enterprises and small enterprises	-	2.10
- to other than micro enterprises and small enterprises	3,852.34	3,994.94
	<u>3,852.34</u>	<u>3,997.04</u>

Notes:

- i. Trade payables are non interest bearing and are normally settled in normal trade cycle.
- ii. Trade payables from related parties (Refer note 35).
- iii. For terms and conditions with related parties (Refer note 35).
- iv. For explanation on the Company liquidity risk management process (Refer note 38).
- v. For the purpose of disclosure under clause 22 of chapter V of MSMED Act 2006 (Refer note 37)

18 Other current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Employee related payables	13.30	27.43
	<u>13.30</u>	<u>27.43</u>

Notes:

- i. For explanation on the Company liquidity risk management process (Refer note 38).

19 Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory dues	5.04	2.01
Refund liabilities created out of return assets (Refer note no 22(iii))	102.11	175.45
	<u>107.15</u>	<u>177.46</u>

20 Current provisions

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 36)		
Gratuity	0.14	0.14
Leave encashment	0.03	0.03
	<u>0.17</u>	<u>0.17</u>

21 Current tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019
Provision for income tax [net of advance tax and tax deducted at source March 31, 2020: Rs. Nil, March 31, 2019: Rs 18.76 lacs]	-	9.39
	<u>-</u>	<u>9.39</u>



22 Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations		
Sale of books (Refer note i, ii & iii)	17.21	1,453.59
	17.21	1,453.59

Notes:

- i. The Company deals in only one product namely "Trading of books". Hence disclosures under broad heads are not applicable. Additionally, electronic storage disks sold are delivered with books (wherever applicable) as an integral part of sale and hence their value cannot be determined separately. Revenue from sale are shown net of rebates & discounts.
- ii. It Includes revenue from Related Party. (Refer note 35)
- iii. Reconciliation of Revenue Recognised with the Contracted Price is as follows

	Year ended March 31, 2020	Year ended March 31, 2019
Contracted Price	148.57	1,639.18
Reduction Toward variable consideration*	(131.36)	(185.59)
	17.21	1,453.59

- * Reduction Toward variable consideration include Rs. 102.11 Lacs (Previous Year 175.45 lacs) towards expected returns against which refund liability has been created. (Refer note 19) The cost component of expected returns has been account for under inventory as right to return assets.

23 Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on fixed deposits	4.53	10.76
Reversal of Provision for expected credit losses (Refer note 38)	340.96	-
Excess provisions written back	3.60	23.79
Miscellaneous income	19.61	-
	368.70	34.55

24 Purchases of Stock-in-trade

	Year ended March 31, 2020	Year ended March 31, 2019
Text books (Refer note 35).	453.37	1,270.28
	453.37	1,270.28

25 Changes in Inventories of stock-in-trade

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year	1,221.21	839.24
Right to return Assets-Inventory (Refer note i)	(58.67)	140.36
Inventories at the beginning of the year	839.24	876.35
Net increase	(323.30)	(103.25)

Notes:

1. Right to return assets indicate the cost component of expected returns recognised. (Refer note 22(iii)).

26 Employee benefit expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salary, wages, bonus and other benefits	163.33	169.92
Contribution to provident and other funds (Refer note 36)	8.55	7.32
Leave encashment (Refer note 36)	1.30	0.88
Gratuity expenses (Refer note 36)	3.77	2.37
Staff welfare expenses	6.10	4.30
	183.05	184.79



27 Finance costs

Interest expenses

- On loan from related party (Refer note 35)
- On bank overdraft facility
- On delay in payment of TDS
- Other borrowing cost
- Processing Fees

Year ended March 31, 2020	Year ended March 31, 2019
45.41	47.55
8.60	17.65
0.00	0.07
-	0.52
54.01	65.79

28 Depreciation and amortisation expense

Depreciation of tangible assets (Refer Note 3)

Year ended March 31, 2020	Year ended March 31, 2019
0.99	1.57
0.99	1.57

29 Other expenses

- Consumption of packing materials
- Rent (Refer note 31)
- Travelling and conveyance expense
- Legal and professional expenses (Refer note i)
- Business promotion expenses
- Bad debts
- Provision for expected credit losses (Refer note 38)
- Sales Incentive
- Communication expenses
- Rates and taxes
- Insurance expenses
- Freight and cartage
- Repair -others
- Printing and stationery
- Provision for slow moving inventory
- Miscellaneous expenses

Year ended March 31, 2020	Year ended March 31, 2019
17.89	15.87
8.50	7.08
39.27	53.36
7.74	13.29
3.38	8.90
-	1.04
-	149.76
5.35	0.96
1.16	1.51
0.49	0.02
0.59	0.72
60.73	63.67
2.64	1.12
2.94	4.59
26.09	0.00
3.46	3.11
180.23	325.00

(i) Notes:

Auditors' Remuneration (excluding taxes)

- Statutory audit
- Special Purpose Audit Fee
- Out of pocket Expense

Year ended March 31, 2020	Year ended March 31, 2019
4.00	4.00
-	1.75
0.18	0.34
4.18	6.09

30 Disclosure as per Ind AS 33 on 'Earnings per Share'

Basic and diluted earnings per share

Basic and diluted earnings per share (Refer footnote a & b)

Nominal value per share

(i) Loss attributable to equity shareholders

Loss for the year

Loss attributable to equity shareholders

(b) Weighted average number of equity shares

Opening balance of issued equity shares

Effect of shares issued during the year, if any

Weighted average number of equity shares for Basic and Diluted EPS

At present, the Company does not have any dilutive potential equity shares.

Year ended March 31, 2020	Year ended March 31, 2019
(54.88)	(109.18)
10.00	10.00
(104.27)	(207.44)
(104.27)	(207.44)
190,000	190,000
-	-
190,000	190,000



- 31 The Company is a lessee under an operating lease. The lease terms of these premise ranged from 0 to 1 year and accordingly it was a short term lease. The Company has not executed any non-cancellable operating leases.

Amount recognised in statement of profit and loss

Lease expense

Year ended March 31, 2020	Year ended March 31, 2019
8.50	7.08
8.50	7.08

- 32 **Contingent liabilities & contingent assets**

There are no contingent liabilities or contingent assets as at March 31, 2020 and March 31, 2019.

- 33 **Commitments**

There are no capital or other material commitments as at March 31, 2020 and March 31, 2019.

- 34 **Disclosure as per Ind AS 108 on 'Operating segments'**

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Company's operating segments

The company's board of directors have been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility. The Company's board reviews the results of "Trading of Books" on a quarterly basis. The company's board of directors uses Earning Before Interest, Tax and Depreciation (EBITDA) to assess the performance of the operating segments. Accordingly, there is only one Reportable Segment for the Company which is "Trading of Books", hence no specific disclosures have been made.

Entity wide disclosures

Information about products and services

The company deals in one business namely "Trading of books", therefore product wise revenue disclosure is not applicable.

Information about geographical areas

The company operates under single geographic location, there are no separate reportable geographical segments.

Information about major customers (from external customers)

Revenue from major customer which is more than 10% of the company's total revenue amounting Rs. 287.20 Lacs (March 31, 2019: Rs 498.41 Lacs)

- 35 **Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures'**

- (1) List of related parties

- (i) Related parties where control exists:

Relationship	Name of related party	Ownership Control	
		March 31, 2020'	March 31, 2019'
Holding Company	CL Educate Limited	100%	100%

- (ii) Other related parties where with whom transactions have taken place:

Relationship	Name of related party
Enterprises that are under common control with the reporting enterprise - Fellow subsidiaries	1. CL Media Private Limited 2. Ice Gate Educational Institute Private Limited 3. Career Launcher Infrastructure Private Limited



(2) Details of related party transactions are as below:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Sale of books (net of returns)		
- CL Educate Limited	72.34	35.98
- Career Launcher Infrastructure Private Limited	68.66	
b) Purchase of books (net of returns & discounts)		
- CL Media Private Limited	436.01	1,275.70
c) Repayment of borrowings		
- CL Educate Limited	-	26.50
d) Interest expense on borrowings		
- CL Educate Limited	45.41	47.55
e) Conversion of interest into borrowings		
- CL Educate Limited	40.87	42.79
f) Infrastructure Expense		
- CL Educate Limited	8.50	7.08

3. Balance outstanding as at year end

	As at March 31, 2020	As at March 31, 2019
a) Trade Receivables		
- CL Educate Limited	245.46	176.11
- ICE Gate Educational Institute Private Limited	0.22	0.22
- Career Launcher Infrastructure Private Limited	68.66	-
	314.34	176.33
b) Trade Payables		
- CL Media Private Limited	3,752.86	3,918.02
- CL Educate Limited	16.21	5.32
	3,769.07	3,923.34
c) Current borrowings		
- CL Educate Limited	462.13	421.26

4. Terms and conditions of transactions with the related parties

i. The terms and conditions of the transactions with key management personnel were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

ii. All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

iii. For the year Ended March 31, 2020 the Company has not recorded any impairment of receivables relating to amounts owed by related party (March 31, 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

iv. Borrowing represents loan repayable on demand to the holding company. The aforesaid loan bears interest rate ranges from 9.95% - 11.55% (previous year 11.55% - 12.50%). As per the Agreement, the interest on loan is added to the loan amount at the end of every financial year, when it becomes due. The disbursement under the loan shall be repaid on demand at any time upon service of 1 month notice on the borrower.



36 Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars

Year ended March 31, 2020	Year ended March 31, 2019
7.90	6.43

Contribution to provident fund

(ii) Defined Benefit Plan:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The Company contributes to a trust set up by the Company which further contributes to a policy taken from the Life Insurance Corporation of India.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. The following table set out the status of the defined benefit obligation

	As at March 31, 2020	As at March 31, 2019
Net defined benefit liability		
Liability for Gratuity	15.64	8.16
Total employee benefit liabilities		
Non-current	15.50	8.02
Current	0.14	0.14

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	8.68	0.51	8.17	9.83	1.43	8.40
Included in profit or loss						
Current service cost	3.15	-	3.15	1.71	-	1.71
Interest cost/(income)	0.66	-	0.66	0.77	-	0.77
Employer contribution						
	3.81	-	3.81	2.48	-	2.48
Included in OCI						
Remeasurements loss/(gain)						
- Actuarial loss/(gain) arising from:						
- Demographic assumption	(0.14)	-	(0.14)	-	-	-
- Financial assumptions	2.51	-	2.51	0.20	-	0.19
- Experience adjustment	1.93	-	1.93	(1.65)	-	(1.65)
Return on plan assets	-	0.04	(0.04)	-	0.08	(0.08)
	4.30	0.04	4.26	(1.45)	0.08	(1.53)
Other						
Contributions paid by the employer	-	0.60	(0.60)	-	1.18	(1.18)
Benefits paid	(0.32)	(0.32)	-	(2.17)	(2.17)	-
	(0.32)	0.28	(0.60)	(2.17)	(0.99)	(1.18)
Balance at the end of the year	16.47	0.83	15.64	8.69	0.52	8.16

C. Expenses Recognised in the statement of profit and loss for the year

Particulars

Year ended March 31, 2020	Year ended March 31, 2019
3.15	1.71
0.66	0.77
3.81	2.48

Current service cost
interest cost



D. Plan assets

Plan assets comprises of the

	As at March 31, 2020	% of Plan assets	As at March 31, 2019	% of Plan assets
Fund managed by insurer	0.83	100%	0.52	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.

E. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.76%	7.80%
Salary escalation rate	8.00%	8.00%

i) The discount rate has been assumed at 6.76% (March 31, 2019: 7.80%) which is determined by Reference to market yield at the balance sheet date on government securities

ii) 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.

b) Demographic assumptions

i) Retirement age (years)

ii) Mortality rates Inclusive of provision for disability

iii) Ages

Upto 30 years

From 31 to 44 years

Above 44 years

	As at March 31, 2020	As at March 31, 2019
	58	58
	100% of IALM (2006-08)	
	Withdrawal rate (%)	Withdrawal rate (%)
	3.00%	3.00%
	2.00%	2.00%
	1.00%	1.00%

F. Sensitivity analysis

Reasonably possible charges at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Increase
Discount rate (0.5% movement)	(1.32)	1.46	(0.69)	0.76
Future salary growth (0.5%)	1.44	(1.31)	0.76	(0.69)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.



G. Expected maturity analysis of the defined benefit plans in future years

Duration of defined benefit obligation

	As at March 31, 2020	As at March 31, 2019
Less than 1 year	0.22	0.14
Between 1-2 years	0.30	0.14
Between 2-5 years	0.96	0.47
Over 5 years	14.99	7.93
Total	16.47	8.68

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs 4.63 lacs (March 31, 2019 are Rs 2.92 lacs).
The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 17.74 years (March 31, 2019: 18.23 years).

(fi) Other long-term employee benefits:

The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the year in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such year, the benefit is classified as a long-term employee benefit. During the year ended March 31, 2020, the Company has incurred an expense on compensated absences amounting to Rs. 0.56 lacs (previous year Rs. (0.86 lacs). The Company determines the expense for compensated absences basis the actuarial valuation of plan assets and the present value of the obligation, using the Projected Unit Credit Method.

A. The following table set out the status of the defined benefit obligation

	As at March 31, 2020	As at March 31, 2019
Net defined benefit liability		
Liability for Leave encashment (unfunded)	2.70	1.95
Total employee benefit liabilities	2.70	1.95
Non-current	2.66	1.92
Current	0.03	0.03

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	1.95	-	1.95	1.56	-	1.56
Included in profit or loss						
Current service cost	0.63	-	0.63	0.70	-	0.70
Interest cost (income)	0.15	-	0.15	0.12	-	0.12
Employer contribution	0.78	-	0.78	0.82	-	0.82
Included in OCI						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- Demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.38	-	0.38	0.05	-	0.05
- experience adjustment	0.15	-	0.15	0.01	-	0.01
Return on plan assets excluding interest income	-	-	-	-	-	-
	0.53	-	0.53	0.06	-	0.06
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(0.56)	-	(0.56)	(0.49)	-	(0.49)
	(0.56)	-	(0.56)	(0.49)	-	(0.49)
Balance at the end of the year	2.70	-	2.71	1.95	-	1.95

C. Expenses Recognised in the statement of profit and loss for the year

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	0.63	0.70
Interest cost	0.15	0.12
Actuarial loss/(gain)	0.53	0.06
	1.31	0.88



D. Actuarial assumptions

a) Economic assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.76%	7.80%
Salary escalation rate	8.00%	8.00%

- i) The discount rate has been assumed at 6.76% (March 31, 2019: 7.80%) which is determined by Reference to market yield at the balance sheet government securities.
 ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant such as supply and demand in the employment market.

b) Demographic assumptions

i) Retirement age (years)

ii) Mortality rates inclusive of provision for disability

iii) Ages

Upto 30 years

From 31 to 44 years

Above 44 years

	As at March 31, 2020	As at March 31, 2019
	58	58
		100% of IALM
Withdrawal rate (%)		
	3.00%	3.00%
	2.00%	2.00%
	1.00%	1.00%

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Increase
Discount rate (0.5% movement)	(0.22)	0.24	(0.16)	0.18
Future salary growth (0.5%)	0.24	(0.22)	0.18	(0.16)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
 B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
 C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
 D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
 E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Duration of defined benefit obligation		
Less than 1 year	0.05	0.03
Between 1-2 years	0.06	0.04
Between 2-5 years	0.16	0.12
Over 5 years	2.43	1.76
Total	2.70	1.95

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are Rs 0.87 lacs (March 31, 2019: 1.50 lacs).

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 17.74 years (March 31, 2019: 18.23 years).



- 37 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006: The disclosure in respect of the amounts payable to enterprises covered by Micro, Small and Medium Enterprise Development Act, 2006 (Act) have been made in the financial statements based on information received and available with the Company. No interest has been accrued or paid during the year as there have been no delays.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	-	2.10
- Interest	-	-
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 amounts of the payments made to micro and small suppliers 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 appointment day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-



38. Fair value measurement and financial instruments

a. Financial instruments - by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As at March 31, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Current							
Trade receivables	-	-	2,266.36	2,266.36	-	-	-
Cash and cash equivalents	-	-	9.93	9.93	-	-	-
Balances other than cash and cash equivalents	-	-	-	-	-	-	-
Loans	-	-	2.50	2.50	-	-	-
Other financial assets	-	-	-	-	-	-	-
Total	-	-	2,278.79	2,278.79			
Financial liabilities							
Current							
Borrowings	-	-	462.13	462.13	-	-	-
Trade payables	-	-	3,852.34	3,852.34	-	-	-
Other current financial liabilities	-	-	13.30	13.30	-	-	-
Total	-	-	4,327.77	4,327.77			

ii. As on March 31, 2019

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Current							
Trade receivables	-	-	2,723.23	2,723.23	-	-	-
Cash and cash equivalents	-	-	47.99	47.99	-	-	-
Balances other than cash and cash equivalents	-	-	150.00	150.00	-	-	-
Loans	-	-	2.97	2.97	-	-	-
Other financial assets	-	-	9.86	9.86	-	-	-
Total	-	-	2,934.05	2,934.05			
Financial liabilities							
Current							
Borrowings	-	-	436.35	436.35	-	-	-
Trade payables	-	-	3,997.04	3,997.04	-	-	-
Other current financial liabilities	-	-	27.43	27.43	-	-	-
Total	-	-	4,460.83	4,460.82			



Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

There are no transfers between level 1, level 2 and level 3 during the year ended March 31, 2020 and March 31, 2019. There are no financial assets/ liabilities measured at fair value/ amortised cost for which level 1 and level 2 inputs have been used. Accordingly, disclosures related to level 1 and 2 inputs are not applicable.

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, credit risk, liquidity risk, and the use of non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.



b. Financial risk management (continued)

(i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	2,397.01	3,305.59
Cash and cash equivalents	9.93	47.99
Bank balances other than cash and cash equivalents	-	150.00
Loans	2.50	2.97
Other financial assets	-	9.86

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customers. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach, (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivable as per term of sales agreements. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

Majority of trade receivables are from individual customers, which are fragmented. Trade receivables as at year end Rs. 2,397.02 lacs (31 March 2019: Rs. 3,305.59 lacs) primarily includes relating to revenue generated from sale of text books Rs. 148.57 lacs (31 March 2019: Rs. 1,639.18 lacs). Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

Particulars	Gross carrying amount	
	As at March 31, 2020	As at March 31, 2019
1-90 days past due	1,222.78	1,676.31
91 to 180 days past due	286.85	277.01
181 to 270 days past due	340.35	405.33
271 to 360 days past due	93.84	133.57
361 to 450 days past due	92.93	208.18
451 to 540 days past due	-	30.70
541 to 630 days past due	-	72.26
631 to 720 days past due	-	5.97
More than 720 days past due	-	282.42
	2,036.75	3,091.75

The management considers insignificant credit risk for payments due from related parties amounting Rs. 314.32 lacs for the year ended March 31, 2020 (March 31, 2019 Rs. 176.33 lacs). This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Company does not anticipate any material credit risk of any of its other receivables.

The Company believes that the unimpaired amounts that are past due by more than relevant terms are still collectible in full, based on historical payment behaviour and analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	582.36	432.60
Impairment loss recognised/(reversed)	(451.70)	149.76
Amount written off	-	-
Balance at the end	130.65	582.36



b. Financial risk management (continued)

(ii) 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 approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien and excluding interest accrued but not due) of Rs. 9.93 lacs as at March 31, 2020 (March 31, 2019: Rs. 47.99 lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at March 31, 2020	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Current Liabilities					
Borrowings	462.13	462.13	-	-	462.13
Trade payables	3,852.34	3,852.34	-	-	3,852.34
Employee related payables	13.30	13.30	-	-	13.30
Total	4,327.77	4,327.77	-	-	4,327.77

As at March 31, 2019	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Current Liabilities					
Borrowings	436.35	436.35	-	-	436.35
Trade payables	3,997.04	3,997.04	-	-	3,997.04
Employee related payables	27.43	27.43	-	-	27.43
Total	4,460.82	4,460.82	-	-	4,460.82



B Financial risk management (continued)

ii Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Since, the Company does not have any foreign currency transactions and investments, the currency risk and other price risk is not applicable on the Company.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the cash credit from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting year are as follows:

Variable-rate instruments	As at March 31, 2020	As at March 31, 2019
Loan from CL Educate Limited.	462.13	421.26
Cash credit from banks	-	15.09
Total	462.13	436.35

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on cash credit from banks				
For the year ended March 31, 2020	(2.11)	2.11	(1.56)	1.56
For the year ended March 31, 2019	(0.69)	0.69	(0.51)	0.51



39 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	462.13	436.35
Less : Cash and cash equivalent	(9.93)	(47.99)
Adjusted net debt (A)	452.20	388.36
Total equity (B)	(598.85)	(491.40)
Adjusted net debt to adjusted equity ratio (A/B)	-76%	-79%

Negative Net debt to adjusted Equity represents that the debt are more than the equity.



G.K. Publications Private Limited
Notes to Financial Statements for the year ended March 31, 2020
(All amounts are in Rupees in lacs unless otherwise stated)

40 Income tax

A. Amounts recognised in the statement of profit or loss

Current tax expense

	Year ended March 31, 2020	Year ended March 31, 2019
Current year	-	-
Adjustment for prior years	(0.22)	-
	(0.22)	-
Deferred tax expense		
Change in recognised temporary differences	(57.95)	(48.60)
Total Tax Expense	(57.95)	(48.60)
	(58.17)	(48.60)

B. Amounts recognised in Other Comprehensive Income

	Year ended March 31, 2020			Year ended March 31, 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit	(4.30)	1.12	(3.18)	1.43	(0.37)	1.06
	(4.30)	1.12	(3.18)	1.43	(0.37)	1.06

C. Reconciliation of effective tax rate

	March 31, 2020		March 31, 2019	
	Rate	Amount	Rate	Amount
Profit before tax	26.00%	(162.44)	26.00%	(256.04)
Tax using the Company's domestic tax rate (A)		-		-
Tax effect of:				
Carried forward business losses		-		-
Prior period error/adjustment		-		-
Rate difference		-		-
Non-deductible expenses		-		-
Effect of timing differences recognised		(57.95)		(48.60)
Total (B)		(57.95)		(48.60)
(A)+(B)		(57.95)		(48.60)

D. Movement in temporary differences

	As at April 1, 2019	Recognized in P&L	Recognized in OCI	As at March 31, 2020
Deferred tax assets				
Employee benefits	5.04	(1.39)	1.12	4.77
Carried forward losses	72.23	161.49	-	233.73
Other current financial liabilities	32.40	1.75	-	34.15
Inventories	(23.87)	10.50	-	(13.38)
Property, Plant & Equipment	0.06	0.90	-	0.97
Trade Receivables	149.28	(115.31)	-	33.97
Sub- Total (a)	235.14	57.95	1.12	294.21
Deferred tax liabilities				
Property, plant and equipment	-	-	-	-
Sub- Total (b)	-	-	-	-
Net deferred tax liability (b)-(a)	(235.14)	(57.95)	(1.12)	(294.21)



Notes to Financial Statements for the year ended March 31, 2020

(All amounts are in Rupees in lacs unless otherwise stated)

- 41 Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.
- 42 The Board of Directors of the Company in its meeting held on November 27, 2018 has approved a 'Scheme of Arrangement ('the Scheme') for amalgamation of the Company into CL Educate Limited, the Holding Company with effect from the appointed date and upon the Scheme becoming effective. An application under Regulation 37 of the SEBI (LODR) Regulations, 2015 was filed with the National Stock Exchange of India Limited ("NSE") and BSE Ltd. ("BSE"), for the proposed amalgamation of the companies, CL Media Private Limited, Accendre Knowledge Management Services Private Limited, Career Launcher Education Infrastructure & Services Private Limited and Kestone Integrated Marketing Services Private Limited ('Amalgamating Company') and CL Educate Limited ('Amalgamated Company'). The scheme will be effective upon approval from National Company Law Tribunal (NCLT). The appointed date as per the Scheme is April 01, 2019.

In view of the above, the Management has considered the Company as going concern and accordingly, has drawn the financial statements on a going concern basis.

- 43 The Company has an overdue trade receivables of Rs. 49.00 Lacs as at March 31, 2020 recoverable from Indian Book House Private Limited ('the Party'), one of the customer of the Company. The Company, based on the merits of the case, has initiated legal proceedings against the Party. Management is confident of recovering the amount in full from the party including costs. The Management on its best estimate have created Expected credit loss for the same and is of the view that it will be able to recover the amount in full.
- 44 **COVID-19 Impact**

The outbreak of COVID-19 epidemic globally and in India is causing significant disbursement and slowdown of economic activities. In many countries, business are being forced to cease or limit their operations for long or indefinite period of time. Measures are taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which got further extended till 17th May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

COVID-19 has significantly impacted the business operations of the company, by way of interruption in material procurement, supply chain distribution, unavailability of personnel, lock-down of schools, colleges, book-shops etc. which resulted in a significant loss of revenue in the month of March 2020 as compared to previous financial year. This being peak season for our GATE business has had a significant impact on our revenue in Q4 of FY 2020 with March traditionally accounting for about 20% of Annual Sales, this adversely affecting sales of the Company.

The Management has drawn projected cash flows for next one year, based on certain assumptions and have concluded that the Company will have sufficient liquidity to continue its operations. The company has also performed a sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions and expects to recover the carrying amount of the assets. In assessing the recoverability of Company's assets, loans, investments, trade receivables etc. the company has considered internal & external information upto the date of approval of these financial results.

However, the impact of the pandemic may differ from that estimated as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions.

- 45 These financial statements were authorized for issue by Board of Directors on June 29, 2020.
- 46 Previous year's figures have been regrouped and/or re-arranged wherever necessary to conform to current year's groupings and classifications.

For Haribhakti & Co. LLP
Chartered Accountants
Firm registration No. 108523W/W100048

Raj Kumar Agarwal
Partner
Membership No.:074715

Place: New Delhi
Date: June 29, 2020



For and on behalf of the Board of Directors of
G.K. Publications Private Limited

Gautam Puri
Director
DIN: 00033548

Place: New Delhi
Date: June 29, 2020

Nikhil Mahajan
Director
DIN: 00033404

Nikhil Mahajan